



**CITY OF  
SAGINAW**

**Michigan**

**Comprehensive Annual  
Financial Report**

**For the Fiscal Year Ended**

**June 30, 2019**

**City of Saginaw, Michigan**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**

Prepared by the Department of Fiscal Services

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November 26, 2019

To the Honorable Mayor, Members of the City Council,  
And Citizens of the City of Saginaw:

In compliance with Section 52 of the City Charter, the comprehensive annual financial report of the City of Saginaw, Michigan for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State law requires that all local governments, subject to a certain size criteria, publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally

accepted accounting standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report.

Generally accepted accounting principles require that management provide a narrative, introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Saginaw, Michigan has operated under a Council/Manager form of government since January 6, 1936.

As required by City Charter, the nine member City Council is elected at-large on a non-partisan basis to serve four-year terms of office. The Council is vested with all legislative powers of the City except as otherwise provided by state law or the charter. The Mayor is selected from the nine members of the Council via a vote at the first meeting following the election and serves as the executive head of the City for a two-year term. The Mayor presides at all meetings of the Council, and may speak and vote in such meetings as any other member of the Council. The Mayor Pro-Tem is also selected by a vote during the first meeting following the election and performs the duties of the Mayor in his or her absence. The City Manager is appointed by the Council and is the Chief Administrative Officer and the head of the administrative branch of the City government. The City Manager is responsible for administering the policies and ordinances of the Council, for appointing the department heads of the City's various departments, and overseeing the day-to-day operations of the City.

The City of Saginaw is located in east central Michigan near the Saginaw Bay, and covers 18.09 square miles within Saginaw County. The cities of Saginaw, Midland, and Bay City form a metropolitan region known as the Great Lakes Bay Region. Saginaw is the largest of the three cities with a population of approximately 51,508 (2010 census).

The City provides a full range of services to its citizens. These services include law enforcement; fire protection and protective inspection; sanitation; water and wastewater treatment; maintenance of highways, streets, and infrastructure; parks; planning and zoning; other general administrative services; and other services as mandated by law.

## **Economic Conditions and Outlook**

The City remains in stable financial condition, as is demonstrated by the financial statements and schedules included in this report. The top four revenues for the City are generated by the following, in order of revenue generated: 1. City Income Tax 2. State Shared Revenues, 3. Grants, and 4. Property Taxes. It is important to note that the City is limited in property tax collection due to a 1979 Charter amendment that placed a property tax cap on general operating collections. The City may only assess 7.5 mills or collect \$3.8 million, whichever is less, for general operations.

As the economy in Michigan and nationally has declined in recent years, so has the level of state shared revenue allocated to the City by the state government. During fiscal years 2017 through 2019 the City has seen slight increases in state shared revenue, but it is still significantly lower than it should be, had even modest increases been made annually. The City has had to direct additional efforts to collections of delinquent funds owed to the City, such as delinquent income taxes and other fee related revenue. The management team is determined to continue to improve processes and efficiencies to manage and collect all sources of revenue that are due to the City. Furthermore, the continuing development of a fee based service delivery system, where applicable, for the City will be a priority in the upcoming fiscal year as the City will depend more upon service fees as a means to provide the current level of services to the community.

The City of Saginaw has seen a transformation in its economic base. For many years manufacturing associated with the auto industry provided the primary source of employment for the region. The City's economy relied heavily on General Motors



and Delphi Automotive Systems, which accounted for approximately a quarter of the City's taxable valuation and City income tax revenue. In the past few years, the City has experienced a shift in the economy from automotive manufacturing to medical services and the health care industry. Three of the top ten major employers, in terms of income tax withholding, are now in the health care industry (Covenant Health Care, Ascension Health Ministry, and the Department of Veterans Affairs - VA Medical Center).

The City's Office of the City Manager, Office of Management and Budget (SEDC), and Saginaw Future Inc. are currently working on projects to bring new businesses to the City of Saginaw to further diversify the economic base. Central Michigan University College of Medicine has been operating for a few years, with multiple classes studying and working in Saginaw. The school is located at Covenant Medical Center and Ascension Health Ministry, both located in the city. Additionally, the city is experiencing growth in the downtown area, where two significant market rate apartment buildings were renovated for both residential and commercial use and have high occupancy rates for the residential units. The other significant downtown area, Old Town, continues to experience growth, as renovations are taking place on historic buildings to provide housing in the form of condominiums and apartments. Additionally, a new market rate condominium project has been completed and all units are occupied; there is an accompanying residential/commercial rental development that was recently completed as well. These condominiums are located on a formerly vacant lot in the heart of Old Town. Delta College constructed a new campus in downtown Saginaw, and classes, with higher than expected enrollment, began this fall.

SVRC Industries, has redeveloped the iconic former Saginaw News building into a 100,000 square foot mixed-use facility, named the SVRC Marketplace. The Marketplace opened in June 2018 and has become a go-to venue in the downtown area. The SVRC Marketplace is a mixed-use facility supporting a year-round indoor market, consisting of a unique shopping experience offering a wide variety of delicious foods and quaint shops. This eclectic space has opportunities for local entrepreneurs to spread their wings by offering a licensed commercial kitchen and affordable locations within the Marketplace to grow their businesses. The Downtown Saginaw Farmer's Market resides outdoors under the SVRC Marketplace Pavilion. In the coming years the City expects to announce more exciting additions to the local economy.

### **Long-term Financial Planning**

The City anticipates that fiscal year 2020 will be another challenging year as state shared revenue and other City revenues have leveled off or are only slightly increasing, with expenses continuing to grow. The most significant are those related to retirees (healthcare and pension). This situation is not unique to the City of Saginaw, but is one that faces most communities in across the country. Many cities have been forced to reduce services in recent years to deal with historically accrued liabilities. The City has made several changes in the past few years to impact the long-term liability related to post-employment benefits – both pension and healthcare. Saginaw has eliminated the defined benefit pension plan for new hires and eliminated retiree healthcare for employees hired after 2009. The City also opened a new hybrid defined benefit and contribution retirement plan and was able to reamortize the necessary contributions for our traditional defined benefit retirement plans. Furthermore, on

January 1, 2017, the city transferred retirees into healthcare plans that are comparable to active healthcare plans. Previously, the city had 18 different retirement plans that were cost prohibitive. Through senior management's diligent work with these retirees to reduce the 18 plans down to two cost effective healthcare options, operational savings has been and will continue to be realized. We continue to evaluate and work toward additional changes.

The City of Saginaw has taken a proactive approach in addressing the issue of reduced revenue. As stated previously, the City has a renewed focus on collections and timeliness related to accounts receivable. A collections specialist has been working collaboratively with the Office of the City Clerk to ensure the notification and collection of past due Non-owner Occupied fees. Additionally, a City Manager created Management Review team continues to review city operations and make recommendations to reduce expenses and improve efficiency. The Management Review team has evolved from an implementation project team for the citywide staffing and efficiency study to a management group that meets with the City Manager regularly to review city operations and staffing levels. Since implementing many of the recommendations from that study, the team has continued to review operations and make additional recommendations and changes. The City Manager has also established a Financial Management Team to specifically address financial concerns. Finally, the City continues to update or develop fees for services and will continue to review all user fees generated by services provided to the public.

As has been typical for the past several years, the Fiscal Year 2019 budget was developed in a year of financial challenges. Local units of government throughout the country are

struggling to find ways to maintain services, particularly those cities that once relied heavily on the manufacturing industry. City administration's primary goal is to help build our city for the future and to develop it into what we believe it can be going forward. It is an exciting time for the city. Development, opportunity, interest, and investment are all taking place, particularly in the Riverfront District. With all of the changes over the last several years, the city has drastically changed the way it looks and the way that it does business. Community and economic development continue to be key focuses in Saginaw and there are some major initiatives that are happening. The City of Saginaw, in conjunction with the Michigan Municipal League and Saginaw Future, Inc., continues to find ways to enhance city services and entice businesses to the area. Riverfront Saginaw is the focus for commercial and entertainment enhancement in the City, and several like-minded community and business partners are working together to spread the positive message. This group is working together to get the word out about Saginaw. The goal is to accentuate the positives in our city, and let everyone know that Saginaw is open for business! Furthermore, in June of 2019, besides the city becoming a certified Redevelopment Ready Community, the city launched its marketing campaign with the revealing of its marketing video, "This is Saginaw, We Build Opportunity". The intent of this campaign is to attract new businesses, people, and real estate development to the city through changing the city's image.

City administration continues to take a holistic approach to financial planning, organizational development, and citizen engagement initiatives. We are increasing our presence in the community, while maintaining a budget that is solvent and sustainable. Legacy costs continue to be an issue for the city,

and the city is actively engaged with our union groups and retirees to reduce those costs.

As our community changes so does the City of Saginaw as an organization. The economy has forced everyone to make adjustments to the way they live. It has been more difficult than ever to make ends meet. The City of Saginaw is no exception. As you will notice in this budget, as well as by observing City operations, the City is not funding parks and recreation activities in the manner in which we would like. Saginaw is largely relying on volunteers and community groups to help improve and maintain our parks, and also to provide recreation services to our youth. That is why community groups are essential to the success of our City, and we do thank each and every one of those organizations.

In June of 2009, the City's Controller prepared a five-year financial forecast and presented it to the City Council in July of that year. The forecast illustrated what may happen to the City's financial position if it were to continue operating as if the economic climate has not changed. Thinking about future expenses drives city operations to this day. While the audit shows that our financial position has drastically improved, we are always aware of our future expenses and liabilities.

For the past several years the City has been dedicated to developing balanced budgets, establishing and maintaining strategic reserve funds, responsible review of capital improvement plans, and the efficient use of resources. In order to do so, the city has made necessary changes to services and operations to decrease expenses. The goal is to provide the public with the service levels that the city can afford. Expenditures will continue to be reduced through the extensive review of operations, cost containment initiatives, and the

strategic use of resources. Revenue will continue to be enhanced as the City seeks new and alternative methods of funding and focuses on the collection of past due receivables.

In the coming years, the City will have to continue to implement bold and innovative measures in order to remain operationally and fiscally sound. Current planning takes this into account and provides a basis from which to focus on change through reforms and related difficult decision making.

### **Strategic Planning**

The City of Saginaw management team and Council believe that long-term planning is vitally important to ensure the City's fiscal viability. The City of Saginaw's City Council and management team meet annually to discuss and prioritize the City's goals and objectives for the year.

In January 2017, The City of Saginaw's City Council, city administration, and members of the public set a five year vision for the City. The City's five key vision areas that came from this session were: 1.) Economic Development of the Urban Core, 2.) Neighborhood Revitalization, 3.) Arts, Culture, and Recreation, 4.) Police and Fire, and 5.) Utilities Infrastructure.

City Council and the Management Team envision a city that has reclaimed its longtime position as the region's most inviting and attractive place to live, work, play, and learn and have begun earmarking funding to meet these goals. This vision spotlights five areas where the City can re-invent itself and transition to the next level of excellence in local governance

### Economic Development

*In five years, Saginaw will be...*

- A diverse economy including medical, manufacturing, government, and agri-business industries.
- Engaged in place-making and development around the riverfront.
- Increasing in small business support and development.
- A community that embraces underserved populations to create pathways to prosperity.

### Neighborhood Revitalization

*In five years, Saginaw will have...*

- More code enforcement and community policing which will equal higher property values and better quality of life.
- A plan developed for housing in the City.
- Fewer vacant homes.
- Funding to adequately enforce the city's crime-fee lease addendum.
- Valuable use of vacant land created by blight removal.
- Larger neighborhood associations for increased transparency.

### Arts, Culture, and Recreation

*In five years, Saginaw will be...*

- Structurally, focusing on improvements to a Central park area
- Administratively, developing a stronger promotion and cultural identity for the entire Celebration Square and surrounding attractions.
- Integrating promotion of Arts, Culture, and Recreation available in Saginaw into the City's promotional materials.
- Revamping City's promotional materials to meet the goal above.
- Completing the Riverwalk Loop.
- Finding a means to financially support and staff, as necessary, to accomplish the structural and administrative visions.
- Developing a resolution for Council to adopt that commits the City to this central park development, and conveys this to the public.

### Police and Fire

*In five years, Saginaw will have...*

- More public safety resources to better serve the community, resulting in more cases investigated and people feeling safe in their homes.

- Funding to stabilize Public Safety workforce, which will result in improved levels of service to the community.
- Night life safety.
- Stability of jobs to make people want to work/live here.
- More diversity in the fire department.
- A high level of service.

#### Utility Infrastructure

*In five years, Saginaw will have...*

- Available resources and capacity to support development within the Water Treatment Plant and the Wastewater Treatment Plant.
- Feasibility of rehab or new water plant established.
- Wastewater improvements and continued maintenance being made and sustained.
- Established asset management plans

#### Image (Brand, Perception)

In October 2017, City Council adopted a mission statement, a vision statement, and core values.

*Mission Statement:* The City of Saginaw is committed to providing high quality services to ensure an inclusive, safe, and vibrant community in which to live, work, learn, and play.

*Vision Statement:* Saginaw, through collaboration and public/private ventures, will be a welcoming community that promotes neighborhood growth; stimulates business development and innovation; and fosters entertainment and educational opportunities for all.

#### *Core Values:*

- Diversity and Inclusiveness – We appreciate and value the uniqueness of each individual. We treat everyone with respect and dignity.
- Service, Accountability, and Responsiveness – We put our citizens first by establishing measureable performance goals, recognizing achievements, and responding to needs.
- Unity, Collaboration, and Teamwork – We form effective partnerships that maximize resources and deliver high quality services across the community.

During the strategic planning session, city council and the management team also developed SWOT Analysis for each priority. The entire Strategic Plan can be found on the city's website at [www.saginaw-mi.com](http://www.saginaw-mi.com).

## **Financial Information**

### **Budgetary Controls**

The City Charter requires the City Council, by resolution, to determine and adopt the budget and make the appropriations for the next fiscal year. It also requires, by resolution, for a tax levy amount necessary to be raised by taxation at least 30 days prior to the first day of the upcoming fiscal year.

Budgetary control is exercised at the department level (appropriation center) in the General Fund and at the fund level for all other funds. An encumbrance is placed on funds as purchase orders are issued as a way of accomplishing budgetary controls. Purchase orders that would exceed activity balances are not released until additional appropriations are made by City Council, or budget transfers, within the scope of authority granted by City Council, are executed. Actual expenditures are compared to anticipated expenditures and significant variances are identified and monitored monthly.

General fund line item budget transfers from one account to another with the same appropriation center (General Government, Fiscal Services, Police, Fire, Neighborhood Services, Public Service – General Fund, and Other General Fund) can be made without City Council approval. All budget transfers from one appropriation center to another must be approved by City Council. In all other funds, line item budget transfers from one account to another within the same department and fund can be made without City Council approval. These adjustments are reflected in the budget amounts in the financial statements.

### **Internal Controls**

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the City assets 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 structure 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 the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the City's internal controls provide reasonable assurance of the proper recording of financial transactions. Because of inherent limitations in any internal accounting control, errors or irregularities nevertheless may occur and not be detected.

### **Single Audit**

As a recipient of federal and state financial assistance, the City also is responsible for ensuring that adequate controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by the City's management team.

As part of the City's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal awards, as well as to determine that the City has complied with applicable laws and regulations.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of achievement for Excellence in Financial Reporting to the City of Saginaw for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

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

## **Acknowledgements**

The preparation and completion of the comprehensive annual financial report could not be accomplished on a timely basis without the dedicated services of the entire Department of Fiscal Services. Additionally, we would like to thank all members of City departments who assisted and contributed to its preparation.

We would also like to thank the Mayor, members of the City Council, and various City Departments for their leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in black ink, reading "Timothy Morales". The signature is fluid and cursive, with the first name "Timothy" and last name "Morales" clearly distinguishable.

Timothy Morales  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Saginaw**  
**Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

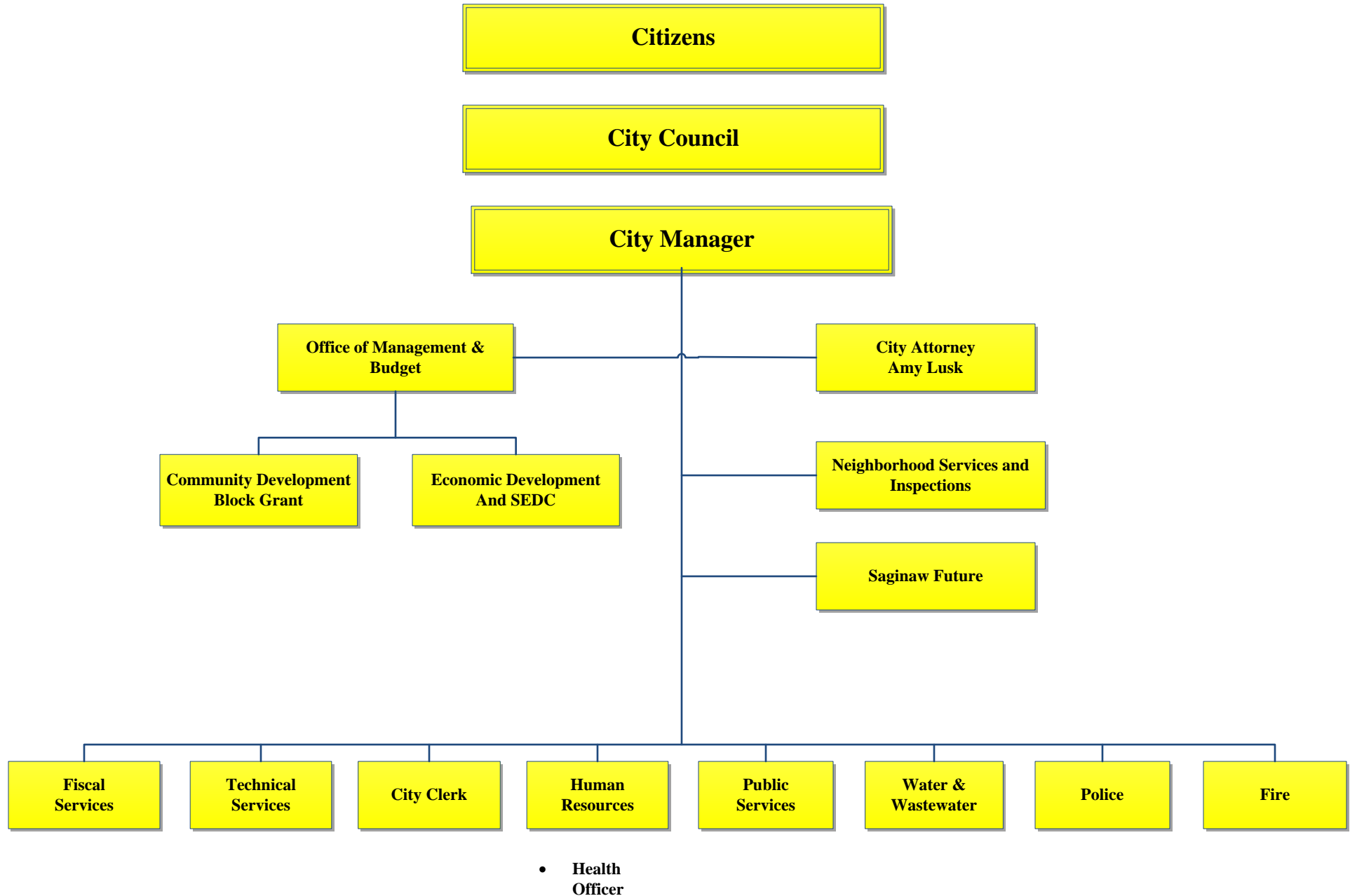
**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



# CITY OF SAGINAW



**City of Saginaw**  
**List of Elected and Appointed Officials**  
**June 30, 2019**

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**City Council**

Floyd Kloc – Mayor

Brenda F. Moore – Mayor Pro-Tem

Michael D. Balls – Council Member

Annie E. Boensch – Council Member

Clint Bryant – Council Member

Bill J. Ostash – Council Member

Autumn L. Scherzer – Council Member

Jamie A. Forbes – Council Member

John Milne – Council Member

**Administrative Staff**

Tim Morales – City Manager

Lori Brown – Finance Director

## Independent Auditors' Report

To the Honorable Mayor and City Council  
City of Saginaw

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Saginaw, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, 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 City of Saginaw, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Required Supplementary Information**

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

## **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Saginaw's basic financial statements. The introductory section, statistical section, and other supplementary information, as identified in the table of contents, are presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and, other than the prior year information, was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other than the prior year information, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **Prior Year Supplementary Information**

We also have previously audited, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the City of Saginaw's basic financial statements as of and for the year ended June 30, 2018, which are not presented with the accompanying basic financial statements. In our report dated November 20, 2018, we expressed unmodified opinions on the respective basic financial statements of the governmental activities, the business-type activities, the aggregate discretely present component units, each major fund, and the aggregate remaining fund information. That

audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the City of Saginaw's financial statements as a whole. The 2018 information in the comparative other supplementary schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 information in the comparative supplementary schedules is fairly stated in all material respects in relation to the financial statements from which they have been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019 on our consideration of the City of Saginaw's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Saginaw's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Saginaw's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Saginaw, Michigan  
November 26, 2019

**City of Saginaw**  
**Management's Discussion And Analysis**  
**June 30, 2019**

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As management of the **City of Saginaw, Michigan**, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the accompanying basic financial statements.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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 City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City 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 City include general government, public safety, general services, and community and economic development. The business-type activities of the City include the Water and Sewer services and the Boat Launch activities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a Tax Increment Finance Authority, Downtown Development Authority, Saginaw Economic Development Corporation, Local Development Finance Authority, and a Brownfield Redevelopment Authority. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 3 - 1 through 3 - 3 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 City, 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 City 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

**City of Saginaw**  
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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 City maintains eighteen 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, Major Streets and Community Development Fund, all of which are considered to be major funds.

Data from the other 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 City adopts an annual appropriated budget for all funds and it is approved by the City Council per the City Charter. 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 3 - 4 through 3 - 9 of this report.

**Proprietary funds.** The City 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 City uses enterprise funds to account for its Water and Sewer services and its Boat Launch activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Saginaw uses internal service funds to account for its Information Systems operations,

Geographic Information Services, Radio Revolving activities, Motor Pool operations, Public Works Building, and Risk Management program.

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 Water Fund, Sewer Fund, and Boat Launch Fund, with the Water and Sewer Funds considered to be major funds. Data from the other proprietary funds are combined and presented separately. Individual fund data for the 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 3 - 10 through 3 - 15 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 City'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 page 3 - 16 through 3 - 17 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 3 - 20 through 3 - 53 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 in section 5 of this report.

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**Government-wide Financial Analysis**

The City of Saginaw has combined net position of (\$221,825,560). Business type activities comprise \$50,236,988 and governmental activities make up (\$272,062,548) of the total net position.

The table below shows, in a condensed format, a comparison of the net position as for the current date to the prior year.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 31,819,358	\$ 26,377,936	\$ 64,597,745	\$ 63,888,170	\$ 96,417,103	\$ 90,266,106
Capital assets	47,095,269	44,566,240	116,560,157	119,138,281	163,655,426	163,704,521
Total assets	78,914,627	70,944,176	181,157,902	183,026,451	260,072,529	253,970,627
Deferred outflows	17,490,324	12,862,512	8,687,127	4,633,357	26,177,451	17,495,869
Total assets and deferred outflows	96,404,951	83,806,688	189,845,029	187,659,808	286,249,980	271,466,496
Current liabilities	6,433,244	2,849,061	8,286,478	4,301,744	14,719,722	7,150,805
Long-term liabilities	357,796,334	357,472,918	130,593,574	134,967,703	488,389,908	492,440,621
Total liabilities	364,229,578	360,321,979	138,880,052	139,269,447	503,109,630	499,591,426
Deferred inflows	4,237,921	5,359,768	727,989	866,876	4,965,910	6,226,644
Total liabilities and deferred inflows	368,467,499	365,681,747	139,608,041	140,136,323	508,075,540	505,818,070
Net position:						
Net investment in capital assets	41,636,968	39,958,554	77,898,874	76,711,180	119,535,842	116,669,734
Restricted	3,090,661	2,975,993	-	-	3,090,661	2,975,993
Unrestricted (deficit)	(316,790,177)	(324,809,606)	(27,661,886)	(29,187,695)	(344,452,063)	(353,997,301)
Total net position	<u>\$(272,062,548)</u>	<u>\$(281,875,059)</u>	<u>\$ 50,236,988</u>	<u>\$ 47,523,485</u>	<u>\$(221,825,560)</u>	<u>\$(234,351,574)</u>

Business-type activities net position increased \$2,713,503 during the year. Governmental activities net position increased \$9,812,511 during the year. The primary cause of the increase in both business-type activities net position and governmental activities net position is due to open positions which caused salaries and benefits to be lower than expected.

The following table shows the revenue and expense components of changes in net position for the year ended June 30, 2019.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for Services	\$ 11,600,015	\$ 10,161,858	\$ 38,547,408	\$ 39,794,155	\$ 50,147,423	\$ 49,956,013
Operating Grants & Contributions	11,869,203	11,584,835	-	-	11,869,203	11,584,835
Capital Grants and Contributions	28,610	-	488,981	385,825	517,591	385,825
General Revenues:						
Property Taxes	7,168,847	6,533,626	-	-	7,168,847	6,533,626
Income Taxes	14,119,061	13,722,888	-	-	14,119,061	13,722,888
State Shared Revenue	8,612,657	8,387,418	-	-	8,612,657	8,387,418
Grants not restricted	1,711,068	1,263,790	-	-	1,711,068	1,263,790
Unrestricted invest earnings	808,561	502,702	336,191	50,369	1,144,752	553,071
Misc	94,120	20,677	98,593	572,265	192,713	592,942
Gain on Sale of Cap Assets	96,918	6,916	17,327	20,183	114,245	27,099
Total Revenues	56,109,060	52,184,710	39,488,500	40,822,797	95,597,560	93,007,507
Expenses						
General Government	4,089,203	6,274,219	-	-	4,089,203	6,274,219
Administration	2,762,969	2,641,345	-	-	2,762,969	2,641,345
Public Safety	21,103,925	25,522,862	-	-	21,103,925	25,522,862
Highway Streets	5,315,772	6,113,959	-	-	5,315,772	6,113,959
Other General Services	8,035,619	7,413,239	-	-	8,035,619	7,413,239
Community Services	1,893,775	1,867,401	-	-	1,893,775	1,867,401
Economic Development	2,897,748	2,767,753	-	-	2,897,748	2,767,753
Interest on Long-term Debt:	245,423	164,297	-	-	245,423	164,297
Water	-	-	20,824,197	15,819,056	20,824,197	15,819,056
Sewer	-	-	15,876,340	20,570,616	15,876,340	20,570,616
Boat Launch	-	-	26,575	29,315	26,575	29,315
Total Expenses	46,344,434	52,765,075	36,727,112	36,418,987	83,071,546	89,184,062
Excess or (deficiency) before transfers	9,764,626	(580,365)	2,761,388	4,403,810	12,526,014	3,823,445
Transfers	47,885	55,455	(47,885)	(55,455)	-	-
Change in net position	9,812,511	(524,910)	2,713,503	4,348,355	12,526,014	3,823,445
Net position - beginning	(281,875,059)	(281,350,149)	47,523,485	43,175,130	(234,351,574)	(238,175,019)
Total net position	<u>\$(272,062,548)</u>	<u>\$(281,875,059)</u>	<u>\$ 50,236,988</u>	<u>\$ 47,523,485</u>	<u>\$(221,825,560)</u>	<u>\$(234,351,574)</u>



**City of Saginaw**  
**Management's Discussion And Analysis**  
**June 30, 2019**

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**Governmental Activities**

General revenues for governmental activities totaled approximately \$32.7 million for the year ended June 30, 2019. This is an increase from the prior year due to increases in all areas of general revenues. Property taxes provided \$7.2 million in revenues while income tax generated approximately \$14.1 million from residents and non-residents who live or work in the City respectively. Intergovernmental revenues, in the form of state shared revenues, continue to be of concern. While they provided approximately \$8.6 million and have increased slightly in recent years, it is uncertain what will happen in the next several years.

Expenses for governmental activities decreased by about \$6.4 million due to decreases in general government, public safety, and highways and streets. The 2018 expenses were higher than normal due to the recording of the OPEB liability. Additionally, several significant capital items were ordered but not received in the fiscal year and various street construction projects have not been completed.

**Business-type Activities**

Business-type activities operated by the City include the water and sewer systems and the boat launch. Program revenues from business-type activities were approximately \$39.0 million. Significant items include sewer service - \$20.7 million and water supply - \$18.3 million.

The water and sewer expenses remained stable in fiscal year 2019, increasing less than one percent.

Raw water from Lake Huron is provided via the Saginaw-Midland Municipal Water Supply Corporation (SMMWSC), a joint venture between the City of Saginaw and the City of Midland. The SMMWSC pipeline supplies the City's water treatment plant as well as Midland's large industrial customers. The City owns and operates its own sanitary sewer collection and treatment system. In accordance with regulations promulgated by the Michigan Department of Environmental Quality, the sewer treatment system is operated by the City of Saginaw.

**Current economic events**

As of the date of this analysis, several issues are worth noting in evaluating the financial condition of the City of Saginaw.

Property tax cap – In 1979, the citizens of Saginaw froze the maximum dollar levy to that of the previous year, which stands to date at \$3,828,788. Therefore the corporate millage rate must be adjusted annually with each change in taxable value to ensure adherence to the imposed dollar levy cap or 7.5 mills, whichever is lower.

Renaissance Zones – Development in Renaissance Zones has increased and allows for residents of the zone to be assessed immaterial property taxes, and no local or state income taxes. Businesses located in the Renaissance Zone are exempt from local and state corporate taxes. Recent medical activity in zones has resulted in job movement from inside and outside of the City into the zones. Recent housing developments have resulted in new residents moving into the zones.

Economic growth – The City continues to experience moderate economic growth, in both residential and commercial properties. The Saginaw Housing Commission continues to provide scattered public housing within the City of Saginaw. Future State of Michigan Public Act 425 Agreements or corresponding service agreements continue to be negotiated with other communities as they increase business and residential development. These agreements will provide a direct revenue flow to the general fund. The most promising Public Act 425 Agreement revenue stream is local income tax.

Local income tax – The City of Saginaw receives approximately 38% of its general fund revenue from local income tax. The income tax revenue has now increased for the fourth consecutive year. For the 2019-2020 budget, the revenue from income taxes is expected to increase approximately \$1,035,000 from the 2018-2019 budgeted amount.

State shared revenues – The City of Saginaw receives approximately 23.4% of its general fund revenue from state revenue sharing.

**City of Saginaw**  
**Management's Discussion And Analysis**  
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However, projections from the State for the 2019-2020 budget show funding in State shared revenue to slightly increase, specifically the Constitutionally required payments to increase by 2%.

**Financial analysis of City funds and budgets**

The general fund ended 2018-2019 with a fund balance of approximately \$10.3 million, of which \$219,418 is nonspendable for prepaids and inventory, \$18,704 is restricted for public safety, cemeteries, and economic development, \$142,128 is committed for public safety, cemeteries, and public services, and \$2,716,553 is assigned for public safety, facilities, neighborhood services, public services, general government obligations and general fund repairs.

The unassigned fund balance is \$7,193,805 as of June 30, 2019. The unassigned amount represented 21.0% of the June 30, 2019 general fund expenditures and other financing uses. That same number represents 20.5% of the fiscal year 2019-2020 budget (prior to 2019-2020 budget amendments). The net positions of several restricted fund balances for certain activities have been cleared out by the net pension liability and the net OPEB liability.

Several factors affected general fund operating results:

- City Income tax revenue increased \$395,368
- Redistribution of closed capturing districts, resulting in a one-time property tax revenue increase of \$598,985
- Grants, donations and contributions increased \$1,523,383
- Public safety expenditures increased \$1,908,668

The general fund budget is amended throughout the year. Revenues were \$1,124,167 over budget while expenditures were \$2,600,979 under budget.

The City's June 30, 2019, \$266 million in unfunded health care liability impacts all funds per the December 31, 2018, measurement. Prior to the 2003-2004 fiscal year, the general fund was the single contributing

fund to this liability. After receiving the June 30, 2001 actuary report, other funds were budgeted to contribute. The city has taken many steps to address the unfunded liability and filed a plan with the state to begin funding retiree healthcare, beginning with the fiscal year ending June 30, 2019.

**Capital asset and debt administration**

**Capital assets**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$163,655,426 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, leasehold improvements, machinery and equipment, office furniture and fixtures, and vehicles.

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

- Police Cars - \$685,652
- Concrete and Asphalt Roads - \$3,956,795
- Sewer Primary Clarifier - \$955,471
- Water Plant and Pumpstation repairs - \$1,111,076
- Water lines - \$1,293,032

Additional information on the City's capital assets can be found beginning on page 3 - 33 of this report.

**City of Saginaw**  
**Management's Discussion And Analysis**  
**June 30, 2019**

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**Long-term debt**

At the end of the current fiscal year, the City of Saginaw had total debt outstanding of \$44 million in principal and \$12.9 million in interest. The City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) as well as installment contracts and capital leases for equipment.

	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Loans/bonds	\$ 5,302,606	\$ 657,808	\$ 38,496,183	\$ 12,246,648	\$ 43,798,789	\$ 12,904,456
Capital leases	213,669	19,309	-	-	213,669	19,309
Total	\$ 5,516,275	\$ 677,117	\$ 38,496,183	\$ 12,246,648	\$ 44,012,458	\$ 12,923,765

The City maintains an "BBB+" bond rating with Standard & Poor's for its general obligation debt.

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 City is \$46,389,000, which is significantly higher than the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found on pages 3 - 37 through 3 - 40 of this report.

**Economic factors and next year's budget**

The following factors were considered in preparing the City's budget for the 2020 fiscal year:

- 12% decrease in property taxes
- Significant increases to the police pension contributions
- Stabilized annual pension contributions for all other departments
- 26% increase in delinquent income tax revenues
- 8% increase in retiree healthcare costs for the unfunded liability
- Continued increase in active healthcare costs, including short and long term disability insurance and life insurance
- 2.5% increase in full-time wages, based on collective bargaining agreements
- Increase to the Gas and Weight State Shared Revenues due to the \$0.07 increase in the state's gasoline tax
- Lead and copper galvanized line replacement

**Contacting the City of Saginaw**

This report is intended to aid our residents and other interested parties in understanding the City of Saginaw's financial condition. Questions and comments should be directed to the Fiscal Services Department at the Saginaw City Hall, 1315 South Washington Avenue, Saginaw, Michigan 48601. Fiscal Services staff can be reached at 989-759-1443 or at [saginaw-mi@domino.com](mailto:saginaw-mi@domino.com).

**City of Saginaw**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 23,747,103	\$ 30,445,413	\$ 54,192,516	\$ 1,016,437
Investments	-	5,690,343	5,690,343	-
Receivables, net	4,361,398	5,372,742	9,734,140	2,201,464
Due from other units of government	3,334,049	-	3,334,049	39,892
Internal balances	(3,388,228)	3,388,228	-	-
Inventories	571,983	1,414,773	1,986,756	-
Prepaid items	261,807	3,361	265,168	-
Investment in Saginaw-Midland Municipal Water Supply Corporation	-	16,089,942	16,089,942	-
Restricted assets				
Cash and cash equivalents	86,488	2,192,943	2,279,431	-
Investments	2,844,758	-	2,844,758	-
Capital assets not being depreciated	17,236,570	22,454,382	39,690,952	-
Capital assets, net of accumulated depreciation	29,858,699	94,105,775	123,964,474	-
Total assets	<u>78,914,627</u>	<u>181,157,902</u>	<u>260,072,529</u>	<u>3,257,793</u>
<b>Deferred outflows of resources</b>				
Deferred amount on bond refunding	-	448,958	448,958	-
Deferred amounts related to the net pension liability	13,115,183	7,468,125	20,583,308	-
Deferred amounts related to the total OPEB liability	4,375,141	770,044	5,145,185	-
Total deferred outflows of resources	<u>17,490,324</u>	<u>8,687,127</u>	<u>26,177,451</u>	

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See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities</b>				
Accounts payable	\$ 2,046,922	\$ 1,803,579	\$ 3,850,501	\$ 22,755
Accrued and other liabilities	1,725,957	1,935,531	3,661,488	-
Due to other units of government	51,023	-	51,023	-
Unearned revenue	93,238	-	93,238	-
Noncurrent liabilities due within one year				
Debt due within one year	2,516,104	4,547,368	7,063,472	-
Noncurrent liabilities due in more than one year				
Debt due in more than one year	5,839,205	37,632,794	43,471,999	-
Other noncurrent liabilities	1,383,652	-	1,383,652	-
Net pension liability	123,572,416	53,966,611	177,539,027	-
Total OPEB liability	227,001,061	38,994,169	265,995,230	
Total liabilities	364,229,578	138,880,052	503,109,630	22,755
<b>Deferred inflows of resources</b>				
Deferred amount related to the total OPEB liability	4,237,921	727,989	4,965,910	
<b>Net position</b>				
Net investment in capital assets	41,636,968	77,898,874	119,535,842	-
Restricted for				
Drug forfeiture	144,166	-	144,166	-
Economic development	4,625	-	4,625	-
Capital projects	4,235	-	4,235	-
Culture and recreation	4	-	4	-
Permanent fund				
Expendable	185,323	-	185,323	-
Nonexpendable	2,752,308	-	2,752,308	-
Unrestricted (deficit)	(316,790,177)	(27,661,886)	(344,452,063)	3,235,038
Total net position	\$ (272,062,548)	\$ 50,236,988	\$ (221,825,560)	\$ 3,235,038

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental activities								
General government	\$ 4,089,203	\$ 2,117,640	\$ 8,215	\$ -	\$ (1,963,348)	\$ -	\$ (1,963,348)	\$ -
Administration	2,762,969	3,718,810	-	-	955,841	-	955,841	-
Public safety	21,103,925	1,343,563	795,758	28,610	(18,935,994)	-	(18,935,994)	-
Highways and streets	5,315,772	103,668	8,544,341	-	3,332,237	-	3,332,237	-
General services	8,035,619	3,850,135	-	-	(4,185,484)	-	(4,185,484)	-
Community services	1,893,775	360,413	226,910	-	(1,306,452)	-	(1,306,452)	-
Economic development	2,897,748	105,786	2,293,979	-	(497,983)	-	(497,983)	-
Interest on long-term debt	245,423				(245,423)		(245,423)	
Total governmental activities	46,344,434	11,600,015	11,869,203	28,610	(22,846,606)		(22,846,606)	
Business-type activities								
Sewer	20,824,197	20,221,426	-	488,981	-	(113,790)	(113,790)	-
Water	15,876,340	18,314,473	-	-	-	2,438,133	2,438,133	-
Boat launch	26,575	11,509				(15,066)	(15,066)	
Total business-type activities	36,727,112	38,547,408		488,981		2,309,277	2,309,277	
Total primary government	\$ 83,071,546	\$ 50,147,423	\$ 11,869,203	\$ 517,591	(22,846,606)	2,309,277	(20,537,329)	
<b>Component units</b>	\$ 4,429,945	\$	\$ 191,871	\$	-		-	(4,238,074)
General revenues								
Property taxes	-				7,168,847	-	7,168,847	191,518
City income taxes					14,119,061	-	14,119,061	-
State shared revenue				-	8,612,657	-	8,612,657	-
Grants not restricted to specific programs					1,711,068	-	1,711,068	-
Investment earnings			-		808,561	336,191	- 1,144,752	85,987
Gain on sale of capital assets					96,918	17,327	114,245	-
Miscellaneous					94,120	98,593	192,713	-
Transfers					47,885	(47,885)		
Total general revenues and transfers					32,659,117	404,226	33,063,343	277,505
Change in net position					9,812,511	2,713,503	12,526,014	(3,960,569)
Net position - beginning of year					(281,875,059)	47,523,485	(234,351,574)	7,195,607
Net position - end of year					\$ (272,062,548)	\$ 50,236,988	\$ (221,825,560)	\$ 3,235,038

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2019**

	General	Major Streets	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 8,388,225	\$ 2,588,504	\$ 101,915	\$ 4,062,301	\$ 15,140,945
Receivables, net of allowance	2,027,793	10,366	12,154	1,797,504	3,847,817
Due from other units of government	1,458,020	1,054,318	542,293	279,418	3,334,049
Due from other funds	407,060	-	-	-	407,060
Inventories	198,443	160,891	-	-	359,334
Prepaid items	20,975	-	-	174,865	195,840
Notes and contracts receivable	-	-	511,021	-	511,021
Restricted assets					
Cash and cash equivalents	-	-	86,488	-	86,488
Investments	299,713			2,545,045	2,844,758
Total assets	<u>\$ 12,800,229</u>	<u>\$ 3,814,079</u>	<u>\$ 1,253,871</u>	<u>\$ 8,859,133</u>	<u>\$ 26,727,312</u>
<b>Liabilities</b>					
Accounts payable	\$ 366,387	\$ 667,122	\$ 456,990	\$ 436,605	\$ 1,927,104
Accrued and other liabilities	798,883	43,258	17,396	666,450	1,525,987
Due to other funds	1,295,391	-	391,904	15,156	1,702,451
Due to other units of government	21,291	23,828	-	5,904	51,023
Unearned revenue	-		93,238		93,238
Total liabilities	<u>2,481,952</u>	<u>734,208</u>	<u>959,528</u>	<u>1,124,115</u>	<u>5,299,803</u>

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See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2019**

	General	Major Streets	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>Deferred inflows of resources</b>					
Accounts receivable	\$ 27,669	\$ -	\$ -	\$ 1,145,256	\$ 1,172,925
Notes and contracts receivable	-	-	511,021	-	511,021
Grants	-		11,715	4,457	16,172
Total deferred inflows of resources	<u>27,669</u>		<u>522,736</u>	<u>1,149,713</u>	<u>1,700,118</u>
<b>Fund balances</b>					
Non-spendable					
Inventories	198,443	160,891	-	-	359,334
Prepaid items	20,975	-	-	174,865	195,840
Endowments	-	-	-	2,752,308	2,752,308
Restricted for					
General government	-8,619	-	-	-	8,619
Roads	-	2,918,980	-	596,881	3,515,861
Public safety	5,460	-	-	510	5,970
Rubbish	-	-	-	896,809	896,809
Police grants	-	-	-	90,462	90,462
Drug forfeiture	-	-	-	144,166	144,166
Economic development	4,625	-	-	-	4,625
Culture and recreation	-	-	-	4	4
Clean energy	-	-	-	3,950	3,950
Capital projects	-	-	-	4,235	4,235
Permanent fund	-	-	-	185,323	185,323
Committed	142,128	-	-	1,574,735	1,716,863
Assigned	2,716,553	-	-	161,057	2,877,610
Unassigned (deficit)	<u>7,193,805</u>		<u>(228,393)</u>		<u>6,965,412</u>
Total fund balances (deficit)	<u>10,290,608</u>	<u>3,079,871</u>	<u>(228,393)</u>	<u>6,585,305</u>	<u>19,727,391</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,800,229</u>	<u>\$ 3,814,079</u>	<u>\$ 1,253,871</u>	<u>\$ 8,859,133</u>	<u>\$ 26,727,312</u>

See Accompanying Notes to the Financial Statements



**City of Saginaw**  
**Governmental Funds**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to the Net Position of Governmental Activities**  
**June 30, 2019**

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<b>Total fund balances for governmental funds</b>	<b>\$ 19,727,391</b>
Total net position for governmental activities in the statement of net position is different because	
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	29,345,871
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	17,236,570
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	1,700,118
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(152,502)
Compensated absences	(2,663,994)
Deferred outflows (inflows) of resources	
Deferred outflows (inflows) of resources resulting from the net pension liability	12,118,615
Deferred outflows (inflows) of resources resulting from the total OPEB liability	128,929
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Long-term debt	(5,504,225)
Net pension liability	(116,382,383)
Total OPEB liability	(219,178,707)
Internal service funds are included as part of governmental activities.	<u>(8,438,231)</u>
<b>Net position of governmental activities</b>	<b><u>\$ (272,062,548)</u></b>

**City of Saginaw**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2019**

	General	Major Streets	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
General operating property taxes	\$ 4,211,513	\$ -	\$ -	\$ 2,946,237	\$ 7,157,750
City income tax	14,123,115	-	-	-	14,123,115
State shared revenues	8,612,657	5,500,747	-	1,521,059	15,634,463
Licenses, permits and fees	2,271,296	38,620	-	3,874,083	6,183,999
Fines, penalties and forfeitures	253,901	-	-	2,503	256,404
Grants, donations and contributions	5,479,353	1,522,535	2,924,265	360,193	10,286,346
Interest on loans and investments	545,875	-	12,302	251,488	809,665
Rents and privileges	622,842	-	5,005	52,284	680,131
Sale of materials and services	-	2,683	-	-	2,683
Loan repayments	-	-	48,731	-	48,731
Miscellaneous	721,027	104,844	43,820	286,931	1,156,622
	<u>36,841,579</u>	<u>7,169,429</u>	<u>3,034,123</u>	<u>9,294,778</u>	<u>56,339,909</u>
<b>Total revenues</b>					

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2019**

	General	Major Streets	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>Expenditures</b>					
Current					
General government	\$ 4,619,988	\$ -	\$ -	\$ 1,213,179	\$ 5,833,167
Administration	2,697,977	-	-	-	2,697,977
Public safety	20,633,415	-	-	3,278,350	23,911,765
Highways and streets	-	6,642,938	-	1,552,255	8,195,193
General services	3,572,949	-	-	3,966,698	7,539,647
Community services	1,662,074	-	-	260,585	1,922,659
Economic development	-	-	2,808,261	-	2,808,261
Debt service					
Principal retirement	162,376	68,577	-	374,032	604,985
Interest and fiscal charges	16,349	15,992	-	105,752	138,093
Total expenditures	<u>33,365,128</u>	<u>6,727,507</u>	<u>2,808,261</u>	<u>10,750,851</u>	<u>53,651,747</u>
Excess (deficiency) of revenues over expenditures	<u>3,476,451</u>	<u>441,922</u>	<u>225,862</u>	<u>(1,456,073)</u>	<u>2,688,162</u>
<b>Other financing sources (uses)</b>					
Transfers in	142,967	-	59,204	978,218	1,180,389
Transfers out	(815,737)	(19,272)	(142,967)	(154,528)	(1,132,504)
Sale of capital assets	-	-	-	25,536	25,536
Issuance of debt	<u>767,249</u>	<u>350,083</u>	<u>-</u>	<u>343,961</u>	<u>1,461,293</u>
Total other financing sources (uses)	<u>94,479</u>	<u>330,811</u>	<u>(83,763)</u>	<u>1,193,187</u>	<u>1,534,714</u>
Net change in fund balance	3,570,930	772,733	142,099	(262,886)	4,222,876
Fund balance (deficit) - beginning of year	<u>6,719,678</u>	<u>2,307,138</u>	<u>(370,492)</u>	<u>6,848,191</u>	<u>15,504,515</u>
Fund balance (deficit) - end of year	<u>\$ 10,290,608</u>	<u>\$ 3,079,871</u>	<u>\$ (228,393)</u>	<u>\$ 6,585,305</u>	<u>\$ 19,727,391</u>

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Governmental Funds**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2019**

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<b>Net change in fund balances - Total governmental funds</b>	<b>\$ 4,222,876</b>
Total change in net position reported for governmental activities in the statement of activities is 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.	
Depreciation expense	(3,177,965)
Capital outlay	5,723,726
Sale of capital assets (net book value)	(5,371)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Special assessments	(35,007)
Grants	(197,319)
Notes receivable	(18,874)
Expenses are recorded when incurred in the statement of activities	
Accrued interest	(107,330)
Compensated absences	125,525
The statement of net position reports the net pension liability and deferred outflows and deferred inflows of resources related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the deferred inflows and outflows of resources related to the net pension liability	11,453,290
Net change in the deferred inflows and outflows of resources related to the total OPEB liability	(6,200,748)
Net change in the net pension liability	(15,822,152)
Net change in the total OPEB liability	14,170,611
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Issuance of debt	(1,461,293)
Repayments of long-term debt	604,985
Internal service funds are also included as governmental activities	<u>537,557</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 9,812,511</u></b>

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2019**

	Enterprise Funds				Internal
	Sewer	Water	Nonmajor Boat Launch	Total	Service Funds
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 20,320,970	\$ 10,115,831	\$ 8,612	\$ 30,445,413	\$ 8,606,158
Investments	1,349,277	4,341,066	-	5,690,343	-
Receivables					
Customers	2,953,617	2,214,723	-	5,168,340	2,560
Special assessments, current	106,235	96,479	-	202,714	-
Accrued interest and other	-	1,688	-	1,688	-
Due from other funds	1,295,391	-	-	1,295,391	-
Inventories	-	1,414,773	-	1,414,773	212,649
Prepaid items	1,819	1,542	-	3,361	65,967
Restricted cash - bond proceeds	-	2,192,943	-	2,192,943	-
Total current assets	<u>26,027,309</u>	<u>20,379,045</u>	<u>8,612</u>	<u>46,414,966</u>	<u>8,887,334</u>
Noncurrent assets					
Investment in Saginaw-Midland Municipal Water Supply Corporation	-	16,089,942	-	16,089,942	-
Capital assets not being depreciated	1,701,391	19,724,099	1,028,892	22,454,382	-
Capital assets, net of accumulated depreciated	<u>47,588,166</u>	<u>46,511,172</u>	<u>6,437</u>	<u>94,105,775</u>	<u>512,828</u>
Total noncurrent assets	<u>49,289,557</u>	<u>82,325,213</u>	<u>1,035,329</u>	<u>132,650,099</u>	<u>512,828</u>
Total assets	<u>75,316,866</u>	<u>102,704,258</u>	<u>1,043,941</u>	<u>179,065,065</u>	<u>9,400,162</u>
<b>Deferred outflows of resources</b>					
Deferred amount on bond refunding	-	448,958	-	448,958	-
Deferred amounts related to net pension liability	4,268,986	3,199,139	-	7,468,125	996,568
Deferred amounts related to total OPEB liability	<u>466,895</u>	<u>303,149</u>	-	<u>770,044</u>	<u>154,328</u>
Total deferred outflows of resources	<u>4,735,881</u>	<u>3,951,246</u>	-	<u>8,687,127</u>	<u>1,150,896</u>

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2019**

	Enterprise Funds				Internal
	Sewer	Water	Nonmajor Boat Launch	Total	Service Funds
<b>Liabilities</b>					
Current liabilities					
Accounts payable	\$ 825,669	\$ 976,718	\$ 1,192	\$ 1,803,579	\$ 119,818
Accrued and other liabilities	215,467	1,720,064	-	1,935,531	47,468
Current portion of compensated absences	454,436	387,710	-	842,146	-
Current portion of long-term debt	1,877,521	1,827,701		3,705,222	6,025
Total current liabilities	<u>3,373,093</u>	<u>4,912,193</u>	<u>1,192</u>	<u>8,286,478</u>	<u>173,311</u>
Noncurrent liabilities					
Workers' compensation claims payable	-	-	-	-	1,041,563
Insurance claims payable	-	-	-	-	342,089
Accrued compensated absences	-	34,832	-	34,832	175,040
Net pension liability	30,601,801	23,364,810	-	53,966,611	7,190,033
Total OPEB liability	23,663,761	15,330,408	-	38,994,169	7,822,354
Long-term debt net of current portion	7,674,683	29,923,279		37,597,962	6,025
Total noncurrent liabilities	<u>61,940,245</u>	<u>68,653,329</u>		<u>130,593,574</u>	<u>16,577,104</u>
Total liabilities	<u>65,313,338</u>	<u>73,565,522</u>	<u>1,192</u>	<u>138,880,052</u>	<u>16,750,415</u>
<b>Deferred inflows of resources</b>					
Deferred amounts related to total OPEB liability	<u>441,783</u>	<u>286,206</u>		<u>727,989</u>	<u>146,037</u>
<b>Net position</b>					
Net investment in capital assets	39,737,353	37,126,192	1,035,329	77,898,874	500,778
Unrestricted (deficit)	<u>(25,439,727)</u>	<u>(4,322,416)</u>	<u>7,420</u>	<u>(29,754,723)</u>	<u>(6,846,172)</u>
Total net position	<u>\$ 14,297,626</u>	<u>\$ 32,803,776</u>	<u>\$ 1,042,749</u>	<u>\$ 48,144,151</u>	<u>\$ (6,345,394)</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets and liabilities are reported with business-type activities				<u>2,092,837</u>	
Net position of business-type activities				<u>\$ 50,236,988</u>	

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2019**

	Enterprise Funds				Internal Service Funds
	Sewer	Water	Nonmajor Boat Launch	Total	
<b>Operating revenue</b>					
User charges	\$ 20,221,426	\$ 18,314,473	\$ 11,509	\$ 38,547,408	\$ 7,329,328
Other revenue	199,027	63,268	31	262,326	350,806
 Total operating revenue	 20,420,453	 18,377,741	 11,540	 38,809,734	 7,680,134
<b>Operating expenses</b>					
Salaries and benefits	9,356,403	6,863,846	-	16,220,249	2,544,365
Supplies	964,925	1,075,229	262	2,040,416	678,813
Contractual services	4,043,361	3,829,371	17,475	7,890,207	2,593,250
Claims	-	-	-	-	721,372
Utilities	119,551	83,905	4,322	207,778	105,933
Repairs and maintenance	277,208	76,281	125	353,614	101,914
Other expenses	590,662	552,576	4,012	1,147,250	36,636
Depreciation	5,401,090	1,899,115	379	7,300,584	130,675
 Total operating expenses	 20,753,200	 14,380,323	 26,575	 35,160,098	 6,912,958
 Operating income (loss)	 (332,747)	 3,997,418	 (15,035)	 3,649,636	 767,176

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2019**

	Enterprise Funds				Internal Service Funds
	Sewer	Water	Nonmajor Boat Launch	Total	
<b>Nonoperating revenue (expenses)</b>					
Gain on sale of investments	\$ 106,228	\$ 229,963	\$ -	\$ 336,191	\$ 39,739
Gain on sale of capital assets	15,940	1,387	-	17,327	16,171
Contractual obligations to SMMWSC	-	(229,920)	-	(229,920)	-
Decrease in investment in SMMWSC	-	(299,774)	-	(299,774)	-
Bond issuance costs	-	(500)	-	(500)	-
Amortization	-	136,041	-	136,041	-
Interest expense	(239,812)	(1,382,311)		(1,622,123)	
Total nonoperating revenues (expenses)	(117,644)	(1,545,114)		(1,662,758)	55,910
Income (loss) before capital contributions and transfers	(450,391)	2,452,304	(15,035)	1,986,878	823,086
Capital contributions	54,209	434,772	-	488,981	-
Transfers out	(26,677)	(21,208)		(47,885)	
Change in net position	(422,859)	2,865,868	(15,035)	2,427,974	823,086
Net position - beginning of year	14,720,485	29,937,908	1,057,784		(7,168,480)
Net position - end of year	<u>\$ 14,297,626</u>	<u>\$ 32,803,776</u>	<u>\$ 1,042,749</u>		<u>\$ (6,345,394)</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities				285,529	
Change in net position of business-type activities				<u>\$ 2,713,503</u>	

See Accompanying Notes to the Financial Statements



**City of Saginaw**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2019**

	Enterprise Funds				Internal
	Sewer	Water	Nonmajor Boat Launch	Total	Service Funds
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 20,753,622	\$ 18,665,981	\$ 11,540	\$ 39,431,143	\$ -
Receipts from interfund users	-	-	-	-	7,683,824
Receipts from other funds	520,000	-	-	520,000	-
Payments to suppliers	(8,273,649)	(8,218,265)	(27,597)	(16,519,511)	(4,533,874)
Payments to employees	(6,799,831)	(5,391,376)		(12,191,207)	(2,371,001)
Net cash provided (used) by operating activities	6,200,142	5,056,340	(16,057)	11,240,425	778,949
<b>Cash flows from capital and related financing activities</b>					
Proceeds from issuance of long-term debt	67,172	5,977	-	73,149	-
Capital contributions	54,209	434,772	-	488,981	-
Purchases/construction of capital assets	(1,874,023)	(2,852,438)	-	(4,726,461)	(119,316)
Principal and interest paid on long-term debt	(2,536,382)	(3,017,811)	-	(5,554,193)	(12,158)
Contractual obligations to Saginaw-Midland Municipal Water Supply Corporation	-	(229,920)	-	(229,920)	-
Proceeds from sale of capital assets	15,940	1,387		17,327	16,171
Net cash used by capital and related financing activities	(4,273,084)	(5,658,033)		(9,931,117)	(115,303)
<b>Cash flows from investing activities</b>					
Purchase of investments	(17,212)	(176,043)	-	(193,255)	-
Interest received	106,228	233,432		339,660	39,740
Net cash provided by investing activities	89,016	57,389		146,405	39,740
Net change in cash and cash equivalents	1,989,397	(565,512)	(16,057)	1,407,828	703,386
Cash and cash equivalents - beginning of year	18,331,573	12,874,286	24,669	31,230,528	7,902,772
Cash and cash equivalents - end of year	<u>\$ 20,320,970</u>	<u>\$ 12,308,774</u>	<u>\$ 8,612</u>	<u>\$ 32,638,356</u>	<u>\$ 8,606,158</u>

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2019**

	Enterprise Funds				Internal
	Sewer	Water	Nonmajor Boat Launch	Total	Service Funds
<b>Reconciliation to the statement of net position</b>					
Cash and cash equivalents	\$ 20,320,970	\$ 10,115,831	\$ 8,612	\$ 30,445,413	\$ 8,606,158
Restricted cash	-	2,192,943		2,192,943	
Cash and cash equivalents	<u>\$ 20,320,970</u>	<u>\$ 12,308,774</u>	<u>\$ 8,612</u>	<u>\$ 32,638,356</u>	<u>\$ 8,606,158</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ (332,747)	\$ 3,997,418	\$ (15,035)	\$ 3,649,636	\$ 767,176
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	5,401,090	1,899,115	379	7,300,584	130,675
Noncash change - net pension liability	2,649,188	3,332,275	-	5,981,463	632,353
Noncash change - total OPEB liability	(42,919)	(1,770,227)	-	(1,813,146)	15,984
Changes in assets and liabilities					
Receivables (net)	333,169	288,240	-	621,409	3,690
Due from other funds	520,000	-	-	520,000	-
Inventories	-	(288,701)	-	(288,701)	(8,134)
Prepaid items	(53)	(842)	-	(895)	23,561
Deferred outflows	(2,313,265)	(1,740,505)	-	(4,053,770)	(55,593)
Accounts payable	(26,495)	(686,367)	(1,401)	(714,263)	(118,559)
Accrued and other liabilities	36,117	115,512	-	151,629	8,302
Deferred inflows	(49,697)	(89,190)	-	(138,887)	(441,524)
Claims payable	-	-	-	-	(188,050)
Compensated absences	25,754	(388)		25,366	9,068
Net cash provided (used) by operating activities	<u>\$ 6,200,142</u>	<u>\$ 5,056,340</u>	<u>\$ (16,057)</u>	<u>\$ 11,240,425</u>	<u>\$ 778,949</u>

**Noncash Investing, Capital, and Financing Activities**

During the year ended June 30, 2019, the Water Fund recognized a decrease in the Investment in Saginaw Midland Municipal Water Corporation of \$299,774 that was a noncash item.

**City of Saginaw**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2019**

	OPEB Fund	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 4,540,607
Investments		
Interest in pooled investments	973,340	-
Accounts receivable	<u>-</u>	<u>226,290</u>
 Total assets	 <u>973,340</u>	 <u>\$ 4,766,897</u>
<b>Liabilities</b>		
Accounts payable	-	\$ 85,156
Accrued and other liabilities	-	3,293,433
Due to other units of government	-	424,582
Claims payable	<u>-</u>	<u>963,726</u>
 Total liabilities	 <u>-</u>	 <u>\$ 4,766,897</u>
<b>Net position</b>		
Restricted for other employee benefits	<u>\$ 973,340</u>	

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2019**

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	<u>OPEB Fund</u>
<b>Additions</b>	
Contributions	
Employer	\$ 973,340
Change in net position	973,340
Net position - beginning of year	<u>-</u>
Net position - end of year	<u>\$ 973,340</u>

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Combining Statement of Net Position**  
**Component Units**  
**June 30, 2019**

	TIFA Activities	DDA Activities	LDFA Activities	Saginaw Economic Development Corporation	Brownfield Activities	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 5,185	\$ 269,770	\$ -	\$ 741,469	\$ 13	\$ 1,016,437
Notes and contracts receivable	-	-	-	2,201,464	-	2,201,464
Due from other units of government	-			39,892		39,892
Total assets	5,185	269,770		2,982,825	13	3,257,793
<b>Liabilities</b>						
Accounts payable	-	20,715		2,040		22,755
<b>Net position</b>						
Unrestricted	\$ 5,185	\$ 249,055	\$ -	\$ 2,980,785	\$ 13	\$ 3,235,038

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See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Charges for services	Operating grants and contributions	Net (expense) revenue
DDA Activities	\$ 259,352	\$ -	\$ 150,869	\$ (108,483)
LDFA Activities	3,951,418	-	-	(3,951,418)
Saginaw Economic Development Corporation	97,236	-	41,002	(56,234)
Brownfield Activities	95,805			(95,805)
Total component unit activities	<u>\$ 4,429,945</u>	<u>\$</u>	<u>\$ 191,871</u>	<u>\$ (4,238,074)</u>

**Component Units**

	TIFA Activities	DDA Activities	LDFA Activities	Saginaw Economic Development Corporation	Brownfield Activities	Total
Net expense	<u>\$ - (26,134)</u>	<u>\$ (108,483)</u>	<u>\$ (3,951,418)</u>	<u>\$ (56,234)</u>	<u>\$ (95,805)</u>	<u>\$ (4,238,074)</u>
General revenues:						
Property taxes	-	146,483	-	-	45,035	191,518
Unrestricted investment earnings (loss)	(13)	559	63	85,367	11	85,987
Total general revenues	<u>(13)</u>	<u>147,042</u>	<u>63</u>	<u>85,367</u>	<u>45,046</u>	<u>277,505</u>
Change in net position	(26,147)	38,559	(3,951,355)	29,133	(50,759)	(3,960,569)
Net position, beginning of year	<u>31,332</u>	<u>210,496</u>	<u>3,951,355</u>	<u>2,951,652</u>	<u>50,772</u>	<u>7,195,607</u>
Net position, end of year	<u>\$ 5,185</u>	<u>\$ 249,055</u>	<u>\$</u>	<u>\$ 2,980,785</u>	<u>\$ 13</u>	<u>\$ 3,235,038</u>

See Accompanying Notes to the Financial Statements

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the City of Saginaw, Michigan (the “City”) conform to accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the City of Saginaw:

**Reporting entity**

City of Saginaw is governed by an elected nine-member Council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

**Discretely presented component units**

The component unit column in the entity wide financial statements includes the financial data of the City’s thirteen component units. These units are reported in a separate column to emphasize that they are legally separate from the City. Separately issued financial statements are not prepared for any of the discretely presented component units.

Tax Increment Finance Authority (TIFA) – Two component units – City Council established TIFA districts pursuant to Act 450 of the public Acts of 1980 for the Saginaw Division Tower and Morley Building projects. Property tax revenues received from the “captured” portion of these properties are restricted to pay project expenditures or set aside for future development within the districts depending on the development plan adopted for each project. The

members of the governing Board of the TIFA are appointed by City Council and development agreements of the TIFA districts are also approved by City Council. The City has the ability to significantly influence the operations of the TIFA. The Morley Building TIFA expired during the current year.

Downtown Development Authority (DDA) – Two component units – The members of the governing Board of the DDA are appointed by City Council and development agreements of the DDA districts are also approved by City Council. Districts were established for the Commerce Center and the DDA 2011. The City has the ability to significantly influence the operations of the DDA. The DDA 2011 district began capturing taxes in fiscal year 2016.

Local Development Finance Authority (LDFA) – Six component units – When legislation expired for TIFA projects (above), City Council established LDFA districts pursuant to Act 281 of the Public Acts of 1986 for the following economic development projects: Thomson Saginaw Ball Screw Company, Sexton, Baker Perkins, Treasure Island, Saginaw Machine Systems and Saginaw Tool and Die. Property tax revenues received from the “captured” portion of these properties are restricted to pay project expenditures or set aside for future development within the districts depending on the development plan adopted for each project. The members of the governing Board of the LDFA are appointed by City Council and development agreements of the LDFA districts are also approved by City Council. The City has the ability to significantly influence the operations of the LDFA. These component units were terminated during the current year.

Saginaw Economic Development Corporation (SEDC) – One component unit – The members of the governing Board of the SEDC are appointed by City Council and they review and approve loans to businesses located within the City limits. The City has the ability to significantly influence the operations of the SEDC.

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

Brownfield Redevelopment Authority – One component unit – Property tax revenues received from the “captured” portion of these properties are restricted to pay site cleanup 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 City Council and they review and approve development plans for businesses relocating within designated areas of the City where property was once contaminated. The City has the ability to significantly influence the operations of the Brownfield Redevelopment Authority.

**Joint venture – Saginaw-Midland Municipal Water Supply Corporation (SMMWSC)**

The City of Saginaw purchases raw water from the SMMWSC. This corporation brings water from Lake Huron, beginning at Whitestone Point, through a joint supply line, to Junction Station, at which point it is pumped through separate lines to Midland and Saginaw. The joint line is operated and maintained by the Corporation, which is an inter-governmental body composed of six members. Three members each are appointed by the Saginaw and Midland City Councils. The City of Saginaw owns 23/43rds of the Saginaw-Midland Municipal Water Supply Corporation and the City of Midland owns 20/43rds.

This joint venture is accounted for in the Water Fund using the equity method. The City reported a decrease in equity of \$299,774 as nonoperating expenses. At June 30, 2019, total outstanding bonded debt and loans of the SMMWSC was \$4,435,000. The City was obligated for \$2,372,209 of this total. During fiscal year 2019, the City paid the Corporation \$229,920 to finance its share of the contractual obligations. The City's equity of \$16,089,942 in the SMMWSC is recorded as an investment within the Noncurrent Assets section on the statement of net position of the Water Fund.

The financial information for the year ended June 30, 2019, for the SMMWSC is as follows:

Total assets and deferred outflows of resources	\$ 37,650,826
Total liabilities and deferred inflows of resources	<u>7,569,630</u>
Net position:	
City of Saginaw	16,089,942
City of Midland	<u>13,991,254</u>
Total net position	<u>\$ 30,081,196</u>
Total revenues	\$ 4,387,610
Total expenses	<u>4,948,059</u>
Net loss	(560,449)
Net position at beginning of year	<u>30,641,645</u>
Total net position	<u>\$ 30,081,196</u>

Complete financial statements can be obtained at the Saginaw-Midland Municipal Water Supply Corporation, 4678 Three Mile Road, Bay City, Michigan 48706.

**Government-wide and fund financial statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by



**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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

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

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. However, agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are

collected within 60 days of the end of the current fiscal period. 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 City.

The City reports the following major governmental funds:

The General Fund is the City'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 Major Streets Fund receives allocations of State collected gasoline taxes and license fees to be used for the maintenance, repair and construction of major streets and bridges within the City.

The Community Development Fund accounts for the grant revenues and related community development projects under the grants.

The City reports the following major proprietary funds:

The Water Fund accounts for the activities of the City's water distribution and treatment system.

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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The Sewer Fund accounts for the activities of the City's sewage disposal and treatment system.

Additionally, the City reports the following:

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

Permanent funds account for monies provided by a private bequest that must be maintained intact and invested. Investment earnings are used based on the donors' directions.

Internal service funds account for fringe benefit, information services, radio equipment, geographic information systems, and fleet management services provided to other departments or agencies of the City on a cost reimbursement basis.

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

Fiduciary funds are used to account for assets held in trust for other employee benefits.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 Sewer and Water Funds and the internal service funds are charges to customers for sales and services. The enterprise funds also recognizes as operating revenue the portion of tap fees in order to recover the cost of connecting new customers to the system. Operating expenses for sewer and water 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 City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Assets, liabilities, and net position or equity**

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

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

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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

All receivables are shown as net of allowance for uncollectible amounts.

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis (special revenue funds) or average cost (enterprise and internal service funds) methods. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the City follows the consumption method, and they therefore are capitalized as prepaid items in both entity-wide and fund financial statements.

Restricted assets – Restricted assets result from revenue bond ordinance reserve requirements and proceeds of bond issues stipulated for construction of capital assets. They also result from other legal and contractual requirements which restrict the use of resources.

Capital assets – Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City 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.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the acquisition value of the item at the date of its donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Streets system infrastructure	7 to 50 years
Buildings and improvements	50 years
Combined sewer overflow facilities	25 years
Plan equipment	15 years
Radio equipment	8 years
Office and data processing equipment	5 years
Vehicles	5 years

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. The City reports deferred outflows of resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension expense. Assumption and Experience differences relating to the net pension liability is deferred and amortized over the expected remaining service lives of the

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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employees and retirees in the plan. The City also reports deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension liability and total OPEB liability in the following year. In addition, the City reports deferred outflows of resources for deferred losses on bond refunding. A deferred loss results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is amortized using the shorter of the life of the refunded or refunding debt.

Compensated absences – The liability for unused sick and vacation/paid time off (PTO) hours as earned by employees at various rates has been recorded as current and long-term liabilities in the governmental and business-type activities. AFSCME, SEIU and non-union management employees are paid for all of their accumulated PTO days, up to a maximum of 1,312 hours, upon death, termination or retirement. Fire fighters are paid for all of their accumulated PTO days, up to a maximum of 2,148 hours, upon death, termination or retirement. COAM and POAM union employees are paid for one-half of their accumulated unused sick days upon death or retirement up to a maximum of 1,312 hours in addition to their unused vacation hours. Certain employee groups are allowed to accumulate overtime hours and later use these accumulated hours as time off in lieu of a cash payment. The limitations on hours carried forward and paid out vary depending on bargaining units and dates of hire. 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.

Long-term obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using

the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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.

The City is subject to a legal debt limit equal to 10 percent of the most recent December 31 assessed valuation of property. As of June 30, 2019, the City has the capacity to issue \$38,490,000 of additional debt.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. The City also reports deferred inflows of resources for assumption and experience differences relating to the total OPEB liability, which is amortized over the expected remaining service lives of employees and retirees in the plan.

Pensions – The City offers pension benefits to retirees. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported to the system. For this purpose, benefit payments (including refunds of employee

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other postemployment benefits – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan have been determined on the same basis as they are reported by the City. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms.

Fund equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the City's highest level of decision-making, the City Council. A fund balance commitment may be established, modified, or rescinded by a resolution of the City Council.

Assigned – amounts intended to be used for specific purposes. The City Council has authorized the City Manager to assign fund balance for a specific purpose. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

The following are the details of the committed fund balance as of June 30, 2019:

General Fund	
Public safety	\$ 51,040
Public services	91,088
Public Employee Healthcare	<u>1,574,735</u>
Total committed fund balance	<u>\$ 1,716,863</u>

The following are the details of the assigned fund balance as of June 30, 2019:

General Fund	
Public safety	\$ 563,044
Repairs	5,539
Public services	284,562
Community services	1,078,408
General government	785,000
Arts and Enrichment Commission	<u>161,057</u>
Total assigned fund balance	<u>\$ 2,877,610</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the City's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

**Comparative data**

The financial information for the year ended June 30, 2018, presented for comparative purposes, is not intended to be a complete financial statement presentation.

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Adoption of new accounting standards**

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* improves the information that is disclosed in notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities should be included when disclosing information related to debt. It requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. It will also require that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

**Upcoming accounting and reporting changes**

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the criteria includes the following: (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds

generally will report fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria. The requirements of this Statement are effective for the fiscal year ending June 30, 2020.

Statement No. 87, *Leases* is to improve accounting and financial reporting for leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The effective date is for the fiscal year ending June 30, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement. The requirements of this Statement are effective for the fiscal year ending June 30, 2021.

Statement No. 90, *Majority Equity Interests* improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain components. This statement is effective for the year ending June 30, 2020.

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2)

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for the year ending June 30, 2022.

The City is evaluating the impact that the above GASB Statements will have on its financial reporting.

**Note 2 - Stewardship, Compliance, and Accountability**

**Budgetary information**

The City Charter requires the City Council, by resolution, to determine and adopt the budget and make the appropriations for the next fiscal year and to provide, by resolution, for a tax levy of the amount necessary to be raised by taxation at least 30 days prior to the first day of the upcoming fiscal year. The Community Policing Fund, Local Law Enforcement Fund, Auto Theft Prevention Grant, Police Training Fund, Police ELERV Grant Fund and Youth Initiative Grant funds are budgeted as one fund. Budgetary control is exercised at the department (appropriation center) level in the General Fund and at the fund level for all other budgeted funds. General Fund line item budget transfers from one account to another within the same appropriation center can be made without City Council approval. All budget transfers from one appropriation center to another or from the General Fund contingent appropriation account must be approved by City Council. In all other funds, line item budget transfers from one account to another within the same department and fund can be made without City Council approval.

All unencumbered appropriations lapse at the end of the fiscal year unless specific requests to reserve funds for capital items are made

by the departments and approved by the City Controller. The subsequent fiscal year's budget is then amended when these expenditures are recorded. Encumbrances outstanding at June 30 do not lapse but are brought forward to the new fiscal year.

Significant encumbrances were as follows:

General Fund	\$ 196,477
Major Streets Fund	494,807
Community Development Fund	14,050
Sewer Fund	792,749
Water Fund	561,377
Nonmajor funds	<u>119,372</u>
Total	<u>\$ 2,178,832</u>

The General Fund, Community Development, Major Streets, Local Streets, Clean Energy Coalition, Public Safety Millage, Rubbish Collection, Police Grants (all budgeted as one fund), Drug Forfeiture, Andersen Center Operation, and Economic Development special revenue funds are under formal budgetary control as is required by Michigan Public Act 621. Budgets shown in the financial statements were prepared on the modified accrual basis. This is the same basis used to reflect actual results and consists only of those amounts contained in the formal budget approved by City Council. Special revenue funds are considered to be departments for budgetary purposes. All enterprise and internal service funds are budgeted annually for internal control purposes only. Budgetary information for these funds is not required in the financial statements. Budgetary control for the Capital Projects Fund is on a project basis because most exceed one fiscal year. Any funds not expended during the current fiscal year are carried forward until spent or reallocated. City Council does not formally adopt budgets for the trust and agency funds.

**City of Saginaw**  
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**State construction code act**

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection on building construction renovation to ensure compliance with the building codes. The City charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

A summary of the current year activity and the cumulative shortfall generated since January 1, 2000, follows:

Shortfall at July 1, 2018	\$ (7,438,029)
Current year building permit revenue	295,657
Related expenditures	<u>(1,090,563)</u>
Cumulative shortfall at June 30, 2019	<u><u>\$ (8,232,935)</u></u>

**Note 3 - Deposits and Investments**

At year end the City's deposits and investments were reported in the financial statements in the following categories:

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities	\$ 23,747,103	\$ -	\$ 86,488	\$ 2,844,758	\$ 26,678,349
Business-type activities	<u>30,445,413</u>	<u>5,690,343</u>	<u>2,192,943</u>	<u>-</u>	<u>38,328,699</u>
 Total primary government	54,192,516	5,690,343	2,279,431	2,844,758	65,007,048
Fiduciary funds	4,540,607	973,340	-	-	5,513,947
Component unit	<u>1,016,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,016,437</u>
 Total	<u><u>\$ 59,749,560</u></u>	<u><u>\$ 6,663,683</u></u>	<u><u>\$ 2,279,431</u></u>	<u><u>\$ 2,844,758</u></u>	<u><u>\$ 71,537,432</u></u>



**City of Saginaw**  
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The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 56,463,797	\$ 4,540,607	\$ 1,016,437	\$ 62,020,841
Investments in securities, mutual funds and similar vehicles	8,535,101	973,340	-	9,508,441
Petty cash and cash on hand	8,150	-	-	8,150
	<u>\$ 65,007,048</u>	<u>\$ 5,513,947</u>	<u>\$ 1,016,437</u>	<u>\$ 71,537,432</u>

As of year-end, the City had the following investments:

Investment	Carrying Value	Rating	Rating Organization
<b>Primary government</b>			
Money market funds	\$ 1,334,783	N/A	N/A
U.S. government obligations			
FNMA	2,368,353	AA+	S&P
FHLMC	2,303,446	AA+	S&P
FHLB	1,828,954	AA+	S&P
FFCB	549,604	AA+	S&P
FNAMAM	149,961	AA+	S&P
	<u>7,200,318</u>		
Total primary government	\$ 8,535,101		

*Interest rate risk* – The City does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates. The City uses the weighted average maturity method. As of June 30, 2019, maturities of the City's debt securities were as follows:

	Total	Less than 1 year	1 year to 5 years	6 years to 10 years
U.S. Government agencies	\$ 7,200,318	\$1,696,656	\$ 4,697,784	\$ 805,878

*Credit risk* – Michigan Compiled Laws, Section 129.91, authorizes local governmental units to make deposits and invest in the accounts of federally insured banks and credit unions that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

*Concentration of credit risk* – The City has no policy that would limit the amount that may be issued in any one issuer.

*Custodial credit risk – deposits* – In the case of deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk. As of year-end, \$62,616,777 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Custodial credit risk – investments* – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the City does not have a policy for investment custodial credit

**City of Saginaw**  
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risk. However, while uninsured and unregistered, the City's funds are not exposed to custodial credit risk since the securities are held in the counterparty's trust department in the City's name.

**Note 4 - Fair Value Measurement**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

- U.S. government obligations of \$7,200,318 are valued using quoted market prices (Level 1 inputs).
- The interest in pooled investments of \$973,340 is measured at net asset value (NAV) and is invested in MERS Retiree Health Funding Vehicle's MERS Diversified Bond Portfolio.

**Note 5 - Receivables**

Receivables as of year-end for the City's governmental and business-type activities in the aggregate, are as follows:

	Governmental Activities	Business-type Activities	Component Units
<b>Primary government</b>			
Income taxes	\$ 1,742,667	\$ -	\$ -
Accounts	2,832,233	5,393,448	-
Accrued interest and other	58,859	1,688	-
Assessments			
Due within one year	187,252	202,714	-
Notes			
Due within one year	49,866	-	-
Due after one year	461,155	-	2,229,836
Total receivables	5,332,032	5,597,850	2,229,836
Less allowance	(970,634)	(225,108)	(28,372)
Total receivables, net	<u>\$ 4,361,398</u>	<u>\$ 5,372,742</u>	<u>\$ 2,201,464</u>
Intergovernmental	<u>\$ 3,334,049</u>	<u>\$ -</u>	<u>\$ 39,892</u>

**Note 6 - Interfund Receivables, Payable, and Transfers**

The composition of interfund balances is as follows:

The outstanding balances between funds result mainly 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.

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 15,156
General Fund	Community Development	391,904
Sewer Fund	General Fund	<u>1,295,391</u>
		<u>\$ 1,702,451</u>

**City of Saginaw**  
**Notes to the Financial Statements**  
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The details for interfund transfers are as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 756,533
Community Development Fund	General Fund	142,967
Nonmajor governmental funds	Nonmajor governmental funds	154,528
Major Streets Fund	Nonmajor governmental funds	19,272
Sewer Fund	Nonmajor governmental funds	26,677
Water Fund	Nonmajor governmental funds	21,208
General Fund	Community Development Fund	59,204
		<u>\$ 1,180,389</u>

Transfers are used to move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. Transfers from the Community Development Fund offset the costs of community police officers. Transfers from the General Fund and Rubbish Fund are for installment contract payments all paid out of the Capital Projects Fund. Additionally, the General Fund, Major Streets Fund, Local Streets Fund, Rubbish Fund, Sewer Fund and Water fund transferred amounts to the Public Employee Healthcare Fund to help cover costs.

**City of Saginaw**  
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**Note 7 - Capital Assets**

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 14,245,703	\$ -	\$ -	\$ 14,245,703
Construction-in-progress	4,166,058	3,695,421	4,870,612	2,990,867
Total capital assets not being depreciated	18,411,761	3,695,421	4,870,612	17,236,570
Capital assets being depreciated				
Land improvements	1,524,686	-	-	1,524,686
Infrastructure	48,803,753	4,558,331	-	53,362,084
Buildings, additions and improvements	25,383,646	92,689	-	25,476,335
Machinery and equipment	14,810,681	989,741	-	15,800,422
Vehicles	11,895,601	1,377,470	481,507	12,791,564
Total capital assets being depreciated	102,418,367	7,018,231	481,507	108,955,091
Less accumulated depreciation for				
Land improvements	207,316	31,086	-	238,402
Infrastructure	35,523,689	1,489,445	-	37,013,134
Buildings, additions and improvements	20,232,150	315,870	-	20,548,020
Machinery and equipment	10,397,560	642,011	-	11,039,571
Vehicles	9,903,173	830,228	476,136	10,257,265
Total accumulated depreciation	76,263,888	3,308,640	476,136	79,096,392
Net capital assets being depreciated	26,154,479	3,709,591	5,371	29,858,699
Governmental activities capital assets, net	<u>\$ 44,566,240</u>	<u>\$ 7,405,012</u>	<u>\$ 4,875,983</u>	<u>\$ 47,095,269</u>

**City of Saginaw**  
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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 2,507,939	\$ -	\$ -	\$ 2,507,939
Construction-in-progress	21,203,733	2,988,231	4,245,521	19,946,443
Total capital assets not being depreciated	23,711,672	2,988,231	4,245,521	22,454,382
Capital assets being depreciated				
Buildings, additions and improvements	176,952,980	2,643,889	-	179,596,869
CSO Facility	101,414,102	1,252,811	-	102,666,913
Machinery and equipment	13,967,525	798,176	-	14,765,701
Vehicle equipment	3,273,120	1,288,875	42,853	4,519,142
Total capital assets being depreciated	295,607,727	5,983,751	42,853	301,548,625
Less accumulated depreciation for				
Buildings, additions and improvements	104,736,942	2,919,096	-	107,656,038
CSO facility	85,443,828	3,552,614	-	88,996,442
Machinery and equipment	8,362,201	530,531	-	8,892,732
Vehicle equipment	1,638,147	298,343	38,852	1,897,638
Total accumulated depreciation	200,181,118	7,300,584	38,852	207,442,850
Net capital assets being depreciated	95,426,609	(1,316,833)	4,001	94,105,775
Business-type capital assets, net	<u>\$ 119,138,281</u>	<u>\$ 1,671,398</u>	<u>\$ 4,249,522</u>	<u>\$ 116,560,157</u>

**City of Saginaw**  
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Depreciation expense was charged to programs of the primary government as follows:

**Governmental activities**

General government	\$ 62,119
Administration	16,351
Public safety	434,797
Highways and streets	1,649,734
General services	925,744
Community services	89,220
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>130,675</u>

Total governmental activities 3,308,640

**Business-type activities**

Sewer	5,401,090
Water	1,899,115
Boat Launch	<u>379</u>

Total business-type activities 7,300,584

Total primary government \$ 10,609,224

**Construction commitments**

The City has active construction projects as of June 30, 2019, consisting of the following:

	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Commitment Remaining</u>
Saw Grant	\$ 632,845	\$ 617,022	\$ 15,823
Williamson Street - Thayer to Treanor	1,310,918	1,256,714	54,204
2017 Deck Drains (Center-Court-Johnson) & Holland	16,900	13,140	3,760
Davenport - Michigan to Niagara - Design	57,200	43,401	13,799
Huron Eastern RR Remington - Design	22,400	11,030	11,370
Davis Road Watermain - Design-Const Manag.	1,195,000	1,194,990	10
Davis Road Watermain - Contract #1	2,159,143	2,149,143	10,000
Davis Road Watermain - Contract #2	13,139,867	12,925,834	214,032
Bay Street Water Main Replacement	1,380,025	1,182,876	197,149
Ojibway Island Park- Design	63,500	51,635	11,865
Holland Ave RR Approach	32,315	-	32,315
Ojibway Island Park Improvements	585,228	575,660	9,568
Lapeer Street - 6th to 11th	838,479	684,230	154,249
Mackinaw- Congress to State	1,464,400	319,281	1,145,119
Forest Lawn Chapel Repairs	2,800	1,507	1,293
Wickes Park Drive Conversion-TAP Grant	5,500	-	5,500
Ramp One Demo - Design	12,000	3,326	8,674
2019 Mill & Resurface	1,358,097	942,035	416,062
2019 Cape Seal	220,657	214,482	6,174
M&S Paving Phase II	860,641	350,000	510,641
Niagara- RR to Genesee- Design	14,800	12,595	2,205
Genesee Ave Bridge Survey- Design	7,000	3,522	3,478
Norman St. Bridge- Design	45,636	10,977	34,659
Hardin St.- Design	45,700	38,429	7,271
Andersen Splash Park- Construction	<u>159,587</u>	<u>142,211</u>	<u>17,376</u>
Total	<u>\$ 25,630,637</u>	<u>\$ 22,744,039</u>	<u>\$ 2,886,598</u>

**City of Saginaw**  
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**Note 8 - Unearned Revenue**

Governmental funds and governmental activities report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

	<u>Unearned</u>
<b>Primary government</b>	
Grant receipts prior to meeting eligibility requirements	<u>\$ 93,238</u>

**City of Saginaw**  
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**Note 9 - Long-Term Debt**

The City issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the City. City contractual agreements and installment purchase agreements are also general obligations of the City. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>									
Bonds and notes payable									
Direct borrowings and direct placements									
General obligation bonds									
Capital Improvement Bonds	\$ 3,692,946	2027	3.12%	\$358,785 - \$380,529	\$ 3,348,657	\$ -	\$ 344,289	\$ 3,004,368	\$ 358,875
Energy reduction revolving loan fund	100,000	2028	2.50%	\$6,628 - \$7,906	64,439	-	6,465	57,974	6,628
Notes payable	2,836,424	Varies	3.22 - 3.75%	\$32,000 - \$179,220	1,195,088	1,200,683	155,507	2,240,264	321,669
Total bonds and notes payable					4,608,184	1,200,683	506,261	5,302,606	687,172
Accrued sick and vacation payable					2,955,492	1,550,296	1,666,754	2,839,034	1,751,448
Capital Leases	413,241	Varies	Varies	\$6,025 - \$69,842	63,941	260,610	110,882	213,669	77,484
Total other long-term obligations					3,019,433	1,810,906	1,777,636	3,052,703	1,828,932
Total governmental activities					<u>\$ 7,627,617</u>	<u>\$ 3,011,589</u>	<u>\$ 2,283,897</u>	<u>\$ 8,355,309</u>	<u>\$ 2,516,104</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities.

For the governmental activities, accrued sick and vacation/PTO compensatory time payable are generally paid by the General Fund and certain special revenue funds.



**City of Saginaw**  
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	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>									
Bonds and notes payable									
General obligation bonds									
State of Michigan sewage disposal system bonds	\$ 8,631,362	2020	2.50%	\$100,000 - \$947,871	\$ 5,241,362	\$ -	\$ 1,186,858	\$ 4,054,504	\$ 1,162,871
State of Michigan wastewater treatment improvement bonds	9,227,726	2028	1.625%	\$69,913 - \$290,000	4,567,726	-	465,000	4,102,726	470,000
State of Michigan sewage disposal system bonds	5,721,627	2019	2.25%	\$0	409,168	-	409,168	-	-
Refunding Drake/Douglas sewage general obligation bonds	830,000	2024	2.13%	\$95,000 - \$100,000	495,000	-	105,000	390,000	100,000
Revenue bonds									
2011 water revenue bonds	11,370,000	2032	4.00 - 5.25%	\$470,000 - \$780,000	7,740,000	-	455,000	7,285,000	470,000
2016 water revenue refunding bonds	23,730,000	2037	4.00 - 5.00%	\$1,195,000 - \$1,265,000	22,630,000		1,180,000	21,450,000	1,195,000
Subtotal					<u>41,083,256</u>		<u>3,801,026</u>	<u>37,282,230</u>	<u>3,397,871</u>
Bonds and notes payable from direct borrows and direct placements									
General obligation bonds									
Capital Improvement Bonds	1,402,054	2027	3.12%	\$136,215 - \$144,471	1,271,429	-	130,625	1,140,804	136,125
Notes payable	73,149	2026	3.72%	\$9,284 - \$11,635	-	73,149		73,149	9,284
Subtotal					<u>-1,271,429</u>	<u>73,149</u>	<u>130,625</u>	<u>1,213,953</u>	<u>145,409</u>
Issuance premiums					<u>-2,968,943</u>	<u>-</u>	<u>161,942</u>	<u>2,807,001</u>	<u>161,942</u>
Total bonds payable					45,323,628	73,149	4,093,593	41,303,184	3,705,222
Accrued sick and vacation payable					<u>851,612</u>	<u>787,403</u>	<u>762,037</u>	<u>876,978</u>	<u>842,146</u>
Total business-type activities					<u>\$ 46,175,240</u>	<u>\$ 860,552</u>	<u>\$ 4,855,630</u>	<u>\$ 42,180,162</u>	<u>\$ 4,547,368</u>

**City of Saginaw**  
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The annual requirements to pay principal and interest on long-term obligations outstanding at June 30, 2019, excluding capital leases, accrued sick and vacation/PTO compensatory time payable, workers' compensation claims payable and insurance claims payable are as follows:

Year Ending June 30,	Governmental Activities	
	Bonds and notes payable from Direct borrowings and Direct placements	
	Principal	Interest
2020	\$ 687,082	\$ 161,285
2021	703,245	139,432
2022	733,175	117,054
2023	745,187	94,020
2024	757,824	70,609
2025 - 2029	<u>1,676,093</u>	<u>75,408</u>
	<u>\$ 5,302,606</u>	<u>\$ 657,808</u>

Year Ending June 30,	Business-type Activities			
	Bonds and notes payable from Direct borrowings and Direct placements			
	Bonds			
	Principal	Interest	Principal	Interest
2020	\$ 3,397,871	\$ 1,477,492	\$ 145,409	\$ 36,200
2021	2,510,000	1,372,813	147,297	31,567
2022	2,655,000	1,289,206	154,534	26,806
2023	2,710,000	1,197,367	154,891	21,924
2024	2,670,000	1,102,353	155,280	17,028
2025 - 2029	13,442,726	3,928,401	456,542	19,319
2030 - 2034	7,426,633	1,539,422	-	-
2035 - 2036	2,470,000	186,750	-	-
	<u>\$ 37,282,230</u>	<u>\$ 12,093,804</u>	<u>\$ 1,213,953</u>	<u>\$ 152,844</u>

required to meet all operating, reserve and debt service requirements. These ordinances also require various accounts be maintained to cover operation and maintenance; improvements and extension; repairs and replacements; and a reserve for bond and interest redemption. Annual contributions are made to these accounts as required and to the reserve for bond and interest redemption to maintain it at a level equal to the largest annual debt service payment outstanding. Any funds remaining after meeting these requirements may be placed in a surplus fund to be used to meet future debt or reserve requirements or to provide a means of financing further improvements and extensions to the water system.

**Deferred amount on debt refunding**

The City issued bonds in prior years to advance refund and retire previously issued bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This amount is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through the year.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Deferred amount on refunding	\$ 474,860	\$ -	\$ 25,902	\$ 448,958	\$ 25,901

**Defeased debt**

The City previously refunded bonds and the resources were used to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities. The defeased debt will be repaid annually through July 1, 2028, with principal installments ranging from \$600,000 to \$900,000 at interest rates of 4.00% to 5.25%.

State law and the City's revenue bond ordinances require that the City maintain such user charges and fees for service as may be

**City of Saginaw**  
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**Pledged revenues**

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$10,570,000 in water system revenue bonds issued in July, 2011. Proceeds from the bonds provided financing for replacing water meters, retro-fitting remote water meters, and acquiring automated meter reading equipment. The proceeds also refunded a portion of the 1993 Water Supply System Bonds and paid the costs of issuing the Series 2011 Bonds. The bonds are payable solely from the Net Revenues of the City's Water Supply System and are payable through 2031. The City has covenanted to charge rates which will produce annual Net Revenues sufficient to provide for 110% of annual debt service requirements on all outstanding Bonds for each year and to provide for such other expenditures and funds of the Water Supply System as are required by the Bond Resolution. The total principal and interest remaining to be paid on the bonds is \$9,574,763. Principal and interest paid for the current year and total customer net revenues, net of pension and OPEB expense, were \$798,585 and \$3,570,344, respectively.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$23,730,000 in water system revenue bonds issued in October 2016. Proceeds from the bonds provided financing for replacing a raw water transmission main along Davis Road, replacing finished water transmission mains along Davis Road, abandoning existing water transmission mains along Davis Road, and improvements to the reservoir and pump station in Kochville Township. The proceeds also refunded a portion of the 2008 Water Supply System Bonds and paid the costs of issuing the Series 2016 Bonds. The bonds are payable solely from the Net Revenues of the City's Water Supply System and are payable through 2036. The City has covenanted to charge rates which will produce annual Net Revenues sufficient to provide for 110% of annual debt service requirements on all outstanding Bonds for each year and to provide for such other expenditures and funds of the Water Supply System as are required by the Bond Resolution. The total principal and interest remaining to be paid on the bonds is \$30,357,800. Principal and

interest paid for the current year and total customer net revenues, net of pension and OPEB expense, were \$2,204,450 and \$3,570,344, respectively.

**Note 10 - Leases**

**Capital leases**

The City has capital leases for network switches and vehicles. The future minimum lease payments are as follows:

<u>Year ending June 30,</u>	
2020	\$ 87,270
2021	72,854
2022	<u>72,854</u>
Total minimum lease payments	232,978
Less amount representing interest	<u>(19,309)</u>
Present value of minimum lease payments	<u>\$ 213,669</u>
Asset	
Machinery and equipment	\$ 73,461
Vehicles	303,010
Less accumulated depreciation	<u>(131,031)</u>
Total	<u>\$ 245,440</u>

**Operating leases**

The City leases various IBM computer equipment under non-cancelable operating leases. Total costs for such leases were \$113,632 for the year ended June 30, 2019.

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The future minimum lease payments for these leases are as follows:

<u>Year ending June 30,</u>	
2020	\$ 138,000
2021	138,000
2022	138,000
2023	138,000
2024	138,000
	<u>\$ 690,000</u>

**Note 11 - Risk Management**

The City is a defendant in various civil and administrative legal actions arising during the normal course of its activities. In accordance with *FASB Accounting Standards Codification 450, Contingencies*, the City accrues for loss contingencies when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

The City Attorney protects the legal interests of the City by vigorously defending these actions and believes these actions will either be favorably resolved or that it is too early to estimate any possible loss upon the outcome of such cases. Often, the City Attorney negotiates expedient settlements on behalf of the City in amounts substantially less than the amount sought by the claimants. The City does not admit liability, however, in any of the cases settled.

The City is self-insured for workers' compensation. Over the past few years, the number of workers' compensation claims has greatly decreased. In accordance with GASB Statement No. 10, an estimate of the City's workers' compensation liability has been recorded in an Internal Service Fund.

**Note 12 - Self Insurance**

**General liability**

The City's insurance carriers are Argonaut Insurance Company for general liability and automobile coverage, and Arch Insurance Company for an additional umbrella policy. The City is insured up to \$10 million with a \$250,000 deductible per occurrence for general and automobile liability and a \$10,000 deductible for automobile physical damage. In addition, BCS Insurance Company provides cyber and privacy liability coverage with a \$10,000 deductible.

The self-insurance program for general liability is accounted for in the self-insurance internal service fund. The revenues for this fund's operation are reimbursements from various funds and a transfer from the general fund. Funds are charged for general liability insurance based on total budget. Losses, deductibles, legal and administrative fees are paid from this fund. The liability for known claims is estimated by ASC, a third-party claims administrator.

The changes in the claims liability for the fiscal years ended June 30, 2019 and 2018 are as follows:

	<u>Beginning Claims Liability</u>	<u>Current Year Claims and Changes in Reserves</u>	<u>Claims Paid</u>	<u>Ending Claims Liability</u>
6/30/2018	\$ 223,100	\$ 359,908	\$ (87,622)	\$ 495,386
6/30/2019	495,386	376,569	(529,866)	342,089

Other types of risk are covered by commercial insurance. There were no insurance settlements that exceeded coverage in the last three years.

**Health insurance**

The self-insurance program for health insurance is accounted for in the employee benefits agency fund, with any claims charged to the

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applicable departments within the City's other funds, and the Public Employee Healthcare Fund. An independent administrator (Blue Cross) is hired to process the daily claims. The City is responsible for individual claims up to \$140,000 and Blue Cross is responsible for paying the claims above this amount. There were no reductions of insurance coverage from the prior year. The City is also responsible for paying administrative charges. The additions to this fund's operation are reimbursements from various funds. The liability at the end of the year is based on claims already incurred and reported and on estimates of incurred but not reported claims as provided by Blue Cross.

The changes in the claims liability for the fiscal years ended June 30, 2019 and 2018 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
6/30/2018	\$ 885,981	\$ 13,267,090	\$(13,266,435)	\$ 886,636
6/30/2019	886,636	13,540,043	(13,462,953)	963,726

**Workers' compensation**

The self-insurance program for workers' compensation is accounted for in the workers' compensation internal service fund. York Risk Services administers this program. They are responsible for processing incident reports, claims investigation, payment of claims and coordinating workers' compensation cases with the City's human resources division. The revenues for this fund's operation are reimbursements from various funds and a transfer from the general fund. Funds are charged for workers' compensation insurance on a percentage of actual salaries. The percentages vary depending on the payroll classification of each employee and are a composite of the rates of several insurance companies. Deposits for claims and administrative expenses are paid from this fund. The liability for

known claims is estimated by York Risk Services. Incurred but not reported claims are judged to be immaterial by management.

The City also carries excess workers' compensation coverage for claims exceeding \$750,000 through Safety National Insurance Company.

The changes in the claims liability for the fiscal years ended June 30, 2019 and 2018 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
6/30/2018	\$ 1,900,921	\$ 234,246	\$(1,058,851)	\$ 1,076,316
6/30/2019	1,076,316	106,826	(141,579)	1,041,563

**Note 13 - Employee Retirement and Benefit Systems**

**Retirement systems**

Municipal Employees' Retirement System (MERS) of Michigan currently administers the Defined Benefit Plan, the Defined Contribution Plan for Non-Public Safety Employees and the Hybrid plan for the City. MERS is an independent, professional retirement services company that was created to administer the retirement plans for Michigan's local units of government on a not-for-profit basis. In addition, the International City/County Managers Association – Retirement Corporation (ICMA-RC) provides the Defined Contribution plan for Public Safety Employees. ICMA-RC's mission is to help public sector employees build retirement security.

**Defined contribution pension plan**

The City of Saginaw Employees Defined Contribution Pension Plan (the "Plan") is a single employer defined contribution pension plan, established by the City and administered by MERS. All City

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employees hired after July 1, 2000, with the exception of certain bargaining units, were required to participate in the Plan. All IAFF union employees hired after July 1, 2001 were also required to participate in the plan. POAM & COAM union employees hired after January 1, 2002, were required to participate in the plan.

Employees vest in the City's contributions according to years of service completed. Employees with 3 years of service are 20% vested. The vesting schedule increases 20% for each additional year of service, with the employee becoming fully vested upon 7 years of completed service.

At June 30, 2019, there were 140 general city plan members and 57 public safety plan members. The City is required to contribute 10% of the employees' gross wages and the eligible employee is required to contribute 5% of their gross wages for general city employees. The City is required to contribute 13% of the employees' gross wages and the eligible employee is required to contribute 8% of their gross wages for public safety employees. The contribution requirements of plan members and the City are established and may be amended by the City Council.

Employer contributions to the Plan for the year ended June 30, 2019, amounted to \$706,400 and employee contributions were \$377,711.

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

**Hybrid defined contribution and defined benefit pension plan**

POAM Union employees hired after January 1, 2015 are required to enroll in the Hybrid Plan. IAFF Union employees hired after January 1 2016 are required to enroll in the Hybrid Plan and effective July 1, 2016, AFSCME Union, SEIU Union and Non-Union employees are required to enroll in the Hybrid plan.

The Hybrid plan contains both a defined benefit element and a defined contribution element.

For the defined benefit portion of the Hybrid Plan, participants are fully vested at 6 years of completed service. For the defined contribution portion, employees are 20% vested with 1 year of service. The vesting schedule increases 20% for each additional year of service.

At June 30, 2019, there were 121 general city plan members and 56 public safety plan members. The City is required to contribute 10% of the employees' gross wages and the eligible employee is required to contribute 5% of their gross wages for general city employees. The City is required to contribute 13% of the employees' gross wages and the eligible employee is required to contribute 8% of their gross wages for public safety employees. The contribution requirements of plan members and the City are established and may be amended by the City Council.

Employer contributions to the Plan for the year ended June 30, 2019, amounted to \$807,924 and employee contributions were \$438,312.

**Defined benefit pension plan**

Plan description – The City participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the City. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

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Benefits provided – At the December 31, 2018 valuation date, the benefits provided were as follows:

	<u>Gnrl AFSCME</u>	<u>Gnrl 466M</u>	<u>Gnrl NonUnion</u>
Status	Closed to new hires	Closed to new hires	Closed to new hires
Benefit Multiplier	2.50% (80% max)	2.50% (80% max)	2.50% (80% max)
Normal Retirement Age	60	60	60
Vesting	8 years	8 years	8 years
Early Retirement (Unreduced)	50/25	50/25	50/25
Early Retirement (Reduced)	55/15	55/15	55/15
Final Average Compensation	3 years	3 years	3 years
COLA for Future Retirees	N/A	N/A	2.50% (Non-Compound)
COLA for Current Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)	2.50% (Non-Compound)
Employee Contributions	4.70%	4.70%	5.00%
DC Plan for New Hires	1/1/2000	7/1/2000	1/1/2000

	<u>City Manager</u>	<u>TSAE</u>
Status	Closed to new hires	Closed to new hires
Benefit Multiplier	2.50% (80% max)	2.50% (80% max)
Normal Retirement Age	60	60
Vesting	10 years	10 years
Early Retirement (Unreduced)	50/25	50/25
Early Retirement (Reduced)	55/15	55/15
Final Average Compensation	3 years	3 years
COLA for Future Retirees	2.50% (Non-Compound)	N/A
COLA for Current Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)
Employee Contributions	0.00%	3% under \$4,200; 5% over \$4,200
DC Plan for New Hires	N/A	1/1/2000

	<u>POAM Patrol</u>	<u>COAM-Command</u>	<u>Sworn Police Officers</u>
Status	Closed to new hires	Closed to new hires	Open
Benefit Multiplier	2.60% (65% max)	2.60% - 2.75% (74% max)	1.50%
Normal Retirement Age	52	52	60
Vesting	10 years	10 years	6 years
Early Retirement (Unreduced)	20 and out	20 and out	55/25
Early Retirement (Reduced)	-	-	-
Final Average Compensation	3 out of 10	3 out of 10	3 years
COLA for Future Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)	N/A
COLA for Current Retirees	Varies	Varies	N/A
Employee Contributions	11.50%	11.50%	0.00%
RS50% Percentage	Duty Disability 65% or FAC Minimum.	60%	N/A
	DROP: Traditional  If a member terminates with at least 18 years of service, deferred benefits commence when member would have attained 20 years of service if the member had not terminated employment  Non-duty Disability Benefit (up to 10 years of service added until total service equals 20 years) Non-Duty Disability		

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	<u>Fire</u>	<u>DC Fire after 1/1/16</u>	<u>AFSCME on/aft 7/1/16</u>
Status	Closed to new hires	Open	Open
Benefit Multiplier	2.80% (84% max)	1.50%	1.50%
Normal Retirement Age	52	60	60
Vesting	10 years	6 years	6 years
Early Retirement (Unreduced)	49/20	55/25	55/25
Final Average Compensation	3 out of 10	3 years	3 years
COLA for Current Retirees	Varies	-	-
Employee Contributions	8.00%	0.00%	0.00%
RS50% Percentage:	60.00%	-	-
D-2	D-2 (80%)	-	-

	<u>NonUnion aft 7/1/16</u>	<u>SEIU aft 7/1/16</u>
Status	Closed	Closed
Benefit Multiplier	1.50%	1.50%
Normal Retirement Age	60	60
Vesting	6 years	6 years
Early Retirement (Unreduced)	55/25	55/25
Final Average Compensation	3 years	3 years
Employee Contributions	0.00%	0.00%

The contribution requirements of the City 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 City, depending on the MERS contribution program adopted by the City.

Employees covered by benefit terms – At the December 31, 2018 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	842
Inactive employees entitled to but not receiving benefits	19
Active employees	221
	<u>1,082</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by

MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. All defined benefit divisions are closed to new hires. Closed divisions to new employees had annual employer contributions ranging from \$0 to \$3,149,616.

Net pension liability – The employer's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date. Substantially all funds are used to liquidate this liability.

Actuarial assumptions – The total pension liability in the December 31, 2018 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.5%; 2) Salary increases 3.75%; 3) Investment rate of return of 8%, net of investment expense, including inflation.

Mortality rates used were based on a 50% male and 50% female blend of the following tables: the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% male and 50% female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study. There were no significant changes in assumptions during the most recent valuation.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of



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investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real rate of Return
Global equity	55.50%	8.65%	4.80%	2.50%	3.42%
Global fixed income	18.50%	3.76%	0.70%	2.50%	0.23%
Real assets	13.50%	9.72%	1.31%	2.50%	0.97%
Diversifying strategies	12.50%	7.50%	0.94%	2.50%	0.63%
	100.00%		7.75%		5.25%

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

Changes in the net pension liability during the measurement year were as follows:

	2019
<b>Total Pension Liability</b>	
Service cost	\$ 1,663,289
Interest on the total pension liability	25,680,216
Other changes	16,430
Experience differences	3,638,071
Benefit payments and refunds	<u>(28,946,607)</u>
Net change in total pension liability	2,051,399
Total pension liability - beginning	<u>334,644,376</u>
Total pension liability - ending (a)	<u>\$ 336,695,775</u>

**Plan Fiduciary Net Position**

Employer contributions	\$ 15,067,206
Employee contributions	417,958
Pension plan net investment income (loss)	(6,585,645)
Benefit payments and refunds	(28,946,607)
Pension plan administrative expense	<u>(337,481)</u>
Net change in plan fiduciary net position	(20,384,569)
Plan fiduciary net position - beginning	<u>179,541,317</u>
Plan fiduciary net position - ending (b)	<u>\$ 159,156,748</u>

Net pension liability (a-b) \$ 177,539,027

Plan fiduciary net position as a percentage of total pension liability	47.27%
Covered payroll	\$ 12,266,069
Net pension liability as a percentage of covered payroll	1447.40%

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Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (7.00%) or 1% higher (9.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	<u>\$ 208,548,009</u>	<u>\$ 177,539,027</u>	<u>\$ 151,026,816</u>

Pension expense and deferred outflows and inflows of resources related to pensions – For the year ended June 30, 2019, the City recognized pension expense of \$19,090,971. The City reported deferred outflows related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Total to Amortize</u>
Net difference between projected and actual earnings on plan investments	\$ 11,213,950	\$ 11,213,950
Experience differences	1,819,035	1,819,035
Contributions subsequent to the measurement date*	<u>7,550,323</u>	<u>-</u>
Total	<u>\$ 20,583,308</u>	<u>\$ 13,032,985</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2020.

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended,</u>	
2020	\$ 5,486,616
2021	1,128,217
2022	2,338,755
2023	<u>4,079,397</u>
	<u>\$ 13,032,985</u>

**Employee benefits**

In addition to contributing to the Michigan Municipal Employees Retirement System described above, all full time City employees, except sworn Police and Fire personnel, contribute to Social Security (6.20%), up to a maximum of \$7,961, and Medicare (1.45%). All sworn Police and Fire personnel hired after April 1, 1986 contribute 1.45% to Medicare. All regular part time employees, those who work thirty-two hours per week, contribute 1.45% to Medicare and 3.75% to a deferred compensation account in lieu of Social Security. The City contributes a matching 3.75%. Part Time employees hired after July 1, 2011 and working 28 hours per week or less, contribute 6.20% to Social Security and 1.45% to Medicare, the same as a regular full time employee.

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The City paid or accrued premiums, claims and administrative fees to third party administrators for its full time employees totaling \$4,835,249 , a decrease of 14% from the prior fiscal year, as follows:

	6/30/2019	6/30/2018	Change
Health insurance	\$ 4,149,280	\$ 4,877,274	\$ (727,994)
Dental insurance	259,441	264,336	(4,895)
Life insurance	102,255	99,631	2,624
Short/long term disability	267,038	323,849	(56,811)
Vision care	57,235	62,123	(4,888)
Total payments	<u>\$ 4,835,249</u>	<u>\$ 5,627,213</u>	<u>\$ (791,964)</u>

The cost of these premiums is charged to City funds based on the actual cost for each employee.

**Other postemployment benefits**

In addition to the pension benefits described previously, the City of Saginaw provides retiree Healthcare benefits for retirees and eligible beneficiaries for employees who were hired prior to July 1, 2009. The levels of benefits available are dependent on the plans that were in place at the time of the employee's retirement or those benefits that were made available as the result of a January 1, 2017 court settlement for specified retirees. Employees hired after July 1, 2009 are enrolled in a Health Care Savings Plan and are not eligible for any retiree health benefits.

Life insurance is available for the retiree only upon retirement, based on the benefit level that was in place within their bargaining unit at the time of retirement. Benefit levels range from \$2,500 up to \$10,000. Dental insurance is discontinued upon retirement for all employees with the exception of full time non-union employees and only those fire fighters covered by benefits provided by their respective collective bargaining agreement at the time of eligible retirement.

Vision insurance is terminated for all employees at the time of retirement except full time non-union employees who are vested and retire after July 31, 2001.

In addition to the health care expenditures for full time employees above, expenditures in the amount of \$9,387,442 were recognized for postemployment health care benefits, an increase of 10.9% from the prior fiscal year, as follows:

	No. of Retirees	6/30/2019	6/30/2018
Health insurance	709	\$ 9,342,677	\$ 8,418,324
Dental insurance	87	18,032	19,436
Life insurance	632	24,002	26,653
Vision Insurance	17	2,731	2,548
Total payments		<u>\$ 9,387,442</u>	<u>\$ 8,466,961</u>

The cost of these premiums is charged to City funds based on the actual cost for each retiree.

Employees covered by benefit terms – At the December 31, 2018 valuation date, the following employees were covered by benefit terms:

Active employees	183
Retirees and covered spouses	<u>1,152</u>
	<u>1,335</u>

The plan is closed to new members.

Contributions – The City has the authority to establish and amend the contribution requirements of the City and plan members. The City establishes rates based on an actuarially determined rate. For the year ended June 30, 2019, the City contributed based on the “pay-as-you-go-method”. Going forward, the City will use the actuarially

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determined contribution. Plan members are not required to contribute to the plan.

**Total OPEB liability** – The total OPEB liability was measured as of December 31, 2018. Substantially all funds are used to liquidate this liability.

**Actuarial assumptions** – The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.5%
Salary increases	3.75%
Healthcare cost trend rates	8% initial, decreasing by .05% each year to an ultimate rate of 4%

Mortality rates were based on the RP-2014 Mortality Tables for males or females, as appropriate.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period of 2009 to 2013.

**Discount rate** – The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

Changes in the total OPEB liability:

	<u>2019</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 2,534,106
Interest on the total OPEB liability	8,947,895
Changes in actuarial assumptions	(17,699,012)
Benefit payments and refunds	<u>(9,750,762)</u>
Net change in total OPEB liability	(15,967,773)
Total OPEB liability - beginning	<u>281,963,003</u>
Total OPEB liability - ending (a)	<u><u>\$ 265,995,230</u></u>

**Sensitivity of the total OPEB liability to changes in the discount rate** – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.64%) or 1% higher (4.64%) than the current discount rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 312,027,754</u>	<u>\$ 265,995,230</u>	<u>\$ 229,384,152</u>

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Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower (7.0%) or 1% higher (9.0%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability	<u>\$ 228,966,442</u>	<u>\$ 265,995,230</u>	<u>\$ 311,996,554</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2019 the employer recognized OPEB expense of \$1,659,453. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total	Total to Amortize
Experience differences	\$ -	\$ (4,965,910)	\$ (4,965,910)	\$ (4,965,910)
Contributions subsequent to the measurement date*	<u>5,145,185</u>	<u>-</u>	<u>5,145,185</u>	
Total	<u>\$ 5,145,185</u>	<u>\$ (4,965,910)</u>	<u>\$ 179,275</u>	<u>\$ (4,965,910)</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the total OPEB liability for the year ending 2020. Of this balance, \$973,340 was contributed to a qualified trust and is shown in the OPEB Fund.

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

Year ended,	
2020	<u>\$ (4,965,910)</u>

**Note 14 - Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**Note 15 - Property Taxes**

City property taxes are levied each July 1 on the taxable value of property located in the City as of the preceding December 31, tax day and the lien date. In accordance with the provisions of Proposal A (see below), taxable value is the lower of the following three computations: 1) assessed/state equalized value; 2) the prior year's taxable value multiplied by the increase in the consumer price index or five percent (5%), whichever is less; or 3) the multiplier value. Proposal A requires the City Assessor to annually establish the assessed values and the equalization of said assessed values by the State of Michigan at 50 percent of current market value, prior to the application of formulas to determine the taxable value. Real property taxable value for the July 1, 2018, levy was assessed at \$386,409,220 and personal property taxable value was assessed at \$69,196,184.

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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The City of Saginaw's operating tax rate for the fiscal year ended June 30, 2019, was 7.3830 mills (limited to 7.5000 mills). Additionally, the City levied 7.5000 mills for public safety. The City did not levy for debt service.

On March 15, 1994, voters in the State of Michigan approved Proposal A, a property tax reform proposal, which shifted the funding of education from property taxes to a combination of property taxes, higher sales tax and a real estate transfer tax. Property taxes were reduced to a maximum of six mills for homestead property and eighteen mills for non-homestead property; the State Sales Tax was increased from four cents to six cents; and a new real estate transfer tax of \$7.50 per thousand dollars was added. In addition, Proposal A restricted the growth of assessments on individual properties to the increase in the consumer price index or five percent (5%), whichever is less, until ownership of the property is transferred. The citizens of Saginaw subsequently approved an additional four mills for public libraries when Proposal A eliminated their millage from the school's millage and another three mills to operate a public transportation system.

Taxes are due and payable on July 1 at the City Treasurer's Office and become delinquent after 30 days. To all real and personal taxes paid on or after August 1, there is added interest at the rate of  $\frac{1}{2}$  of 1 percent for every month, or fraction thereof, from August 1 until the date of payment. A penalty of  $\frac{1}{2}$  of 1 percent is also added after July 31. From March 1 and thereafter, real taxes are collected by the Treasurer of Saginaw County, who adds and keeps a collection fee of four percent (4%) on the unpaid balance, and in addition, adds interest at the rate of one percent (1%) per month from March 1 until the date of payment. Unpaid taxes, together with all charges thereon, become a continuing lien on the property assessed. The general tax law provides that real estate with delinquent taxes shall be sold at a state land sale.

**Tax Limitation** – By general law, property taxes for City purposes are limited to two percent (2%) of the assessed valuation of all real and personal property in the municipality, provided that no such restriction shall prevent the levy of taxes required for the payment of general debt obligations. The charter of the City of Saginaw provided that City taxes shall be subject to the overall limitation (City, School and County) imposed by Section 21, Article X, of the Michigan State Constitution, which is 1-1/2 percent of assessed value exclusive of debt incurred prior to December 8, 1932. Act No. 44, Public Acts of 1948, effective August 20, 1948, amended all Michigan city charters nullifying charter limitations and authorized that the levy for city purposes shall not exceed one percent (1%) of assessed valuation in any one year, unless and until a different tax rate limitation is provided by charter. State equalized valuations have been used in place of local assessed valuations.

On November 6, 1979, pursuant to an initiatory referendum, the City Charter was amended by the electors of the City of Saginaw to reduce the maximum property tax, which may be levied by the City in any year from 10 mills to 7.50 mills. The amendment further provided that if in subsequent years the assessed value of all property within the City is increased for any reason, this maximum 7.50 mill rate would have to be permanently reduced so as to yield the same gross dollar revenue as the fiscal year 1979 property tax revenue yield (\$3,828,778). The amendment further provided for up to a 3 mill emergency levy if a specific emergency is declared by the Mayor and concurred with by a 3/4ths vote of the full Council.

**Note 16 - Tax Abatements**

The City enters into property tax abatement agreements with local businesses under several programs as authorized under Public Act 146 of 2000, as amended (PA 146), Public Act 147 of 1992 (PA 147), Public Act 198 of 1974, as amended (PA 198), Public Act 328 of 1998 (PA 328), Public Act 346 of 1966 (PA 346), and Public Act 381 of 1996, as amended (PA 381).

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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PA 146 (Obsolete Property Rehabilitation Act) provides property tax exemptions for commercial properties that are rehabilitated and meet the requirements of the Act. Properties must meet eligibility requirements including a statement of obsolescence by the local assessor. The property must be located in an established Obsolete Property Rehabilitation District. Exemptions are approved for a term of 1 to 12 years as determined by the City. The City abated \$42,149 related to PA 146 during fiscal year 2019.

PA 147 (Neighborhood Enterprise Zone Act) provides property tax exemptions for properties that provides for the development and rehabilitation for residential housing and meet the requirements of the Act. Properties must be in a designated neighborhood enterprise zone. Exemptions may range from 6 to 17 years dependent on the type of property. The City abated \$291 related to PA 147 during fiscal year 2019.

PA 198 (Industrial Property Tax Abatement) allows abatements to encourage Michigan manufacturers to build new plans, expand existing plans, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement. Once approved the firm pays an Industrial Facilities Tax (IFT), instead of property taxes, which reflects the abatement savings.

The exemption covers only the specific project that is the subject of the application. Any buildings and equipment that existed prior to the construction of a new facility are not exempt. Likewise, any structures or equipment added after completion of the project are fully taxable. The IFT on new plant and non-industrial personal property is computed at half the local property mileage rate, resulting in a reduction of property taxes of approximately 50%. For an obsolete plant or machinery that is being replaced or restored, the IFT is frozen at the assessed value of the plant prior to improvement, resulting in a 100% exemption from property tax on the value of the improvements.

A speculative building would be eligible for a reduction in property taxes of approximately 50%. Commercial personal property will receive an automatic reduction of 12 mills for local school on their

property tax bill. The City abated \$53,058 related to PA 198 during fiscal year 2019.

PA 328 (Personal Property Tax Relief in Distressed Communities) allows eligible distressed communities to abate taxes on new investments made by eligible commercial businesses that reduce unemployment, promote economic growth, and increase capital investment. Neighborhood Enterprise Zone designation would qualify a community as eligible for the PA 328 exemption. Eligible projects include manufacturing, mining, research and development, wholesale trade, and office operations. Retail businesses and casinos are not eligible. Abatements reduce property taxes by the full millage rate. The law does not specify a maximum or a minimum number of years to be abated. The City abated \$432,747 related to PA 328 during fiscal year 2019.

PA 346 (State Housing Development Authority Act) provides property tax abatements in the form of payments in lieu of taxes for nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, mobile home park corporations, and mobile home park associations. Properties must meet eligibility requirements. The City abated \$124,936 related to PA 346 during fiscal year 2019.

PA 381 (Brownfield Redevelopment Abatement) encourages the purchase and revitalization of properties in which redevelopment or reuse may be complicated by the presence or perception of contamination. Revitalizing and redeveloping these properties protects the environment, reuses existing infrastructure, minimizes urban sprawl and creates economic opportunities. The City abated \$5,179 related to PA 381 during fiscal year 2019.

The City Charter caps the property tax revenue at \$3,828,778. The 2018 real and personal levy totaled \$3,322,690. Therefore, the net effect of the all the tax abatements listed above was \$506,088. As

**City of Saginaw**  
**Notes to the Financial Statements**  
**June 30, 2019**

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property values increase, the effect of these abatements will decrease.

**Note 17 - Endowments**

The City has received multiple donor-restricted endowments for cemeteries and parks with an original total value of \$47,000. The City has interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The City classifies the original value of \$47,000 as non-spendable fund balance. The remaining portion of the donor-restricted endowments that is not classified as non-spendable is classified as restricted for Cemeteries and Parks. At June 30, 2019, the City has \$185,323 that has accumulated through net appreciation and interest and dividend earnings that is available for authorization for expenditure by the City Council for the specified purposes. Any spending is authorized through budgetary appropriation, as outlined in the City Charter. Any expenditures of said fund balance will be in done accordance with the original trust documents.

**Note 18 - Economic Development Projects**

**Brownfield Authority Site Remediation Revolving Fund (“SRRF”)**

The City received funding from the U.S. Environmental Protection Agency for a Brownfield Assessment Demonstration Pilot. Peerless Environmental Services, Inc. was selected to prepare an inventory of contaminated sites, prioritize the sites and perform environmental assessments. Businesses must prepare a Redevelopment Plan to clean up the site and make improvements. The eligible costs can be reimbursed from property taxes that are captured from the increase in the taxable value established at the date the City Council approves the Plan and the taxable value after improvements are completed. School taxes are excluded from captured taxes unless the project receives special review from the Michigan Department of Environmental Quality.



**City of Saginaw**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

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	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
General operating property taxes	\$ 4,152,687	\$ 4,364,838	\$ 4,211,513	\$ (153,325)
City income tax	12,610,000	12,765,003	14,123,115	1,358,112
State shared revenues	8,442,234	8,494,079	8,612,657	118,578
Licenses, permits and fees	2,187,639	2,344,335	2,271,296	(73,039)
Fines, penalties and forfeitures	355,094	318,000	253,901	(64,099)
Grants, donations and contributions	4,684,400	5,391,612	5,479,353	87,741
Interest	393,935	491,373	545,875	54,502
Rents and privileges	734,502	734,502	622,842	(111,660)
Other revenues	681,468	813,670	721,027	(92,643)
Total revenues	34,241,959	35,717,412	36,841,579	1,124,167

**City of Saginaw**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
<b>Expenditures</b>				
General government	\$ 4,915,121	\$ 5,266,413	\$ 4,619,988	\$ (646,425)
Administration	2,925,442	2,933,772	2,697,977	(235,795)
Public safety				
Police department	12,069,938	13,032,302	12,520,043	(512,259)
Fire department	8,142,106	8,871,899	8,292,097	(579,802)
General services	3,902,783	4,076,814	3,572,949	(503,865)
Community services	1,677,700	1,784,907	1,662,074	(122,833)
Total expenditures	<u>33,633,090</u>	<u>35,966,107</u>	<u>33,365,128</u>	<u>(2,600,979)</u>
Excess (deficiency) of revenues over expenditures	<u>608,869</u>	<u>(248,695)</u>	<u>3,476,451</u>	<u>3,725,146</u>
<b>Other financing sources (uses)</b>				
Issuance of debt	-	506,640	767,249	260,609
Transfers in	134,966	142,967	142,967	-
Transfers out	(633,953)	(758,195)	(815,737)	57,542
Total other financing sources (uses)	<u>(498,987)</u>	<u>(108,588)</u>	<u>94,479</u>	<u>318,151</u>
Net change in fund balance	109,882	(357,283)	3,570,930	3,928,213
Fund balance - beginning of year	<u>6,719,678</u>	<u>6,719,678</u>	<u>6,719,678</u>	
Fund balance - end of year	<u>\$ 6,829,560</u>	<u>\$ 6,362,395</u>	<u>10,290,608</u>	<u>\$ 3,928,213</u>

**City of Saginaw**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Major Streets Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Licenses and permits	\$ 31,000	\$ 31,000	\$ 38,620	\$ 7,620
State revenue sharing	5,407,853	5,407,853	5,500,747	92,894
Other state grants	683,858	1,533,128	1,522,535	(10,593)
Other revenue	9,150	66,016	104,844	38,828
Sale of fixed assets	500	500	2,683	2,183
Total revenues	6,132,361	7,038,497	7,169,429	130,932
<b>Expenditures</b>				
Public works				
Routine maintenance of roads and streets	2,084,256	2,189,838	1,728,514	(461,324)
Routine maintenance of bridges	69,444	135,247	119,541	(15,706)
Winter maintenance of roads and streets	364,103	525,060	370,799	(154,261)
Traffic services maintenance	602,790	675,966	568,286	(107,680)
State trunkline maintenance	437,645	445,418	361,530	(83,888)
Administration	909,971	934,765	816,851	(117,914)
Total public works expenditures	4,468,209	4,906,294	3,965,521	(940,773)
Capital outlay	1,830,907	2,947,845	2,677,417	(270,428)
Debt service				
Principal retirement	91,224	93,738	68,577	(25,161)
Interest and fiscal charges	25,048	25,048	15,992	(9,056)
Total debt service	116,272	118,786	84,569	(34,217)
Total expenditures	6,415,388	7,972,925	6,727,507	(1,245,418)
Excess (deficiency) of revenues over expenditures	(283,027)	(934,428)	441,922	1,376,350

**City of Saginaw**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Major Streets Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final	Actual	
<b>Other financing sources (uses)</b>				
Issuance of debt	\$ -	\$ 350,082	\$ 350,083	\$ 1
Transfers out	(286,319)	(287,746)	(19,272)	(268,474)
Total other financing sources (uses)	(286,319)	62,336	330,811	(268,473)
Net change in fund balance	(569,346)	(872,092)	772,733	1,644,825
Fund balance - beginning of year	2,307,138	2,307,138	2,307,138	
Fund balance - end of year	<u>\$ 1,737,792</u>	<u>\$ 1,435,046</u>	<u>\$ 3,079,871</u>	<u>\$ 1,644,825</u>

**City of Saginaw**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Community Development Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
<b>Revenues</b>				
Federal grants	\$ 3,346,504	\$ 3,356,474	\$ 2,506,632	\$ (849,842)
Other state grants	-	184,220	417,633	233,413
Interest income	4,000	4,000	12,302	8,302
Loan repayments	36,000	36,000	48,731	12,731
Rental income	-	-	5,005	5,005
Miscellaneous	1,000	73,600	43,820	(29,780)
Total revenues	3,387,504	3,654,294	3,034,123	(620,171)
<b>Expenditures</b>				
Current				
Economic development	3,387,504	4,218,039	2,808,261	(1,409,778)
Excess (deficiency) of revenues over expenditures	-	(563,745)	225,862	789,607
<b>Other financing sources (uses)</b>				
Transfers in	59,204	59,204	59,204	-
Transfers out	-	(142,967)	(142,967)	
Total other financing sources (uses)	59,204	(83,763)	(83,763)	
Net change in fund balance	59,204	(647,508)	142,099	789,607
Fund balance - beginning of year (deficit)	(370,492)	(370,492)	(370,492)	
Fund balance - end of year (deficit)	<u>\$ (311,288)</u>	<u>\$ (1,018,000)</u>	<u>\$ (228,393)</u>	<u>\$ 789,607</u>

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**City of Saginaw**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**June 30, 2019**

	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service cost	\$ 1,663,289	\$ 1,556,417	\$ 1,663,167	\$ 1,048,864	\$ 575,614
Interest on the total pension liability	25,680,216	25,670,554	25,738,756	19,616,632	11,155,106
Transfer of police/fire liability	-	-	81,663,416	105,033,295	-
Other changes	16,430	(13)	1	2,042,459	1
Experience differences	3,638,071	1,694,853	312,010	(1,859,583)	-
Changes in actuarial assumptions	-	-	-	7,774,598	-
Benefit payments and refunds	(28,946,607)	(28,762,319)	(28,263,841)	(20,924,135)	(12,034,147)
Net change in total pension liability	2,051,399	159,492	81,113,509	112,732,130	(303,426)
Total pension liability - beginning	334,644,376	334,484,884	253,371,375	140,639,245	140,942,671
Total pension liability - ending (a)	<u>\$ 336,695,775</u>	<u>\$ 334,644,376</u>	<u>\$ 334,484,884</u>	<u>\$ 253,371,375</u>	<u>\$ 140,639,245</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 15,067,206	\$ 13,392,466	\$ 24,998,362	\$ 18,787,296	\$ 10,025,340
Employee contributions	417,958	476,491	566,489	1,679,412	209,067
Pension plan net investment income (loss)	(6,585,645)	21,922,423	18,522,381	(1,354,036)	3,964,552
Benefit payments and refunds	(28,946,607)	(28,762,319)	(28,263,841)	(20,924,135)	(12,034,147)
Pension plan administrative expense	(337,481)	(348,525)	(365,433)	(313,371)	(145,308)
Transfer of police/fire assets	-	-	32,924,049	60,369,090	-
Other	-	(250)	(251)	275,770	-
Net change in plan fiduciary net position	(20,384,569)	6,680,286	48,381,756	58,520,026	2,019,504
Plan fiduciary net position - beginning	179,541,317	172,861,031	124,479,275	65,959,249	63,939,745
Plan fiduciary net position - ending (b)	<u>\$ 159,156,748</u>	<u>\$ 179,541,317</u>	<u>\$ 172,861,031</u>	<u>\$ 124,479,275</u>	<u>\$ 65,959,249</u>
Net pension liability (a-b)	<u>\$ 177,539,027</u>	<u>\$ 155,103,059</u>	<u>\$ 161,623,853</u>	<u>\$ 128,892,100</u>	<u>\$ 74,679,996</u>
Plan fiduciary net position as a percentage of total pension liability	47.27%	53.65%	51.68%	49.13%	46.90%
Covered payroll	\$ 12,266,069	\$ 11,352,264	\$ 11,109,314	\$ 6,255,078	\$ 4,379,041
Net pension liability as a percentage of covered payroll	1447.40%	1366.27%	1454.85%	2060.60%	1,705.40%

Note: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation.  
Data will be added as information is available until 10 years of such data is available.

**City of Saginaw**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Employer Contributions**  
**June 30, 2019**

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2015	\$ 11,101,725	\$ 11,101,725	\$ -	\$ 11,692,526	94.95%
6/30/2016	12,905,325	12,905,325	-	12,421,345	103.90%
6/30/2017	11,503,189	12,507,269	(1,004,080)	11,927,122	104.86%
6/30/2018	13,030,383	15,030,383	(2,000,000)	12,686,320	118.48%
6/30/2019	13,000,836	14,068,682	(1,067,846)	13,605,040	103.41%

Note: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

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

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	15-22 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.5%
Salary increases	3.75%
Investment rate of return	8%
Retirement age	52 to 60
Mortality	RP-2014 Healthy Annuitant Mortality Tables - 50% male and 50% female blend
	RP-2014 Employee Mortality Tables - 50% male and 50% female blend
	RP-2014 Juvenile Mortality Tables - 50% male and 50% female blend
	RP-2014 Disabled Retiree Mortality Tables - 50% male and 50% female blend

Note: Actuarially determined contribution amounts are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which contributions are reported.

**City of Saginaw**  
**Required Supplementary Information**  
**Other Post Employment Benefits**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**June 30, 2019**

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 2,534,106	\$ 3,054,260
Interest on the total OPEB liability	8,947,895	8,136,797
Experience differences	-	3,266,252
Changes in actuarial assumptions	(17,699,012)	3,862,495
Benefit payments and refunds	<u>(9,750,762)</u>	<u>(9,860,001)</u>
Net change in total OPEB liability	(15,967,773)	8,459,803
Total OPEB liability - beginning	<u>281,963,003</u>	<u>273,503,200</u>
Total OPEB liability - ending (a)	<u>\$ 265,995,230</u>	<u>\$ 281,963,003</u>
Plan fiduciary net position as a percentage of total OPEB liability	- %	- %
Covered employee payroll	N/A	N/A
Total OPEB liability as a percentage of covered employee payroll	N/A	N/A

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available. Contributions are not based on a measure of payroll, therefore per GASB Statement No. 85, covered employee payroll is not presented.



**City of Saginaw**  
**Required Supplementary Information**  
**Other Post Employment Benefits**  
**Schedule of Employer Contributions**  
**June 30, 2019**

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
6/30/2018	\$ 9,463,741	\$ 9,818,456	\$ (354,715)	N/A	N/A
6/30/2019	9,923,670	10,267,157	(343,487)	N/A	N/A

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available. Contributions are not based on a measure of payroll, therefore per GASB Statement No. 85, covered employee payroll is not presented.

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

Actuarial cost method	Individual entry-age as a level percentage of payroll
Inflation	2.5%
Healthcare cost trend rates	8% initial, decreasing by 0.5% each year to an ultimate rate of 4%
Salary increases	3.75%
Retirement age	50 to 60 years
Mortality	RP-2014 Healthy Annuitant Mortality Tables - 50% male and 50% female blend RP-2014 Employee Mortality Tables - 50% male and 50% female blend RP-2014 Juvenile Mortality Tables - 50% male and 50% female blend RP-2014 Disabled Retiree Mortality Tables - 50% male and 50% female blend

Note: Actuarially determined contribution amounts are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which contributions are reported.

**City of Saginaw**  
**Required Supplementary Information**  
**Other Post Employment Benefits**  
**Schedule of Investment Returns**  
**June 30, 2019**

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<u>Fiscal year ending June 30,</u>	<u>Annual Return (1)</u>
2019	0.00%

Note:

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

**City of Saginaw**  
**Other Supplementary Information**  
**General Fund**  
**Balance Sheet**  
**June 30, 2019**

(With Comparative Actual Amounts for June 30, 2018)

	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 8,388,225	\$ 5,060,987
Receivables		
Taxes receivable	1,742,667	1,705,828
Customers	59,346	180,324
Special assessments	166,921	145,639
Accrued interest and other	58,859	4,533
Due from other units of government	1,458,020	1,403,577
Due from other funds	407,060	755,230
Inventories	198,443	102,332
Prepaid items	20,975	45,976
Investments	299,713	291,027
	<u>299,713</u>	<u>291,027</u>
 Total assets	 <u>\$ 12,800,229</u>	 <u>\$ 9,695,453</u>
 <b>Liabilities</b>		
Accounts payable	\$ 366,387	\$ 323,692
Accrued and other liabilities	798,883	768,003
Due to other funds	1,295,391	1,815,391
Due to other units of government	21,291	19,803
	<u>21,291</u>	<u>19,803</u>
 Total liabilities	 <u>2,481,952</u>	 <u>2,926,889</u>

**City of Saginaw**  
**Other Supplementary Information**  
**General Fund**  
**Balance Sheet**  
**June 30, 2019**

**(With Comparative Actual Amounts for June 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>Deferred inflows of resources</b>		
Accounts receivable	\$ 27,669	\$ 48,886
<b>Fund balances</b>		
Non-spendable		
Inventories	198,443	102,332
Prepaid items	20,975	45,976
Restricted for		
General government	8,619	6,383
Public safety	5,460	13,242
Economic development	4,625	10,443
Culture and recreation	-	105,000
Committed for		
Public safety	51,040	63,928
Economic development	-	1,736
Public services	91,088	-
Assigned for		
Public safety	563,044	260,771
Repairs	5,539	2,781
Public services	284,562	-
Community services	1,078,408	-
General government	785,000	-
Culture and recreation	-	100,000
Unassigned	<u>7,193,805</u>	<u>6,007,086</u>
 Total fund balances	 <u>10,290,608</u>	 <u>6,719,678</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 12,800,229</u>	 <u>\$ 9,695,453</u>

# **NONMAJOR GOVERNMENTAL FUNDS**

## **SPECIAL REVENUE FUNDS**

### ***LOCAL STREETS FUNDS***

The Local Streets Fund receives allocations of State collected gasoline taxes and license fees to be used for the maintenance, repair and construction of streets and bridges within the City.

### ***PUBLIC SAFETY MILLAGE FUND***

The City levies a special property tax earmarked to support the cost of police and firefighters. This fund accounts for the tax levy proceeds and other reimbursements. It also records the expenditures for the payroll and related costs of the police officers and firefighters assigned to this fund.

### ***RUBBISH COLLECTION FUND***

This fund accounts for the annual household rubbish fees, compost fees, and trash removal fees. It also records the expenditures for rubbish collection, hauling and disposal, recycling, composting and trash cleanup.

### ***CLEAN ENERGY COALITION FUND***

Clean energy coalition receives funding from Michigan's Cities of Promise municipalities to establish a clean energy program that will encourage ongoing energy efficiency and renewable energy installations and programs by improving municipal facilities with energy efficiency and renewable energy equipment.

### ***COMMUNITY POLICING FUND***

This fund accounts for the revenues and expenditures of Police officers assigned to various City neighborhoods. This program provides the residents with a greater sense of protection and gives them the responsibility for developing and implementing problem solving strategies for their neighborhoods.

# **NONMAJOR GOVERNMENTAL FUNDS**

## ***(continued)***

### **SPECIAL REVENUE FUNDS**

#### ***LOCAL LAW ENFORCEMENT***

This fund accounts for grant funds received from Saginaw County. The funds are used by the City of Saginaw Police department to purchase equipment and for training.

#### ***POLICE TRAINING FUND***

The fund accounts for allocations received from the State of Michigan pursuant to Act 302 of the Public Acts of 1982. Distributions are made twice annually based on the number of sworn Police officers. These funds can only be expended for direct costs of criminal justice training of Police officers.

#### ***POLICE ENHANCING LAW ENFORCEMENT RESPONSE TO VICTIMS (ELERV) FUND***

The fund accounts for grant funds received from the Office for Victims of Crime. The funds are used by the Saginaw Police Department to implement an ELERV strategy, which includes enhanced police practices, cooperation between police and organizations, and improves law enforcement response to victims of crime.

#### ***YOUTH INITIATIVE GRANT FUND***

This fund accounts for grant funds received from Saginaw County. The funds will be used to engage youths and their families in programs that will enhance their self-awareness, self-esteem and reduce their use of substances through participation in substance abuse programs.

#### ***DRUG FORFEITURE FUND***

This fund accounts for all expenditures and funds received from the forfeiture of cash and property seized during drug raids.

#### ***ANDERSEN CENTER OPERATION FUND***

This fund accounts for the operation and maintenance expenditures, foundation, private, and corporate contributions, and building rentals for the Andersen Enrichment Center as well as numerous community events.

#### ***ARTS AND ENRICHMENT COMMISSION FUND***

This fund accounts for the private, corporate, state and federal contributions to provide financial support to cultural and creative arts organizations and to sponsor various social and community events to improve the quality of life in the City.

## **NONMAJOR GOVERNMENTAL FUNDS** *(continued)*

### **SPECIAL REVENUE FUNDS**

#### ***PUBLIC EMPLOYEE HEALTHCARE FUND***

This fund was established to start funding the unfunded health insurance premiums that are fully paid for all City retirees.

### **CAPITAL PROJECTS FUND**

This fund accounts for the revenues and expenditures related to the acquisition, development, improvement, and/or maintenance of capital assets.

### **PERMANENT FUND**

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for cemetery care and parks improvements purposes in support of the City's programs.

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
<b>Assets</b>				
Cash and cash equivalents	\$ 386,358	\$ 118,601	\$ 746,669	\$ 4,174
Receivables				
Customers	-	-	1,778,091	-
Special assessments	2,968	-	13,895	-
Due from other units of government	265,635	-	-	-
Prepaid items	-	-	174,865	-
Restricted assets				
Investments	-			
Total assets	<u>\$ 654,961</u>	<u>\$ 118,601</u>	<u>\$ 2,713,520</u>	<u>\$ 4,174</u>
	-	-	-	



**City of Saginaw**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds					
	Police Grants Funds					
	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Drug Forfeiture
<b>Assets</b>						
Cash and cash equivalents	\$ 54,323	\$ 17,963	\$ 11,171	\$ 18,044	\$ 1,203	\$ 545,326
Receivables						
Customers	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other units of government	-	-	-	-	13,783	-
Prepaid items	-	-	-	-	-	-
Restricted assets						
Investments	-					
Total assets	<u>\$ 54,323</u>	<u>\$ 17,963</u>	<u>\$ 11,171</u>	<u>\$ 18,044</u>	<u>\$ 14,986</u>	<u>\$ 545,326</u>
	-	-	-	-	-	

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	<u>Andersen Center Operation</u>	<u>Arts and Enrichment Commission</u>	<u>Public Employee Healthcare</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
<b>Assets</b>						
Cash and cash equivalents	\$ 1,304	\$ 162,470	\$ 1,574,735	\$ 27,404	\$ 392,556	\$ 4,062,301
Receivables						
Customers	2,520	-	-	-	30	1,780,641
Special assessments	-	-	-	-	-	16,863
Due from other units of government	-	-	-	-	-	279,418
Prepaid items	-	-	-	-	-	174,865
Restricted assets						
Investments	-				2,545,045	2,545,045
Total assets	<u>\$ 3,824</u>	<u>\$ 162,470</u>	<u>\$ 1,574,735</u>	<u>\$ 27,404</u>	<u>\$ 2,937,631</u>	<u>\$ 8,859,133</u>
	-	-	-			

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
<b>Liabilities</b>				
Accounts payable	\$ 37,351	\$ -	\$ 358,130	\$ -
Accrued and other liabilities	14,825	118,091	138,460	224
Due to other funds	-	-	-	-
Due to other units of government	5,904			
Total liabilities	58,080	118,091	496,590	224
<b>Deferred inflows of resources</b>				
Accounts receivable	-	-	1,145,256	-
Grants	-	-	-	-
Total deferred inflows of resources	- -		1,145,256	
Total liabilities and deferred inflows of resources	58,080	118,091	1,641,846	224
<b>Fund balances</b>	-	-	-	
Non-spendable	-	-	-	
Prepaid items	-	-	174,865	-
Endowments	-	-	-	-
Restricted	596,881	510	- 896,809	3,950
Committed	-	-	-	-
Assigned	-			
Total fund balances	596,881	510	1,071,674	3,950
Total liabilities, deferred inflows of resources and fund balances	\$ 654,961	\$ 118,601	\$ 2,713,520	\$ 4,174

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**City of Saginaw**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds					
	Police Grants Funds					
	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Drug Forfeiture
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 1,791	\$ 11,625	\$ 995	\$ 916
Accrued and other liabilities	-	-	-	1,962	5,195	385,088
Due to other funds	-	-	-	-	-	15,156
Due to other units of government	-	-	-	-	-	-
Total liabilities	-	-	1,791	13,587	6,190	401,160
<b>Deferred inflows of resources</b>						
Accounts receivable	-	-	-	-	-	-
Grants	-	-	-	4,457	-	-
Total deferred inflows of resources	-	-	-	4,457	-	-
Total liabilities and deferred inflows of resources	-	-	1,791	18,044	6,190	401,160
<b>Fund balances</b>						
Non-spendable	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Endowments	-	-	-	-	-	-
Restricted	54,323	17,963	9,380	-	8,796	144,166
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	54,323	17,963	9,380	-	8,796	144,166
Total liabilities, deferred inflows of resources and fund balances	\$ 54,323	\$ 17,963	\$ 11,171	\$ 18,044	\$ 14,986	\$ 545,326

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Andersen Center Operation	Arts and Enrichment Commission	Public Employee Healthcare	Capital Projects	Permanent Fund	
<b>Liabilities</b>						
Accounts payable	\$ 2,621	\$ 7	\$ -	\$ 23,169	\$ -	\$ 436,605
Accrued and other liabilities	1,199	1,406	-	-	-	666,450
Due to other funds	-	-	-	-	-	15,156
Due to other units of government	-	-	-	-	-	5,904
Total liabilities	<u>3,820</u>	<u>1,413</u>		<u>23,169</u>		<u>1,124,115</u>
<b>Deferred inflows of resources</b>						
Accounts receivable	-	-	-	-	-	1,145,256
Grants	-	-	-	-	-	4,457
Total deferred inflows of resources	<u>-</u>	<u>-</u>				<u>1,149,713</u>
Total liabilities and deferred inflows of resources	<u>3,820</u>	<u>1,413</u>		<u>23,169</u>		<u>2,273,828</u>
<b>Fund balances</b>	-	-	-	-		
Non-spendable	-	-	-	-		
Prepaid items	-	-	-	-	-	174,865
Endowments	-	-	-	-	2,752,308	2,752,308
Restricted	4	-	-	4,235	185,323	1,922,340
Committed	-	-	1,574,735	-	-	1,574,735
Assigned	-	161,057				161,057
Total fund balances	<u>4</u>	<u>161,057</u>	<u>1,574,735</u>	<u>4,235</u>	<u>2,937,631</u>	<u>6,585,305</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,824</u>	<u>\$ 162,470</u>	<u>\$ 1,574,735</u>	<u>\$ 27,404</u>	<u>\$ 2,937,631</u>	<u>\$ 8,859,133</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
<b>Revenues</b>				
Taxes	\$ -	\$ 2,878,640	\$ 67,597	\$ -
Federal grants	-	-	-	-
State revenue sharing	1,521,059	-	-	-
Other state grants	-	-	-	-
Local contributions	-	-	-	-
Charges for services	-	-	3,823,772	-
Fines and forfeitures	-	-	-	-
Interest income	949	-	85,574	3
Rental income	-	-	-	-
Other revenue	18,428		14,653	
Total revenues	1,540,436	2,878,640	3,991,596	

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**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds					
	Police Grants Funds					
	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Drug Forfeiture
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	33,590	-	141,802	-	-
State revenue sharing	-	-	-	-	-	-
Other state grants	-	-	9,107	-	-	-
Local contributions	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	2,503
Interest income	-	19	19	52	1	2,670
Rental income	-	-	-	-	-	-
Other revenue	-	-	-	100	181,863	20,671
<b>Total revenues</b>	<b>-</b>	<b>33,609</b>	<b>9,126</b>	<b>141,954</b>	<b>181,864</b>	<b>25,844</b>
	-	-				

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	<u>Andersen Center Operation</u>	<u>Arts and Enrichment Commission</u>	<u>Public Employee Healthcare</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,946,237
Federal grants	-	-	-	-	-	175,392
State revenue sharing	-	-	-	-	-	1,521,059
Other state grants	-	-	-	-	-	9,107
Local contributions	23,000	152,694	-	-	-	175,694
Charges for services	-	1,373	-	-	48,938	3,874,083
Fines and forfeitures	-	-	-	-	-	2,503
Interest income	35	591	85,607	11	75,957	251,488
Rental income	52,284	-	-	-	-	52,284
Other revenue	13,018	38,198				286,931
Total revenues	<u>88,337</u>	<u>192,856</u>	<u>85,607</u>	<u>11</u>	<u>124,895</u>	<u>9,294,778</u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
<b>Expenditures</b>				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	2,878,813	-	-
Public works				
Highways and streets	1,552,170	-	-	-
Garbage and rubbish	-	-	3,937,781	28,726
Recreation and culture	-	-	-	-
Other functions	-	-	-	-
Debt service				
Principal retirement	-	-	23,287	6,451
Interest and fiscal charges	-	-	5,096	1,550
 Total expenditures	<u>1,552,170</u>	<u>2,878,813</u>	<u>3,966,164</u>	<u>36,727</u>
 Excess (deficiency) of revenues over expenditures	<u>(11,734)</u>	<u>(173)</u>	<u>25,432</u>	<u>(36,724)</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds					
	Police Grants Funds					
	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Drug Forfeiture
<b>Expenditures</b>						
Current						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	33,590	9,126	141,954	185,028	29,839
Public works						
Highways and streets	-	-	-	-	-	-
Garbage and rubbish	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Other functions	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-					
Total expenditures	-	33,590	9,126	141,954	185,028	29,839
Excess (deficiency) of revenues over expenditures	-	19	-	-	(3,164)	(3,995)

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**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	<u>Andersen Center Operation</u>	<u>Arts and Enrichment Commission</u>	<u>Public Employee Healthcare</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
<b>Expenditures</b>						
Current						
General government	\$ -	\$ -	\$ 992,942	\$ 220,237	\$ -	\$ 1,213,179
Public safety	-	-	-	-	-	3,278,350
Public works						
Highways and streets	-	-	-	85	-	1,552,255
Garbage and rubbish	-	-	-	106	-	3,966,613
Recreation and culture	64,216	195,951	-	-	418	260,585
Other functions	-	-	-	85	-	85
Debt service						
Principal retirement	-	-	-	344,294	-	374,032
Interest and fiscal charges	-	-	-	99,106	-	105,752
	<u>64,216</u>	<u>195,951</u>	<u>992,942</u>	<u>663,913</u>	<u>418</u>	<u>10,750,851</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>24,121</u>	<u>(3,095)</u>	<u>(907,335)</u>	<u>(663,902)</u>	<u>124,477</u>	<u>(1,456,073)</u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
<b>Other financing sources (uses)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ 36,724
Transfers out	(11,174)	-	(143,354)	-
Issuance of debt	-	-	343,961	-
Sale of fixed assets	-		12,020	
Total other financing sources and uses	(11,174)		212,627	36,724
Net change in fund balance	(22,908)	(173)	238,059	-
Fund balance (deficit) - beginning of year	619,789	683	833,615	3,950
			-	
Fund balance - end of year	\$ 596,881	\$ 510	\$ 1,071,674	\$ 3,950

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds					
	Police Grants Funds					
	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Drug Forfeiture
<b>Other financing sources (uses)</b>						
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Sale of fixed assets	-	13,516				
Total other financing sources and uses	-	13,516				
Net change in fund balance	-	13,535	-	-	(3,164)	(3,995)
Fund balance (deficit) - beginning of year	54,323	4,428	9,380	-	11,960	148,161
Fund balance - end of year	\$ 54,323	\$ 17,963	\$ 9,380	\$ -	\$ 8,796	\$ 144,166

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**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	<u>Andersen Center Operation</u>	<u>Arts and Enrichment Commission</u>	<u>Public Employee Healthcare</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
<b>Other financing sources (uses)</b>						
Transfers in	\$ -	\$ -	\$ 277,592	\$ 663,902	\$ -	\$ 978,218
Transfers out	-	-	-	-	-	(154,528)
Issuance of debt	-	-	-	-	-	343,961
Sale of fixed assets	-					25,536
	<u>-</u>		<u>277,592</u>	<u>663,902</u>		<u>1,193,187</u>
Total other financing sources and uses	<u>-</u>		<u>277,592</u>	<u>663,902</u>		<u>1,193,187</u>
Net change in fund balance	24,121	(3,095)	(629,743)	-	124,477	(262,886)
Fund balance (deficit) - beginning of year	<u>(24,117)</u>	<u>164,152</u>	<u>2,204,478</u>	<u>4,235</u>	<u>2,813,154</u>	<u>6,848,191</u>
Fund balance - end of year	<u>\$ 4</u>	<u>\$ 161,057</u>	<u>\$ 1,574,735</u>	<u>\$ 4,235</u>	<u>\$ 2,937,631</u>	<u>\$ 6,585,305</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Local Streets Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
State revenue sharing	\$ 1,496,172	\$ 1,521,059	\$ 24,887
Interest income	-	949	949
Other revenue	-	18,428	18,428
Transfers in	<u>268,474</u>		<u>(268,474)</u>
Total revenues	<u>1,764,646</u>	<u>1,540,436</u>	<u>(224,210)</u>
<b>Expenditures</b>			
Public works			
Routine maintenance of roads and streets	686,908	481,170	(205,738)
Winter maintenance of roads and streets	115,653	92,072	(23,581)
Traffic services maintenance	267,833	227,785	(40,048)
Administration	1,191,739	751,143	(440,596)
Transfers out	<u>11,174</u>	<u>11,174</u>	
Total public works expenditures	<u>2,273,307</u>	<u>1,563,344</u>	<u>(709,963)</u>
Deficiency of revenues over expenditures	(508,661)	(22,908)	485,753
Fund balance - beginning of year	<u>619,789</u>	<u>619,789</u>	
Fund balance - end of year	<u>\$ 111,128</u>	<u>\$ 596,881</u>	<u>\$ 485,753</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Public Safety Millage Special Revenue Fund**  
**For the Year Ended June 30, 2019**

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	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ 2,962,322	\$ 2,878,640	\$ (83,682)
<b>Expenditures</b>			
Public safety			
Police patrol	1,839,807	1,825,245	(14,562)
Fire suppression	1,008,515	1,053,568	45,053
Total public safety expenditures	2,848,322	2,878,813	30,491
Excess (deficiency) of revenues over expenditures	114,000	(173)	(114,173)
Fund balance - beginning of year	683	683	
Fund balance - end of year	\$ 114,683	\$ 510	\$ (114,173)

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**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Rubbish Collection Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ 53,004	\$ 67,597	\$ 14,593
Charges for services	3,896,520	3,823,772	(72,748)
Interest income	75,000	85,574	10,574
Other revenue	10,974	14,653	3,679
Sale of fixed assets	-	12,020	12,020
Issuance of debt	343,966	343,961	(5)
Total revenues	<u>4,379,464</u>	<u>4,347,577</u>	<u>(31,887)</u>
<b>Expenditures</b>			
Public works			
Administration	584,907	558,141	(26,766)
Rubbish collection and disposal	2,343,114	2,177,766	(165,348)
Brush collection and disposal	406,442	232,184	(174,258)
Recycling and composting	1,065,218	969,690	(95,528)
Debt service			
Principal retirement	48,704	23,287	(25,417)
Interest and fiscal charges	14,671	5,096	(9,575)
Transfers out	143,354	143,354	
Total public works expenditures	<u>4,606,410</u>	<u>4,109,518</u>	<u>(496,892)</u>
Excess (deficiency) of revenues over expenditures	(226,946)	238,059	465,005
Fund balance - beginning of year	<u>833,615</u>	<u>833,615</u>	
Fund balance - end of year	<u>\$ 606,669</u>	<u>\$ 1,071,674</u>	<u>\$ 465,005</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Clean Energy Coalition Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Interest income	\$ -	\$ 3	\$ 3
Transfers in	40,000	36,724	(3,276)
	<u>40,000</u>	<u>36,727</u>	<u>(3,273)</u>
Total revenues	<u>40,000</u>	<u>36,727</u>	<u>(3,273)</u>
<b>Expenditures</b>			
Public works			
Contractual services	30,447	28,726	(1,721)
Debt service			
Principal retirement	8,002	6,451	(1,551)
Interest and fiscal charges	1,551	1,550	(1)
	<u>40,000</u>	<u>36,727</u>	<u>(3,273)</u>
Total expenditures	<u>40,000</u>	<u>36,727</u>	<u>(3,273)</u>
Excess of revenues over expenditures	-	-	-
Fund balance - beginning of year	<u>3,950</u>	<u>3,950</u>	<u></u>
Fund balance - end of year	<u>\$ 3,950</u>	<u>\$ 3,950</u>	<u>\$</u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Police Grants Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Federal grants	\$ 285,222	\$ 175,392	\$ (109,830)
Other state grants	14,000	9,107	(4,893)
Interest income	13	91	78
Other revenue	186,551	181,963	(4,588)
Sale of capital assets	<u>13,166</u>	<u>13,516</u>	<u>350</u>
 Total revenues	 498,952	 380,069	 (118,883)
 <b>Expenditures</b>			
Public safety	<u>503,302</u>	<u>369,698</u>	<u>(133,604)</u>
 Excess (deficiency) of revenues over expenditures	 (4,350)	 10,371	 14,721
 Fund balance - beginning of year	 <u>80,091</u>	 <u>80,091</u>	 <u></u>
 Fund balance - end of year	 <u>\$ 75,741</u>	 <u>\$ 90,462</u>	 <u>\$ 14,721</u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Drug Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Fines and forfeitures	\$ 2,500	\$ 2,503	\$ 3
Interest income	2,242	2,670	428
Other revenue	<u>20,666</u>	<u>20,671</u>	<u></u>
Total revenues	<u>25,408</u>	<u>25,844</u>	<u>436</u>
<b>Expenditures</b>			
Public safety	<u>91,364</u>	<u>29,839</u>	<u>(61,525)</u>
Deficiency of revenues over expenditures	(65,956)	(3,995)	61,961
Fund balance - beginning of year	<u>148,161</u>	<u>148,161<sup>5</sup></u>	<u></u>
Fund balance - end of year	<u>\$ 82,205</u>	<u>\$ 144,166</u>	<u>\$ 61,961</u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Andersen Center Operation Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Local contributions	\$ 23,500	\$ 23,000	\$ (500)
Interest income	-	35	35
Rental income	51,010	52,284	1,274
Other revenue	<u>13,000</u>	<u>13,018</u>	<u>18</u>
Total revenues	87,510	88,337	827
<b>Expenditures</b>			
Recreation and culture	<u>68,413</u>	<u>64,216</u>	<u>(4,197)</u>
Excess of revenues over expenditures	19,097	24,121	5,024
Fund balance - beginning of year (deficit)	<u>(24,117)</u>	<u>(24,117)</u>	<u>          </u>
Fund balance - end of year (deficit)	<u><u>\$ (5,020)</u></u>	<u><u>\$</u></u>	<u><u>\$ 5,024</u></u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Arts and Enrichment Commission Special Revenue Fund**  
**For the Year Ended June 30, 2019**

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	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Local contributions	\$ 161,600	\$ 152,694	\$ (8,906)
Charges for services	1,366	1,373	7
Interest income	352	591	239
Other revenue	<u>38,000</u>	<u>38,198</u>	<u>198</u>
Total revenues	201,318	192,856	(8,462)
<b>Expenditures</b>			
Recreation and culture	<u>204,308</u>	<u>195,951</u>	<u>(8,357)</u>
Deficiency of revenues over expenditures	(2,990)	(3,095)	(105)
Fund balance - beginning of year	<u>164,152</u>	<u>164,152</u>	<u>          </u>
Fund balance - end of year	<u><u>\$ 161,162</u></u>	<u><u>\$ 161,057</u></u>	<u><u>\$ (105)</u></u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Public Employee Healthcare Fund**  
**For the Year Ended June 30, 2019**

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	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Interest income	\$ 18,882	\$ 85,607	\$ 66,725
Transfers in	<u>250,000</u>	<u>277,592</u>	<u>27,592</u>
Total revenues	268,882	363,199	94,317
<b>Expenditures</b>			
Current			
General government	<u>18,882</u>	<u>992,942</u>	<u>974,060</u>
Excess (deficiency) of revenues over expenditures	250,000	(629,743)	(879,743)
Fund balance - beginning of year	<u>2,204,478</u>	<u>2,204,478</u>	<u>          </u>
Fund balance - end of year	<u>\$ 2,454,478</u>	<u>\$ 1,574,735</u>	<u>\$ (879,743)</u>

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## **INTERNAL SERVICE FUNDS**

### ***INFORMATION SERVICES FUND***

Computer and information services are provided to City operating departments through this fund. The operation is financed by service charges levied against user departments and service contracts with other governmental agencies.

### ***GIS FUND***

This fund is used to account for the development and operations of a City-wide geographic information system. Money for the operation of this fund is supplied from contributions from other City funds.

### ***MOTOR POOL FUND***

This fund is responsible for maintaining vehicles and other motorized equipment for use in general City operations. The costs of maintenance and repairs are recovered through rates charged to City operations using the vehicles and equipment.

### ***RADIO FUND***

This fund acquires, installs and maintains two-way radio equipment for use by City operating departments. Rental fees are charged to using departments to recover the cost of maintaining and replacing equipment.

### ***SELF INSURANCE FUND***

This fund was established by City Council to serve as a general insurance reserve for liabilities and claims not covered by commercial carriers and to pay deductibles. This fund accounts for the payment of insurance premiums, the distribution of insurance costs to other City funds and records the insurance claims liability.

### ***WORKERS' COMPENSATION FUND***

This fund accounts for all expenses, revenues and claims liability relating to the City's self-insured workers' compensation program. Premiums are charged to other City funds based on budgeted salaries.

### ***PUBLIC WORKS BUILDING FUND***

This fund was established to account for all operating and capital expenses required to maintain the Public Works Service Center. Rent is charged to the departments occupying the building based on square footage.



**City of Saginaw**  
**Other Supplementary Information**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2019**

	Information Services	GIS	Motor Pool	Radio
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 724,309	\$ 187,978	\$ 1,181,227	\$ 861,319
Accounts receivable	-	-	-	-
Inventories	-	-	212,649	-
Prepaid items	16,896	1,862	1,000	-
Total current assets	741,205	189,840	1,394,876	861,319
Noncurrent assets				
Capital assets, net of accumulated depreciation	164,374	7,683	163,440	129,659
Total assets	905,579	197,523	1,558,316	990,978
<b>Deferred outflows of resources</b>				
Deferred amount related to net pension liability	236,958	129,854	497,480	15,493
Deferred amount related to total OPEB liability	45,110	2,457	106,761	-
Total deferred outflows of resources	282,068	132,311	604,241	15,493

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**City of Saginaw**  
**Other Supplementary Information**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2019**

	Self Insurance	Workers' Compensation	Public Works Building	Total
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 1,561,562	\$ 3,631,267	\$ 458,496	\$ 8,606,158
Accounts receivable	2,560	-	-	2,560
Inventories	-	-	-	212,649
Prepaid items	46,209			65,967
Total current assets	1,610,331	3,631,267	458,496	8,887,334
Noncurrent assets				
Capital assets, net of accumulated depreciation	-		47,672	512,828
Total assets	1,610,331	3,631,267	506,168	9,400,162
	-			
<b>Deferred outflows of resources</b>				
Deferred amount related to net pension liability	14,710	29,154	72,919	996,568
Deferred amount related to total OPEB liability	-			154,328
Total deferred outflows of resources	14,710	29,154	72,919	1,150,896

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**City of Saginaw**  
**Other Supplementary Information**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2019**

	Information Services	GIS	Motor Pool	Radio
<b>Liabilities</b>				
Accounts payable	\$ 11,818	\$ 114	\$ 40,367	\$ 30
Accrued and other liabilities	12,506	4,366	23,272	879
Current portion of noncurrent liabilities	6,025			
Total current liabilities	30,349	4,480	63,639	909
Noncurrent liabilities				
Workers' compensation claims payable	-	-	-	-
Insurance claims payable	-	-	-	-
Compensated absences	72,285	10,032	75,887	4,408
Net pension liability	1,703,559	867,141	3,682,620	111,193
Total OPEB liability	2,285,753	126,986	5,409,615	-
Long-term debt net of current portion	6,025			
Total noncurrent liabilities	4,067,622	1,004,159	9,168,122	115,601
Total liabilities	4,097,971	1,008,639	9,231,761	116,510
<b>Deferred inflows of resources</b>				
Deferred amount related to total OPEB liability	42,673	2,371	100,993	
<b>Net position</b>				
Net investment in capital assets	152,324	7,683	163,440	129,659
Unrestricted (deficit)	(3,105,321)	(688,859)	(7,333,637)	760,302
Total net position	\$ (2,952,997)	\$ (681,176)	\$ (7,170,197)	\$ 889,961

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**City of Saginaw**  
**Other Supplementary Information**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2019**

	Self Insurance	Workers' Compensation	Public Works Building	Total
<b>Liabilities</b>				
Accounts payable	\$ 23,049	\$ 2,514	\$ 41,926	\$ 119,818
Accrued and other liabilities	874	1,175	4,396	47,468
Current portion of noncurrent liabilities	-			6,025
Total current liabilities	23,923	3,689	46,322	173,311
Noncurrent liabilities				
Workers' compensation claims payable	-	1,041,563	-	1,041,563
Insurance claims payable	342,089	-	-	342,089
Compensated absences	772	6,850	4,806	175,040
Net pension liability	104,059	208,117	513,344	7,190,033
Total OPEB liability	-	-	-	7,822,354
Long-term debt net of current portion	-			6,025
Total noncurrent liabilities	446,920	1,256,530	518,150	16,577,104
Total liabilities	470,843	1,260,219	564,472	16,750,415
<b>Deferred inflows of resources</b>				
Deferred amount related to total OPEB liability	-	-		146,037
<b>Net position</b>				
Net investment in capital assets	-	-	47,672	500,778
Unrestricted (deficit)	1,154,198	2,400,202	(33,057)	(6,846,172)
Total net position	\$ 1,154,198	\$ 2,400,202	\$ 14,615	\$ (6,345,394)

**City of Saginaw**  
**Other Supplementary Information**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Balance**  
**For the Year Ended June 30, 2019**

	Information Services	GIS	Motor Pool	Radio
<b>Operating revenue</b>				
User charges	\$ 1,403,868	\$ 435,606	\$ 2,379,641	\$ 184,196
Other revenue	6,962		1,517	
Total operating revenue	<u>1,410,830</u>	<u>435,606</u>	<u>2,381,158</u>	<u>184,196</u>
<b>Operating expenses</b>				
Salaries and benefits	629,585	42,662	1,574,207	34,785
Supplies	191,803	2,786	461,862	2,092
Contractual services	439,867	102,829	421,348	11,257
Claims	-	-	-	-
Utilities	2,486	-	1,828	-
Repairs and maintenance	2,548	-	79,972	2,369
Other expenses	-	-	2,936	19,610
Depreciation	20,215	1,783	48,084	58,736
Total operating expenses	<u>1,286,504</u>	<u>150,060</u>	<u>2,590,237</u>	<u>128,849</u>
Operating income (loss)	<u>124,326</u>	<u>285,546</u>	<u>(209,079)</u>	<u>55,347</u>
<b>Nonoperating revenue (expenses)</b>				
Interest income	735	294	2,134	1,744
Proceeds on sale of capital assets	-		16,171	
Total nonoperating revenues (expenses)	<u>735</u>	<u>294</u>	<u>18,305</u>	<u>1,744</u>
Change in net position	125,061	285,840	(190,774)	57,091
Net position - beginning of year	<u>(3,078,058)</u>	<u>(967,016)</u>	<u>(6,979,423)</u>	<u>832,870</u>
Net position - end of year	<u>\$ (2,952,997)</u>	<u>\$ (681,176)</u>	<u>\$ (7,170,197)</u>	<u>\$ 889,961</u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Balance**  
**For the Year Ended June 30, 2019**

	Self Insurance	Workers' Compensation	Public Works Building	Total
<b>Operating revenue</b>				
User charges	\$ 1,175,912	\$ 1,196,126	\$ 553,979	\$ 7,329,328
Other revenue	340,372	1,300	655	350,806
Total operating revenue	1,516,284	1,197,426	554,634	7,680,134
<b>Operating expenses</b>				
Salaries and benefits	49,025	52,928	161,173	2,544,365
Supplies	-	-	20,270	678,813
Contractual services	1,079,950	445,747	92,252	2,593,250
Claims	522,618	198,754	-	721,372
Utilities	-	-	101,619	105,933
Repairs and maintenance	-	-	17,025	101,914
Other expenses	14,090	-	-	36,636
Depreciation	-	-	1,857	130,675
Total operating expenses	1,665,683	697,429	394,196	6,912,958
Operating income (loss)	(149,399)	499,997	160,438	767,176
<b>Nonoperating revenue (expenses)</b>				
Interest income	2,929	31,077	826	39,739
Proceeds on sale of capital assets	-	-	-	16,171
Total nonoperating revenues (expenses)	2,929	31,077	826	55,910
Change in net position	(146,470)	531,074	161,264	823,086
Net position - beginning of year	1,300,668	1,869,128	(146,649)	(7,168,480)
Net position - end of year	\$ 1,154,198	\$ 2,400,202	\$ 14,615	\$ (6,345,394)

**City of Saginaw**  
**Other Supplementary Information**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2019**

	Information Services	GIS	Motor Pool	Radio	Self Insurance	Workers' Compensation	Public Works Building	Total
<b>Cash flows from operating activities</b>								
Receipts from interfund users	\$ 1,412,669	\$ 435,606	\$ 2,381,158	\$ 184,196	\$ 1,518,135	\$ 1,197,426	\$ 554,634	\$ 7,683,824
Payments to suppliers	(862,439)	(171,728)	(766,112)	(44,110)	(1,796,943)	(697,060)	(195,482)	(4,533,874)
Payments to employees	(485,113)	(190,769)	(1,426,510)	(26,790)	(26,400)	(41,012)	(174,407)	(2,371,001)
Net cash provided (used) by operating activities	65,117	73,109	188,536	113,296	(305,208)	459,354	184,745	778,949
<b>Cash flows from capital and related financing activities</b>								
Purchases/construction of capital assets	(2,001)	-	(46,728)	(21,058)	-	-	(49,529)	(119,316)
Principal and interest paid on long-term debt	(12,158)	-	-	-	-	-	-	(12,158)
Proceeds from sale of capital assets	-	-	16,171	-	-	-	-	16,171
Net cash used by capital and related financing activities	(14,159)	-	(30,557)	(21,058)	-	-	(49,529)	(115,303)
<b>Cash flows from investing activities</b>								
Interest received	735	293	2,134	1,746	2,929	31,077	826	39,740
Net change in cash and cash equivalents	51,693	73,402	160,113	93,984	(302,279)	490,431	136,042	703,386
Cash and cash equivalents - beginning of year	672,616	114,576	1,021,114	767,335	1,863,841	3,140,836	322,454	7,902,772
Cash and cash equivalents - end of year	\$ 724,309	\$ 187,978	\$ 1,181,227	\$ 861,319	\$ 1,561,562	\$ 3,631,267	\$ 458,496	\$ 8,606,158
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>								
Operating income (loss)	\$ 124,326	\$ 285,546	\$ (209,079)	\$ 55,347	\$ (149,399)	\$ 499,997	\$ 160,438	\$ 767,176
Adjustments to reconcile operating income (loss) to net cash from operating activities								
Depreciation and amortization expense	20,215	1,783	48,084	58,736	-	-	1,857	130,675
Noncash change - net pension liability	158,946	(256,857)	643,131	9,873	23,771	15,432	38,057	632,353
Noncash change - total OPEB liability	(32,971)	126,986	(78,031)	-	-	-	-	15,984
Changes in assets and liabilities								
Receivables (net)	1,839	-	-	-	1,851	-	-	3,690
Inventories	-	-	(8,134)	-	-	-	-	(8,134)
Prepaid items	25,659	(716)	(1,000)	-	(382)	-	-	23,561
Deferred outflows	(120,886)	(60,713)	203,974	(9,045)	(9,526)	(16,880)	(42,517)	(55,593)
Accounts payable	(133,539)	(812)	(248)	30	(17,314)	(1,096)	34,420	(118,559)
Accrued and other liabilities	3,031	(3,872)	7,242	233	234	170	1,264	8,302
Deferred inflows	15,170	(17,108)	(426,187)	(1,791)	(910)	(3,340)	(7,358)	(441,524)
Claims payable	-	-	-	-	(153,297)	(34,753)	-	(188,050)
Compensated absences	3,327	(1,128)	8,784	(87)	(236)	(176)	(1,416)	9,068
Net cash provided (used) by operating activities	\$ 65,117	\$ 73,109	\$ 188,536	\$ 113,296	\$ (305,208)	\$ 459,354	\$ 184,745	\$ 778,949

## FIDUCIARY FUNDS

### ***AGENCY FUNDS***

These funds are used to account for property taxes collected by the City for other units of government until the tax proceeds are remitted to them. Funds retained from employee and employer payroll withholdings and benefits are also recorded here.



**City of Saginaw**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Agency Funds**  
**June 30, 2019**

	<u>PILOT</u>	<u>Delinquent Tax Collection</u>	<u>Undistributed Tax Collection</u>	<u>Employee Benefits</u>	<u>Saginaw County Land Bank</u>	<u>Totals</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 260,738	\$ 3,863	\$ 4,308	\$ 4,271,698	\$ -	\$ 4,540,607
Receivables						
Customers	<u>155,673</u>			<u>70,617</u>		<u>226,290</u>
Total assets	<u>\$ 416,411</u>	<u>\$ 3,863</u>	<u>\$ 4,308</u>	<u>\$ 4,342,315</u>	<u>\$</u>	<u>\$ 4,766,897</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 85,156	\$ -	\$ 85,156
Accrued and other liabilities	- -	-	-	3,293,433	-	3,293,433
Claims payable	-	-	-	963,726	-	963,726
Due to other units of government	<u>416,411</u>	<u>3,863</u>	<u>4,308</u>			<u>424,582</u>
Total liabilities	<u>\$ 416,411</u>	<u>\$ 3,863</u>	<u>\$ 4,308</u>	<u>\$ 4,342,315</u>	<u>\$</u>	<u>\$ 4,766,897</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2019**

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<b>PILOT</b>				
Assets				
Cash and cash equivalents	\$ 249,700	\$ 379,453	\$ 368,415	\$ 260,738
Taxes receivable	92,131	391,007	327,465	155,673
Total assets	<u>\$ 341,831</u>	<u>\$ 770,460</u>	<u>\$ 695,880</u>	<u>\$ 416,411</u>
Liabilities				
Due to other governmental units	<u>\$ 341,831</u>	<u>\$ 447,970</u>	<u>\$ 373,390</u>	<u>\$ 416,411</u>
<b>Delinquent Tax Collection</b>				
Assets				
Cash and cash equivalents	<u>\$ 26,677</u>	<u>\$ 84,300</u>	<u>\$ 107,114</u>	<u>\$ 3,863</u>
Liabilities				
Due to other governmental units	<u>\$ 26,677</u>	<u>\$ 84,843</u>	<u>\$ 107,657</u>	<u>\$ 3,863</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2019**

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<b>Undistributed Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ 5,666	\$ 45,236,207	\$ 45,237,565	\$ 4,308
Liabilities				
Due to other governmental units	\$ 5,666	\$ 29,630,271	\$ 29,631,629	\$ 4,308
 <b>Employee Benefits</b>				
Assets				
Cash and cash equivalents	\$ 3,105,551	\$ 42,011,459	\$ 40,845,312	\$ 4,271,698
Accounts receivable	1,537	99,120	30,040	70,617
 Total assets	<u>\$ 3,107,088</u>	<u>\$ 42,110,579</u>	<u>\$ 40,875,352</u>	<u>\$ 4,342,315</u>
Liabilities				
Accounts payable	\$ 102,549	\$ 1,471,026	\$ 1,488,419	\$ 85,156
Claims payable	886,636	77,090	-	963,726
Other current liabilities	2,117,903	17,188,185	16,012,655	3,293,433
 Total liabilities	<u>\$ 3,107,088</u>	<u>\$ 18,736,301</u>	<u>\$ 17,501,074</u>	<u>\$ 4,342,315</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2019**

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<b>Saginaw County Land Bank</b>				
Assets				
Cash and cash equivalents	\$ 1,286	\$	\$ 1,286	\$
Liabilities				
Accounts payable	\$ 1,286	\$	\$ 1,286	\$
 <b>Total Agency Funds</b>				
Assets	-		-	
Cash and cash equivalents	\$ 3,388,880	\$ 87,711,419	\$ 86,559,692	\$ 4,540,607
Accounts receivable	1,537	99,120	30,040	70,617
Taxes receivable	92,131	391,007	327,465	155,673
 Total assets	<u>\$ 3,482,548</u>	<u>\$ 88,201,546</u>	<u>\$ 86,917,197</u>	<u>\$ 4,766,897</u>
Liabilities				
Accounts payable	\$ 102,549	\$ 1,471,026	\$ 1,488,419	\$ 85,156
Due to other governmental units	375,460	30,163,084	30,113,962	424,582
Claims payable	886,636	77,090	-	963,726
Other current liabilities	2,117,903	17,188,185	16,012,655	3,293,433
 Total liabilities	<u>\$ 3,482,548</u>	<u>\$ 48,899,385</u>	<u>\$ 47,615,036</u>	<u>\$ 4,766,897</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**TIFA Component Units**  
**June 30, 2019**

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	Saginaw Division TIFA	Morley TIFA	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash and cash equivalents	\$ 5,185	\$	\$ 5,185	\$ -	\$ 5,185
<b>Fund balances</b>					
Restricted for TIFA/LDFA projects	\$ 5,185	\$	\$ 5,185	(5,185)	
Net position - unrestricted				\$ 5,185	\$ 5,185
	-				
	-			-	

**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Activities and Governmental Fund Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**TIFA Component Units**  
**For the Year Ended June 30, 2019**

	Saginaw Division TIFA	Morley TIFA	Total	Adjustments	Statement of Activities
<b>Revenues</b>					
Investment income (loss)	\$ -	\$ (13)	\$ (13)	\$ -	\$ (13)
<b>Expenditures</b>					
Current					
Community and economic development	\$ -	\$ 26,134	\$ 26,134	\$ -	\$ 26,134
Excess (deficiency) of revenues over expenditures	-	(26,147)	(26,147)	-	(26,147)
Fund balance/net position - beginning of year	5,185	26,147	31,332		31,332
Fund balance/net position - end of year	<u>\$ 5,185</u>	<u>\$ -</u>	<u>\$ 5,185</u>	<u>\$ -</u>	<u>\$ 5,185</u>
			-		
			-		
	-		-		

**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**DDA Component Units**  
**June 30, 2019**

	Commerce Center DDA	Downtown Development Authority 2011	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash and cash equivalents	\$ 6,762	\$ 263,008	\$ 269,770	\$ -	\$ 269,770
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 20,715	\$ 20,715	-	20,715
<b>Fund Balances</b>					
Restricted for DDA projects	6,762	242,293	249,055	(249,055)	
Total liabilities and fund balances	\$ 6,762	\$ 263,008	\$ 269,770		
Net position - unrestricted				\$ 249,055	\$ 249,055

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**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Activities and Governmental Fund Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**DDA Component Units**  
**For the Year Ended June 30, 2019**

	Commerce Center DDA	Downtown Development Authority 2011	Total	Adjustments	Statement of Activities
<b>Revenues</b>					
Taxes	\$ -	\$ 146,483	\$ 146,483	\$ -	\$ 146,483
Federal grants	-	26,238	26,238	-	26,238
Other state grants	-	122,631	122,631	-	122,631
Local contribution	-	2,000	2,000	-	2,000
Interest income	-	559	559	-	559
Transfers in	-	58,625	58,625	(58,625)	
Total revenues	-	356,536	356,536	(58,625)	297,911
<b>Expenditures</b>					
Current					
Recreation and culture	-	259,352	259,352	-	259,352
Transfers out	58,625		58,625	(58,625)	
Total expenditures	58,625	259,352	317,977	(58,625)	259,352
Excess (deficiency) of revenues over expenditures	(58,625)	97,184	38,559	-	38,559
Fund balance/net position - beginning of year	- 65,387	145,109	210,496	-	210,496
Fund balance/net position - end of year	\$ 6,762	\$ 242,293	\$ 249,055	\$	\$ 249,055



**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**LDFA Component Units**  
**June 30, 2019**

	Thomson LDFA	Sexton LDFA	Baker Perkins LDFA	Treasure Island LDFA	Saginaw Machine Systems LDFA	Saginaw Tool and Die LDFA	Total	Adjustments	Statement of Net Position
<b>Assets</b>									
Cash and cash equivalents	<u>\$ -</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	\$ -	\$ -
<b>Fund Balances</b>									
Restricted for TIFA/LDFA projects	<u>\$ -</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	-	
	-	-	-	-	-	-			
Net position - unrestricted								<u>\$ -</u>	<u>\$</u>
	-	-	-	-	-	-			
								-	
								-	

**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Activities and Governmental Fund Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**LDFA Component Units**  
**For the Year Ended June 30, 2019**

	Thompson LDFA	Sexton LDFA	Baker Perkins LDFA	Treasure Island LDFA	Saginaw Machine Systems LDFA	Saginaw Tool and Die LDFA	Total	Adjustments	Statement of Activities
<b>Revenues</b>									
Interest income	\$ 63	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63	\$ -	\$ 63
<b>Expenditures</b>									
Current									
Community and economic development	\$ 3,202,981	\$ 465,943	\$ 98,107	\$ 80,061	\$ 4,366	\$ 99,960	\$3,951,418	\$	\$ 3,951,418
Total expenditures	3,202,981	465,943	98,107	80,061	4,366	99,960			
Deficiency of revenues over expenditures	(3,202,918)	(465,943)	(98,107)	(80,061)	(4,366)	(99,960)	(3,951,355)	-	(3,951,355)
Fund balance/net position - beginning of year	3,202,918	465,943	98,107	80,061	4,366	99,960	3,951,355		3,951,355
Fund balance/net position - end of year	\$ -	\$	\$	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	-	-	-	-

**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**Saginaw Economic Development Corporation**  
**June 30, 2019**

	Saginaw Economic Development Corporation	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 741,469	\$ -	\$ 741,469
Notes and contracts receivable	2,201,464	-	2,201,464
Due from other units of government	<u>39,892</u>		<u>39,892</u>
 Total assets	 <u>\$ 2,982,825</u>	 <u>-</u>	 <u>2,982,825</u>
<b>Liabilities</b>			
Accounts payable	\$ 2,040		2,040
<b>Deferred inflows of resources</b>	-		
Contracts	<u>2,156,884</u>	<u>(2,156,884)</u>	
 Total liabilities and deferred inflows of resources	 <u>2,158,924</u>	 <u>(2,156,884)</u>	 <u>2,040</u>
<b>Fund balances/net position</b>	-		
Restricted for specific projects	<u>823,901</u>	<u>(823,901)</u>	
 Total liabilities and fund balances	 <u>\$ 2,982,825</u>		
 Net position - unrestricted		 <u>\$ 2,980,785</u>	 <u>\$ 2,980,785</u>

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**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Activities and Governmental Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Saginaw Economic Development Corporation**  
**For the Year Ended June 30, 2019**

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	Saginaw Economic Development Corporation	Adjustments	Statement of Activities
<b>Revenues</b>			
Federal grants	\$ 39,892	\$ -	\$ 39,892
Interest income	64,675	20,692	85,367
Fees and loan repayments	<u>402,826</u>	<u>(401,716)</u>	<u>1,110</u>
Total revenues	<u>507,393</u>	<u>(381,024)</u>	<u>126,369</u>
<b>Expenditures</b>			
Current			
Community and economic development	<u>310,125</u>	<u>(212,889)</u>	<u>97,236</u>
Excess (deficiency) of revenues over expenditures	197,268	(168,135)	29,133
Fund balance/net position - beginning of year	<u>626,633</u>	<u>2,325,019</u>	<u>2,951,652</u>
Fund balance/net position - end of year	<u>\$ 823,901</u>	<u>\$ 2,156,884</u>	<u>\$ 2,980,785</u>

**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**Brownfield Component Unit**  
**June 30, 2019**

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	Brownfield Authority SRRF	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ <u>13</u>	\$ -	\$ <u>13</u>
<b>Fund balances/net position</b>			
Restricted for specific projects	<u>13</u>	<u>(13)</u>	<u></u>
Total fund balance	\$ <u>13</u>		
Net position - unrestricted		<u>\$ 13</u>	<u>\$ 13</u>
		-	

**City of Saginaw**  
**Other Supplementary Information**  
**Statement of Activities and Governmental Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Brownfield Component Unit**  
**For the Year Ended June 30, 2019**

	Brownfield Authority SRRF	Adjustments	Statement of Activities
<b>Revenues</b>			
Taxes	\$ 45,035	\$ -	\$ 45,035
Interest income	11		11
	<u>45,046</u>		<u>45,046</u>
Total revenues			
	<u>45,046</u>		<u>45,046</u>
<b>Expenditures</b>			
Current			
Community and economic development	<u>95,805</u>		<u>95,805</u>
Deficiency of revenues over expenditures	(50,759)	-	(50,759)
Fund balance/net position - beginning of year	<u>50,772</u>		<u>50,772</u>
Fund balance/net position - end of year	<u>\$ 13</u>	<u>\$</u>	<u>\$ 13</u>
	-		
	-	-	

## STATISTICAL SECTION

**Financial Trends** – These schedules contain trend information to assist the reader in understanding how the City's financial performance and wellbeing have changed over time.

**Revenue Capacity** – These schedules contain information to assist the reader in assessing the factors affecting the City's ability to generate its property taxes.

**Debt Capacity** – These schedules present information to assist the reader in assessing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information** – These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

**Operating Information** – These schedules contain information about the City's operations and resources to assist the reader in understanding how the City's financial information relates to the services the City provides and the activities it performs.

**City of Saginaw**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**As of June 30,**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 42,357,901	\$ 43,653,689	\$ 43,056,592	\$ 42,480,896	\$ 41,522,452	\$ 40,458,812	\$ 38,106,561	\$ 39,535,326	\$ 39,958,554	\$ 41,636,968
Restricted	4,855,840	3,794,989	4,552,729	4,772,251	7,177,028	7,871,497	3,278,435	3,312,310	2,975,993	3,090,661
Unrestricted	<u>(13,847,085)</u>	<u>(24,064,137)</u>	<u>(38,431,452)</u>	<u>(42,695,487)</u>	<u>(50,040,252)</u>	<u>(147,334,573)</u>	<u>(160,903,354)</u>	<u>(157,782,540)</u>	<u>(324,809,606)</u>	<u>(316,790,177)</u>
Total net position	<u>33,366,656</u>	<u>23,384,541</u>	<u>9,177,869</u>	<u>4,557,660</u>	<u>(1,340,772)</u>	<u>(99,004,264)</u>	<u>(119,518,358)</u>	<u>(114,934,904)</u>	<u>(281,875,059)</u>	<u>(272,062,548)</u>
<b>Business Type Activities:</b>										
Net investment in capital assets	77,177,910	82,280,202	73,202,779	76,740,286	78,362,788	78,165,624	77,851,628	76,444,510	76,711,180	77,898,874
Restricted	995,343	-	-	-	-	-	-	-	-	-
Unrestricted	<u>24,125,802</u>	<u>24,700,068</u>	<u>40,146,861</u>	<u>39,911,213</u>	<u>37,878,295</u>	<u>(2,697,609)</u>	<u>12,708,301</u>	<u>(4,919,731)</u>	<u>(29,187,695)</u>	<u>(27,661,886)</u>
Total net position	<u>102,299,055</u>	<u>106,980,270</u>	<u>113,349,640</u>	<u>116,651,499</u>	<u>116,241,083</u>	<u>75,468,015</u>	<u>90,559,929</u>	<u>71,524,779</u>	<u>47,523,485</u>	<u>50,236,988</u>
<b>Primary government in total:</b>										
Net investment in capital assets	119,535,811	125,933,891	116,259,371	119,221,182	119,885,240	118,624,436	115,958,189	115,979,836	116,669,734	119,535,842
Restricted	5,851,183	3,794,989	4,552,729	4,772,251	7,177,028	7,871,497	3,278,435	3,312,310	2,975,993	3,090,661
Unrestricted	<u>10,278,717</u>	<u>635,931</u>	<u>1,715,409</u>	<u>(2,784,274)</u>	<u>(12,161,957)</u>	<u>(150,032,182)</u>	<u>(148,195,053)</u>	<u>(162,702,271)</u>	<u>(353,997,301)</u>	<u>(344,452,063)</u>
Total net position	<u>\$ 135,665,711</u>	<u>\$ 130,364,811</u>	<u>\$ 122,527,509</u>	<u>\$ 121,209,159</u>	<u>\$ 114,900,311</u>	<u>\$ (23,536,249)</u>	<u>\$ (28,958,429)</u>	<u>\$ (43,410,125)</u>	<u>\$ (234,351,574)</u>	<u>\$ (221,825,560)</u>

Note: The City adopted GASB No. 34 during fiscal year 2002-03 and began reporting a government-wide statement of net position.  
Source: City's Comprehensive Annual Financial Report



**City of Saginaw**  
**Changes in Governmental Net Position**  
**Last Ten Years**  
**(Accrual basis of accounting)**  
**(Amounts expressed in thousands)**  
**Fiscal Year Ended June 30,**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,959	\$ 3,441	\$ 5,321	\$ 4,247	\$ 4,047	\$ 3,058	\$ 7,434	\$ 3,425	\$ 6,274	\$ 4,089
Administration	2,422	2,590	3,835	2,082	2,785	2,925	2,939	2,334	2,641	2,763
Public Safety	31,688	32,191	31,454	28,578	26,475	25,630	34,732	21,859	25,523	21,104
Highways and streets	-	-	-	-	-	5,982	7,748	6,629	6,114	5,316
General services	15,855	16,086	13,006	14,917	13,854	8,392	9,510	9,475	7,413	8,035
Community services	2,121	1,862	1,847	1,588	1,789	1,788	2,536	1,502	1,868	1,894
Economic development	6,141	9,061	10,791	10,063	2,801	3,190	3,156	2,491	2,768	2,898
Interest on long-term debt	4						81	64	164	245
Total governmental activities expenses	<u>63,190</u>	<u>65,231</u>	<u>66,254</u>	<u>61,477</u>	<u>51,753</u>	<u>50,973</u>	<u>68,136</u>	<u>47,779</u>	<u>52,765</u>	<u>46,344</u>
Business-type activities:										
Sewer	19,245	19,279	19,008	20,260	21,636	20,220	13,549	33,792	20,571	20,824
Water	13,872	13,670	14,566	14,559	15,838	15,747	10,328	25,952	15,819	15,876
Boat Launch	-	-	2	-	-	-	28	30	29	27
Parking	421	407								
Total business-type activities expenses	<u>33,538</u>	<u>33,356</u>	<u>33,574</u>	<u>34,819</u>	<u>37,474</u>	<u>35,967</u>	<u>23,905</u>	<u>59,774</u>	<u>36,419</u>	<u>36,727</u>
Total primary government expenses	<u>\$ 96,728</u>	<u>\$ 98,587</u>	<u>\$ 99,828</u>	<u>\$ 96,296</u>	<u>\$ 89,227</u>	<u>\$ 86,940</u>	<u>\$ 92,041</u>	<u>\$ 107,553</u>	<u>\$ 89,184</u>	<u>\$ 83,071</u>
		-	-	-	-	-	-	-	-	

**City of Saginaw**  
**Changes in Governmental Net Position**  
**Last Ten Years**  
**(Accrual basis of accounting)**  
**(Amounts expressed in thousands)**  
**Fiscal Year Ended June 30,**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 1,176	\$ 1,373	\$ 1,878	\$ 3,240	\$ 3,783	\$ 2,077	\$ 1,867	\$ 1,786	\$ 1,833	\$ 2,118
Administration	2,930	3,031	2,305	1,233	1,071	2,672	2,739	2,252	2,692	3,719
Public safety	360	535	775	785	657	516	544	555	1,181	1,344
Highways and streets	-	-	-	-	-	193	291	898	120	104
General services	2,423	2,010	3,821	3,812	3,630	3,909	3,792	4,094	3,975	3,850
Community services	832	824	782	800	671	665	630	793	326	360
Economic development	163	241	941	875	316	340	20	51	35	106
Operating grants and contributions	13,117	15,943	13,018	14,121	10,307	9,953	10,122	10,145	11,585	11,869
Capital grants and contributions	-	-	-	-	66	32	-	103	-	28
Total governmental activities program revenues	<u>21,001</u>	<u>23,957</u>	<u>23,520</u>	<u>24,866</u>	<u>20,501</u>	<u>20,357</u>	<u>20,005</u>	<u>20,677</u>	<u>21,747</u>	<u>23,498</u>
Business-type activities:										
Charges for services										
Sewer	20,733	21,602	22,474	22,283	20,646	20,864	20,363	20,037	20,742	20,221
Water	13,630	14,991	16,611	15,554	15,440	15,049	15,874	17,750	19,028	18,314
Boat Launch	-	-	-	-	-	-	23	23	24	12
Parking	302	278	-	-	-	-	-	-	-	-
Operating grants and contributions	102	-	-	119	-	-	-	-	-	-
Capital grants and contributions	-	995	-	-	-	-	-	1,678	386	489
Total business-type activities program revenues	<u>34,767</u>	<u>37,866</u>	<u>39,085</u>	<u>37,956</u>	<u>36,086</u>	<u>35,913</u>	<u>36,260</u>	<u>39,488</u>	<u>40,180</u>	<u>39,036</u>
Total primary government program revenues	<u>\$ 55,768</u>	<u>\$ 61,823</u>	<u>\$ 62,605</u>	<u>\$ 62,822</u>	<u>\$ 56,587</u>	<u>\$ 56,270</u>	<u>\$ 56,265</u>	<u>\$ 60,165</u>	<u>\$ 61,927</u>	<u>\$ 62,534</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (42,189)	\$ (41,274)	\$ (42,734)	\$ (36,611)	\$ (31,252)	\$ (30,616)	\$ (48,131)	\$ (27,102)	\$ (31,018)	\$ (22,846)
Business-type activities	<u>1,229</u>	<u>4,510</u>	<u>5,511</u>	<u>3,137</u>	<u>(1,388)</u>	<u>(54)</u>	<u>12,355</u>	<u>(20,286)</u>	<u>3,761</u>	<u>2,309</u>
Total primary government net expense	<u>\$ (40,960)</u>	<u>\$ (36,764)</u>	<u>\$ (37,223)</u>	<u>\$ (33,474)</u>	<u>\$ (32,640)</u>	<u>\$ (30,670)</u>	<u>\$ (35,776)</u>	<u>\$ (47,388)</u>	<u>\$ (27,257)</u>	<u>\$ (20,537)</u>

**City of Saginaw**  
**Changes in Governmental Net Position**  
**Last Ten Years**  
**(Accrual basis of accounting)**  
**(Amounts expressed in thousands)**  
**Fiscal Year Ended June 30,**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 9,072	\$ 7,757	\$ 7,419	\$ 6,458	\$ 6,767	\$ 6,757	\$ 6,701	\$ 6,510	\$ 6,533	\$ 7,169
Income taxes	11,803	12,236	12,533	12,257	12,309	12,252	12,625	13,213	13,723	14,119
Unrestricted grants and contributions	9,299	10,661	8,117	7,766	8,089	8,483	8,768	9,309	9,651	10,324
Unrestricted investment earnings	419	473	438	347	400	404	516	497	503	808
Miscellaneous	104	27	86	91	55	313	69	84	21	94
Gain on disposal of capital assets	-	256	1	88	46	3	13	3	7	97
Transfers	-	(29)		14	22	141		102	55	48
Total governmental activities	<u>30,697</u>	<u>31,381</u>	<u>28,594</u>	<u>27,021</u>	<u>27,688</u>	<u>28,353</u>	<u>28,692</u>	<u>29,718</u>	<u>30,493</u>	<u>32,659</u>
Business -type activities:										
Unrestricted investment earnings	74	43	10	29	65	55	193	22	50	336
Miscellaneous	-	-	782	150	935	1,019	1,469	1,331	592	116
Transfers	-	28		(14)	(22)	(141)		(102)	(55)	(48)
Total business-type activities	<u>74</u>	<u>71</u>	<u>792</u>	<u>165</u>	<u>978</u>	<u>933</u>	<u>1,662</u>	<u>1,251</u>	<u>587</u>	<u>404</u>
Total primary government	<u>\$ 30,771</u>	<u>\$ 31,452</u>	<u>\$ 29,386</u>	<u>\$ 27,186</u>	<u>\$ 28,666</u>	<u>\$ 29,286</u>	<u>\$ 30,354</u>	<u>\$ 30,969</u>	<u>\$ 31,080</u>	<u>\$ 33,063</u>
<b>Change in Net Position</b>		-				-				
Governmental activities	\$ (11,492)	\$ (9,893)	\$ (14,140)	\$ (9,590)	\$ (3,564)	\$ (2,263)	\$ (19,439)	\$ 2,616	\$ (525)	\$ 9,813
Business-type activities	<u>1,303</u>	<u>4,581</u>	<u>6,303</u>	<u>3,302</u>	<u>(410)</u>	<u>879</u>	<u>14,017</u>	<u>(19,035)</u>	<u>4,348</u>	<u>2,713</u>
Total primary government	<u>\$ (10,189)</u>	<u>\$ (5,312)</u>	<u>\$ (7,837)</u>	<u>\$ (6,288)</u>	<u>\$ (3,974)</u>	<u>\$ (1,384)</u>	<u>\$ (5,422)</u>	<u>\$ (16,419)</u>	<u>\$ 3,823</u>	<u>\$ 12,526</u>

Note: The City adopted GASB No. 34 during fiscal year 2002-03 and began reporting a government-wide statement of net position.

Source: City's Comprehensive Annual Financial Report

**City of Saginaw**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**  
**(Amounts expressed in thousands)**

	2010	2011*	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$ 59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,513	-	-	-	-	-	-	-	-	-
Non-spendable	-	143	240	212	166	259	243	245	148	219
Restricted	-	1	10	10	332	111	15	63	135	19
Assigned	-	1,036	-	-	-	-	-	-	364	2,716
Committed	-	-	-	-	-	-	-	-	66	142
Unassigned	-	2,685	998	46	1,029	1,533	2,294	3,960	6,007	7,194
Total General Fund	<u>\$ 1,572</u>	<u>\$ 3,865</u>	<u>\$ 1,248</u>	<u>\$ 268</u>	<u>\$ 1,527</u>	<u>\$ 1,903</u>	<u>\$ 2,552</u>	<u>\$ 4,268</u>	<u>\$ 6,720</u>	<u>\$ 10,290</u>
All other governmental funds:										
Reserved	\$ 5,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,934	-	-	-	-	-	-	-	-	-
Capital projects funds	101	-	-	-	-	-	-	-	-	-
Permanent fund	79	-	-	-	-	-	-	-	-	-
Non-spendable	-	2,974	2,870	2,853	2,981	2,809	2,875	3,082	3,049	3,088
Restricted	-	1,338	2,213	2,312	4,011	3,704	4,659	3,651	3,762	4,841
Committed	-	-	-	-	-	-	-	1,915	2,204	1,575
Assigned	-	379	286	157	151	134	158	160	164	161
Unassigned	-	(790)	(2,904)	(1,863)	(1,017)	(867)	(1,186)	(325)	(394)	(228)
Total all other governmental funds	<u>\$ 7,780</u>	<u>\$ 3,901</u>	<u>\$ 2,465</u>	<u>\$ 3,459</u>	<u>\$ 6,126</u>	<u>\$ 5,780</u>	<u>\$ 6,506</u>	<u>\$ 8,483</u>	<u>\$ 8,785</u>	<u>\$ 9,437</u>

Note: The City adopted GASB No. 34 during fiscal year 2002-03 and began reporting a government-wide statement of net position.

\* For the year ended June 30, 2011, GASB 54 has been implemented by the City.

Source: City's Comprehensive Annual Financial Report

**City of Saginaw**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**  
**(Amounts expressed in thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenue</b>										
General operating property taxes	\$ 8,401	\$ 7,303	\$ 7,088	\$ 6,122	\$ 6,442	\$ 6,436	\$ 6,392	\$ 6,480	\$ 6,503	\$ 7,158
Special assessments	160	119	(25)	158	36	-	-	-	-	-
City income tax	11,803	12,236	12,533	12,257	12,309	12,252	12,625	13,218	13,728	14,123
State shared revenues	13,661	13,682	11,422	11,747	12,456	12,452	12,757	13,706	14,995	15,634
Licenses, permits, and fees	2,975	3,114	5,777	5,498	5,584	4,570	5,415	5,783	6,125	6,184
Fines, penalties, and forfeitures	582	518	741	600	550	443	434	398	315	256
Grants, donations, and contributions	11,758	16,058	11,799	14,871	8,912	8,886	8,351	8,479	8,639	10,286
Interest on loans and investments	439	497	475	401	420	404	514	504	504	810
Rents and privileges	37	27	79	93	78	87	86	704	688	680
Sale of materials and services	1,548	1,676	2,635	2,089	1,554	1,754	1,246	-	-	3
Sale of land	-	-	78	-	-	-	-	-	-	-
Loan repayments	123	90	282	55	53	167	32	34	29	49
Miscellaneous	13	126		385	267	354	479	1,502	908	1,157
Total revenue	<u>51,500</u>	<u>55,446</u>	<u>52,884</u>	<u>54,276</u>	<u>48,661</u>	<u>47,805</u>	<u>48,331</u>	<u>50,808</u>	<u>52,434</u>	<u>56,340</u>
<b>Expenditures</b>										
General government	4,647	4,646	4,589	4,196	3,993	3,118	4,602	4,595	4,675	5,789
Administration	3,151	3,492	2,657	2,699	2,792	3,010	2,652	2,395	2,756	2,698
Public safety	25,360	28,195	27,414	25,493	22,784	23,365	22,463	22,529	22,364	22,648
Highway and streets	4,600	5,931	3,913	3,503	3,476	4,089	4,591	4,425	5,167	5,225
General services	6,022	6,653	6,813	6,965	6,497	7,009	6,766	6,581	6,523	6,617
Community services	1,767	1,763	1,598	1,589	1,753	1,755	1,848	1,758	1,690	1,807
Economic development	4,696	7,213	9,277	10,014	2,698	3,163	2,548	2,609	2,632	2,401
Capital outlay	657	510	1,708	1,412	1,496	2,947	4,988	4,185	3,604	5,724
Debt service										
Principal	470	-	-	5	6	66	119	151	528	605
Interest and other fees	9						42	65	157	138
Total expenditures	<u>51,379</u>	<u>58,403</u>	<u>57,969</u>	<u>55,878</u>	<u>45,497</u>	<u>48,530</u>	<u>50,619</u>	<u>49,293</u>	<u>50,096</u>	<u>53,652</u>
Excess of revenues over (under) expenditures	121	(2,957)	(5,085)	(1,602)	3,164	(725)	(2,288)	1,515	2,338	2,688

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**City of Saginaw**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**  
**(Amounts expressed in thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other financing sources (uses)</b>										
Proceeds from installment contract	\$ -	\$ -	\$ 100.00	\$ -	\$ 695.00	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of fixed assets	-	-	-	40	-	-	-	-	4	26
Insurance recoveries	-	-	-	2	-	-	1	-	-	-
Transfers in	1,145	4,239	2,023	2,946	1,156	1,197	776	894	1,136	1,180
Transfers (out)	(1,145)	(1,809)	(1,196)	(1,371)	(1,091)	(1,038)	(761)	(778)	(1,069)	(1,132)
Issuance of debt	-	-	-	-	-	596	3,693	95	345	1,461
Total other financing sources (uses)	-	2,430	927	1,617	760	159	3,709	211	416	1,535
 Net change in fund balances	 \$ 121	 \$ (527)	 \$ (4,158)	 \$ 15	 \$ 3,924	 \$ (566)	 \$ 1,421	 \$ 1,726	 \$ 2,754	 \$ 4,223
 Debt service as a percentage of noncapital expenditures	 - 0.94%	 - %	 - %	 0.01%	 0.02%	 0.16%	 0.35%	 0.48%	 1.47%	 1.55%

Note: The City adopted GASB No. 34 during fiscal year 2002-03 and began reporting a government-wide statement of net position.

Source: City's Comprehensive Annual Financial Report

**City of Saginaw**  
**Revenue By Source**  
**Last Ten Fiscal Years**  
(Accrual basis of accounting)

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<u>Fiscal Year</u>	<u>Property Taxes</u>
2010	\$ 8,401,434
2011	7,303,409
2012	7,087,879
2013	6,121,874
2014	6,664,472
2015	6,436,153
2016	6,392,254
2017	6,480,061
2018	6,502,708
2019	7,157,750

**City of Saginaw**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Amounts expressed in thousands)**

Fiscal Year Ended June	Real Property				Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Industrial	Agriculture					
2010	\$ 452,724	\$ 95,695	\$ 47,162	\$ 120	\$ 98,106	\$ 693,807	14.5381	\$ 1,387,614	50.00%
2011	389,861	94,607	32,054	116	93,643	610,281	15.2508	1,220,562	50.00%
2012	352,600	93,167	30,490	119	97,508	573,884	14.2290	1,147,768	50.00%
2013	334,664	85,274	29,259	38	93,911	543,146	14.5637	1,086,292	50.00%
2014	318,230	79,682	27,781	40	88,335	514,068	14.8830	1,028,136	50.00%
2015	305,201	77,454	27,295	82	87,578	497,610	14.8830	995,220	50.00%
2016	292,296	78,215	25,238	83	82,509	478,341	14.8830	956,680	50.00%
2017	290,189	82,188	25,435	93	72,434	470,339	14.8830	940,678	50.00%
2018	293,393	77,344	25,641	96	71,811	468,285	14.8830	936,570	50.00%
2019	293,773	74,821	26,000	96	69,196	463,886	14.8830	927,772	50.00%

Note: Property in the City is reassessed annually. The City assesses property at approximately 50 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of taxable value.

Source: City of Saginaw Assessor's Office

Reference: City of Saginaw 2017

Assessing Division Statistics /Page 1 & 2



**City of Saginaw**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year (1) (2)	City of Saginaw				Overlapping Rates						Total Direct & Overlapping Rates
	Operating Millage	Rubbish Millage	Police & Fire Millage	Total City Millage	School District	Public Libraries	Delta College	Intermediate School	Saginaw Transit	County	
2010	5.5849	2.9532	6.0000	14.5381	27.9000	3.9947	2.0427	2.0872	3.0000	7.6048	61.1675
2011	6.2976	2.9532	6.0000	15.2508	27.9000	3.9947	2.0427	2.0872	3.0000	7.7284	62.0038
2012	6.7290	0.0000	7.5000	14.2290	29.3000	3.9947	2.0427	2.0872	3.0000	8.5192	63.1728
2013	7.0637	0.0000	7.5000	14.5637	29.3000	3.9947	2.0427	2.0872	3.0000	8.5192	63.5075
2014	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.3007	63.6083
2015	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.4468	63.7544
2016	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.7805	64.0881
2017	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.8111	64.1187
2018	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.816	64.1236
2019	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	10.3704	65.6780

Source: City of Saginaw Assessor's Office

(1) Rates reduced to comply with the Headlee Amendment.

(2) This is the year in which the tax is levied. 2003 refers to the 2002 tax collection, 2004 refers to the 2003 tax collection, and so on.

Reference: City of Saginaw 2018

Assessing Division Statistics/Page 74

**City of Saginaw**  
**Principal Property Taxpayers**

<u>Taxpayer</u>	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 32,882,499	1	7.09%	\$ 17,569,650	2	2.53%
General Motors	4,261,102	2	0.92%	32,438,366	1	4.68%
Charter Communications, II, LP	3,337,100	3	0.72%			4.68%
HC II 1015 S Washington Ave LLC	2,904,996	4	0.63%			-
Hausbeck Pickle Company	2,800,033	5	0.60%			-
Community Hospital Services	2,783,460	6	0.60%			-
Equiland, LLC	2,696,400	7	0.58%			-
Roco Bancraft	2,692,645	8	0.58%			-
SSP Associates, Inc	2,363,418	9	0.51%	3,460,060	10	0.50%
Menard, Inc.	2,343,973	10	0.51%			-
TRW Integrated Chassis Systems				8,505,300	3	1.23%
Delphi Corporation				6,942,844	4	1.00%
Enterprise Automotive Systems				5,193,700	5	0.75%
Linear Motion				5,093,524	6	0.73%
Machining Enterprises				3,741,200	7	0.54%
CMI Schneible Company				3,650,400	8	0.53%
Corvus Nodular Interest II, LLC				3,564,841	9	0.51%
Totals	<u>\$ 59,065,626</u>		<u>12.73%</u>	<u>\$ 90,159,885</u>		<u>17.67%</u>

Source: City of Saginaw Assessor's Office

**City of Saginaw**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 8,944,519	\$ 8,869,275	99.16%	\$ 20,413	\$ 8,889,688	99.39%
2011	8,283,083	8,219,048	99.23%	12,434	8,231,482	99.38%
2012	7,022,671	7,010,636	99.83%	10,868	7,021,504	99.98%
2013	6,901,651	6,861,236	99.41%	14,325	6,875,561	99.62%
2014**	6,848,972	6,770,877	98.86%	15,505	6,786,382	99.09%
2015**	6,678,759	6,609,227	98.96%	5,367	6,614,594	99.04%
2016	6,457,334	6,388,770	98.94%	6,060	6,394,830	99.03%
2017	6,348,827	6,281,078	98.93%	8,925	6,290,003	99.07%
2018	6,328,992	6,255,866	98.84%	1,678	6,257,544	98.87%
2019	6,295,484	6,220,040	98.80%	-	6,220,040	98.80%

Source: City Treasurer's Office/Assessor's Office

\*Column has been updated and now agrees to what has been subsequently collected for only that Tax Year.

\*\*FY14 and FY15 have been adjusted to remove the special assessments.

**City of Saginaw**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business Type Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Installment Purchase Contracts	Energy Efficiency Loan	Capital Leases	Revenue Bonds	Bond Premium	Deferred Bond Refunding Chg	Bond Discount	Installment Purchase Contracts	General Obligation Bonds			
2010	\$ -	\$ 30,028	\$ -	\$ -	\$ 10,850,000	\$ -	\$ -	\$ (96,986)	\$ -	\$ 36,858,387	\$ 47,641,429	6.57%	\$ 925
2011	-	-	-	-	10,600,000	-	-	(91,572)	-	31,864,706	42,373,134	5.70%	827
2012	-	-	100,000	-	20,870,000	-	-	(86,159)	-	28,170,711	49,054,552	6.65%	966
2013	-	-	94,435	-	19,410,000	-	-	(80,746)	-	24,217,673	43,641,362	6.00%	868
2014	-	694,872	88,729	-	18,615,000	-	-	(75,333)	-	20,680,307	40,003,575	5.46%	803
2015	-	1,230,594	82,879	457,007	17,815,000	-	-	(69,920)	-	17,398,415	36,913,975	4.95%	748
2016	3,692,946	1,117,736	76,881	34,992	16,905,000	-	-	(64,507)	-	16,563,849	38,326,897	5.32%	782
2017	3,692,946	1,001,119	70,744	90,806	31,870,000	3,130,886	(500,761)	-	-	14,280,310	53,636,050	7.26%	1,102
2018	3,348,571	1,195,091	63,921	63,942	30,370,000	2,968,944	(474,860)	-	-	11,984,685	49,520,294	N/A	N/A
2019	3,004,368	2,240,264	57,974	213,669	28,735,000	2,807,001	(448,958)	-	73,149	9,688,034	46,370,501	N/A	N/A

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

(1) See Statistical Table Number for personal income and population data.

N/A - Personal income and per capita for 2017 not yet available

**City of Saginaw**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Less: Self Supporting	Total	Percentage of Estimate Actual Taxable Value of Property	Per Capita (1)
2010	\$ 36,858,387	\$ -	\$ -	\$ 36,858,387	5.31%	\$ 716
2011	31,864,706	-	-	31,864,706	5.22%	622
2012	28,170,711	-	-	28,170,711	4.91%	555
2013	24,217,673	-	-	24,217,673	4.46%	481
2014	20,680,307	-	-	20,680,307	4.02%	415
2015	17,398,415	-	-	17,398,415	3.50%	353
2016	20,256,795	-	-	20,256,795	4.23%	414
2017	17,973,256	-	-	17,973,256	3.82%	369
2018	15,333,256	-	-	15,333,256	3.27%	N/A
2019	12,692,402	-	-	12,692,402	2.74%	N/A

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

Taxable value provided by the City of Saginaw Assessor's Office.

(1) See Statistical Table Number for personal income and population data.

**City of Saginaw**  
**Direct and Overlapping Governmental Activities Debt**

Governmental Unit	Debt Outstanding	Estimated % Applicable	Estimated Share of Overlapping Debt
Direct debt - City of Saginaw	\$ 5,516,275	100.00%	\$ <u>5,516,275</u>
Indirect debt:			
Saginaw County	9,920	100.00%	9,920
Multi-Authority	2,372,209	100.00%	<u>2,372,209</u>
Total indirect debt			<u>2,382,129</u>
Overlapping debt:			
Saginaw School District	44,920,000	67.14%	30,159,288
Saginaw County	117,682,410	8.84%	10,403,125
Saginaw ISD	355,000	8.96%	31,808
Delta Community College	<u>-</u>	3.98%	<u>-</u>
Total overlapping debt			<u>40,594,221</u>
Total direct and overlapping debt			<u>\$ 48,492,625</u>

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

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

**City of Saginaw**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Amounts expressed in thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 69,369	\$ 61,017	\$ 57,377	\$ 54,311	\$ 51,403	\$ 49,753	\$ 47,826	\$ 47,034	\$ 46,829	\$ 46,389
Total net debt applicable to limit	<u>15,283</u>	<u>13,531</u>	<u>4,444</u>	<u>7,465</u>	<u>7,973</u>	<u>7,157</u>	<u>9,384</u>	<u>7,837</u>	<u>7,054</u>	<u>7,898</u>
Legal debt margin	<u>\$ 54,086</u>	<u>\$ 47,486</u>	<u>\$ 52,933</u>	<u>\$ 46,846</u>	<u>\$ 43,430</u>	<u>\$ 42,596</u>	<u>\$ 38,442</u>	<u>\$ 39,197</u>	<u>\$ 39,775</u>	<u>\$ 38,490</u>
Total net debt applicable to the limit as a percentage of debt limit	22.03%	22.18%	7.75%	13.74%	15.51%	14.39%	19.62%	16.66%	15.06%	17.03%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed valuation, December 31, 2017	\$ 463,886
Debt limit (10% of assessed valuation)	46,389
Debt applicable to limit:	7,898
Total amount of debt applicable to debt limit:	<u>7,898</u>
Legal Debt Margin	<u>\$ 38,490</u>

**Limitations on Borrowing**

(1) Act 279, Public Acts of Michigan, 1909, as amended, and provisions of the City Charter state that net bonded indebtedness of the City shall not exceed 10 percent of the City's Assessed valuation.

Bonds which are not required to be included in this computation of net indebtedness, according to said Act 279, are:

- A. Special Assessment Bonds
- B. Mortgage Bonds
- C. Motor Vehicle Highway Fund Bonds
- D. Revenue Bonds
- E. Bonds issued, or contracts or assessment obligation, incurred to comply with an order of the Water Resources Commission or a court of competent jurisdiction
- F. Other obligations incurred for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution.

**City of Saginaw**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Water System Revenue Bonds

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)(3)	Net Available Revenue	Debt Service		Total	Coverage
				Principal (4)	Interest		
2010	\$ 13,665,066	\$ 10,925,125	\$ 2,739,941	\$ 250,000	\$ 493,000	\$ 743,000	3.69
2011	14,956,126	10,610,636	4,345,490	250,000	481,000	731,000	5.94
2012	16,683,411	11,190,078	5,493,333	300,000	439,130	739,130	7.43
2013	15,564,405	11,119,751	4,444,654	725,000	878,370	1,603,370	2.77
2014	15,463,059	12,149,854	3,313,205	735,000	855,020	1,590,020	2.08
2015	15,055,952	12,014,333	3,041,619	800,000	820,270	1,620,270	1.88
2016	15,882,547	6,713,747	9,168,800	910,000	799,743	1,709,743	5.36
2017	17,759,149	11,989,067	5,770,082	1,465,000	1,276,229	2,741,229	2.10
2018	19,081,693	12,499,508	6,582,185	1,500,000	1,440,531	2,940,531	2.24
2019	18,377,741	12,774,757	5,602,984	1,635,000	1,382,506	3,017,506	1.86

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

Change from 2012 to 2013 represents Series 2011 Water Supply Revenue Bond.

(1) Includes interest earnings.

(2) Net of depreciation expense.

(3) Net of pension expense.

(4) 2017 Principal does not include the amount paid by the refunding of the 2008 bond.



**City of Saginaw**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income	Per Capita (1) Personal Income	School Enrollment (3)	Unemployment Rate (2)
2009	51,218	727,500,472	14,204	9,970	22.40%
2010	51,508	724,614,544	14,068	9,302	20.50%
2011	51,230	743,859,600	14,520	8,022	17.10%
2012	50,790	737,470,800	14,520	7,691	15.30%
2013	50,303	727,079,562	14,454	7,355	16.10%
2014	49,844	732,058,828	14,687	7,737	13.90%
2015	49,347	746,472,069	15,127	6,880	10.40%
2016	48,984	719,917,848	14,697	6,356	8.5%
2017	48,677	738,332,736	15,168	6,044	8.3%
2018	48,323	667,630,568	13,816	5,802	8.7%
2019	(4)	(4)	(4)	5,401	8.9%

Data Sources:

(1) American FactFinder, U.S. Census Bureau

(2) Michigan Labor Market Information, Data Explorer

(3) Michigan School Data.org

(4) Not available

**City of Saginaw**  
**Principal Employers**  
**2019 and 2010**

2019				2010			
<u>Employer</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employer</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Covenant Medical Center	4,948	1	5.97%	Covenant Medical Center	4,518	1	5.48%
Ascension Health Ministry	1,773	2	2.14%	General Motors	3,136	2	3.80%
School District City of Saginaw	1,764	3	2.13%	Motors Liquidation Company	2,585	3	3.13%
Department of Veterans' Affairs	1,057	4	1.27%	St Marys of Michigan	2,542	4	3.08%
General Motors	1,007	5	1.21%	School Dist City of Saginaw	1,583	5	1.92%
Nexteer Automotive Corporation	921	6	1.11%	Delphi Automotive Systems Corp	965	6	1.17%
Saginaw County	891	7	1.07%	Saginaw County	907	7	1.10%
Quality Temporary Services, Inc	786	8	0.95%	Department of Veterans Affairs	897	8	1.09%
City of Saginaw	551	9	0.66%	Defense Finance & Actg Serv	863	9	1.05%
State of Michigan	532	10	0.64%	State of Michigan	774	10	0.94%
Meijer Great Lakes LTD PT	523	11	0.63%	City of Saginaw	588	11	0.71%
 Totals	 <u>14,753</u>		 <u>17.79%</u>		 <u>19,358</u>		 <u>23.46%</u>
Total Employment (2)	82,923			Total Employment (2)	82,502		

Data Sources:

(1) City of Saginaw Income Tax Department

(2) Michigan Labor Market Information, Data Search/County-December 2017

2018 Data - Income Tax Year Ending 12-31-17

2009 Data - Income Tax Year Ending 12-31-08

**City of Saginaw**  
**Full-time Equivalent City of Saginaw Employees by Function**  
**Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	25	26	26	26	23	24	31	28	29	30
Fiscal services	26	27	27	28	30	36	29	29	28	29
Public safety										
Police	142	140	139	136	93	89	89	90	90	92
Fire	72	70	67	58	36	53	52	52	52	39
Highways and streets	21	27	26	19	19	18	18	21	23	26
General services	52	46	46	49	56	53	53	59	58	56
Community services	18	18	18	20	20	19	19	20	20	26
Economic development	10	7	7	11	7	7	7	7	7	7
Parking system	2	1	1	-	-	-	-	-	2	2
Water	68	61	61	61	61	61	61	63	64	68
Sewer	94	83	84	88	88	89	88	87	86	88
Total	<u>530</u>	<u>506</u>	<u>503</u>	<u>497</u>	<u>433</u>	<u>448</u>	<u>447</u>	<u>458</u>	<u>460</u>	<u>463</u>

Source: City of Saginaw Annual Budget

**City of Saginaw**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
Elections										
Number of registered voters	40,224	39,788	40,599	40,211	38,855	37,134	36,756	36,165	35,482	35,897
<b>Public Safety</b>										
Police Department										
Number of citations issued	9,947	9,596	6,414	6,970	2,582	3,602	3,276	3,691	3,773	3,439
Number of complaints filed	-	-	8,638	7,953	7,354	6,715	9,034	8,800	8,689	8,568
Number of calls for service	44,764	44,245	44,737	57,625	52,198	47,729	52,024	49,244	28,300	46,218
Number of DUI offenses	-	-	-	69	49	39	59	43	39	26
Fire Department										
Number of emergency runs	1,678	1,835	1,898	2,429	4,034	4,126	3,154	3,400	4,526	3,819
<b>Recreated and Culture</b>										
Park acreage maintained	308	308	308	308	308	308	308	308	308	308
Special events	61	57	53	53	66	72	71	45	44	41
Shelter rentals	61	57	58	15	25	28	33	23	6	5
Block parties	16	16	15	16	9	14	15	8	8	11
Street trees planted	-	-	-	177	43	106	79	72	3	11
Street trees trimmed	-	-	178	596	456	922	270	677	689	1,034
Street trees removal	-	-	432	417	329	679	378	357	341	285
<b>Community and Economic Development</b>										
Housing units rehabilitated	11	14	12	3	4	3	6	19	21	15
Basic needs	7	9	11	9	14	15	23	19	21	12
<b>Sewer System</b>										
Sanitary and storm sewer (miles)	303.9	303.9	303.9	303.9	303.9	303.9	303.9	303.9	303.9	303.9
Daily average treatment (million gallons)	17.0	23.3	20.1	22.9	19.6	21.6	22.9	23.8	23.4	25.8
Maximum daily capacity (million gallons)	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
<b>Water System</b>										
Miles of water mains	419.7	419.7	419.7	420.0	411.0	411.0	411.0	411.0	411.0	411.0
Daily average consumption (million gallons)	19.4	19.2	19.5	20.0	18.1	17.0	17.3	17.9	17.3	17.2
Maximum daily treatment (million gallons)	28.1	30.5	31.3	32.3	27.2	23.7	26.3	27.3	25.4	27.1
<b>Cemetery</b>										
Interments	401	342	353	386	326	366	337	345	344	309
Grave sales	303	240	252	145	153	266	260	228	248	238
Foundations set	257	203	243	149	199	209	229	225	241	236
<b>Marina</b>										
Boat launch	1	1	1	1	1	1	1	1	1	1

Source: Various city departments.

Not all historical information is available. This table will continue to be populated as more information becomes available.

**City of Saginaw**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	72	74	74	72	70	73	62	47	44	43
Fire										
Stations	4	4	4	4	4	4	4	4	3	3
Vehicles	-	21	21	19	18	25	24	22	23	23
Public Works										
Streets (miles)										
Major	99	96	96	96	96	96	96	96	96	96
Local	184	182	182	182	182	182	182	182	183	183
State highways	32	36	36	36	36	36	36	36	36	36
Recreation and culture										
Park Areas	45	45	45	45	45	45	45	45	45	45

Source: Various city departments.

Note: No capital asset indicators are available for the general government and economic development functions.

Not all historical information is available. This table will continue to be populated as more information becomes available.