



**S** CITY OF  
**SAGINAW**

Michigan

**Comprehensive Annual  
Financial Report**

For the Fiscal Year Ended

June 30, 2013

**City of Saginaw**

**Saginaw County**

**Comprehensive Annual Financial Report**

**June 30, 2013**

Prepared by the Department of Fiscal Services

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# CITY OF SAGINAW

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Saginaw, MI 48601  
(989) 759-1401

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December 19, 2013

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, 2013, 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, however continued steps must be taken to ensure stability. The top three revenues for the City are generated by the following, in order of revenue generated: City income tax, State Shared Revenue (including EVIP), and grants/donations/and contributions; property tax is the fourth highest revenue. 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 declined, so did the level of state shared revenue allocated to the City by the state government. In an attempt to counter the trend in declining revenue, the City directed additional efforts to the collection of delinquent funds owed to the City, such as delinquent income taxes. 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. Until recently, 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 five major employers, in terms of withholding, are now in the health care industry (Covenant Health Care, St. Mary's of Michigan, and the Department of Veterans Affairs - VA Medical Center).

The City and Saginaw Future Inc. are currently working on projects to bring new businesses to the City of Saginaw to further diversify the economic base. The new Central Michigan University Medical School is set to begin construction in the upcoming months and students should be receiving instruction at the Saginaw campus by 2015. The school will be located at Covenant Hospital and St. Mary's Hospital, both located in the city. Additionally, the city is experiencing growth in the downtown area, where two significant market rate apartment buildings are being renovated and are nearly ready for rental. The First Merit Event Park has also been completed and began having concerts in the fall of 2012. The other significant downtown area, Old Town, is also experiencing growth, as renovations are taking place on historic buildings to provide housing in the form of condominiums and apartments. 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 2014 will be another challenging year as state shared revenue and other City revenues have somewhat leveled off, however expenses continue to grow. The most significant increases 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 Michigan and throughout the country. Many cities have been forced to reduce services in recent years to deal with the changing conditions. The City 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, eliminated retiree healthcare for new hires, and continues to evaluate additional changes.

The City of Saginaw has taken a proactive approach in addressing the issue of reduced revenue. As noted previously, the City has a renewed focus on collections and timeliness related to accounts receivable, and has a dedicated collections specialist. Additionally, the Management Team continues to review city operations and work with department heads to make recommendations to reduce expenses, improve efficiency and provide services to the city residents.

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. The forecast has been updated semi-annually since the initial forecast in 2009 and is an integral part of the prudent financial management of the City.

For the past several years the City has been dedicated to developing balanced budgets, building responsible capital improvement plans, and reviewing the efficient use of resources. At this point, many of the reserves have been depleted; therefore the city must review possible changes to

service levels 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 twice a year, in January and July, to discuss and prioritize the City's goals and objectives for the year. At a retreat in January 2009, the following five goals and objectives were established and remain priorities:

- ◇ Crime and Public Safety – the primary goal is to create a safe place to live, work, and play for all citizens in the City of Saginaw
- ◇ Neighborhood Revitalization and City Beatification – to emphasize the elimination of blight, improve the quality of life, continue to build strong relationships between the City and Neighborhood Associations, attract new businesses through promoting the City, and build a stable, livable, clean community

- ◇ Recreational Activities – the primary goal is to provide recreational activities to the youth and citizens of the City of Saginaw
- ◇ Maintain and Enhance City Revenue Efforts – to improve and focus revenue efforts to ensure the financial health of the City of Saginaw
- ◇ Organizational Development – to reorganize and structure departments to operate efficiently and provide world-class service to the citizens of the City of Saginaw

### 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, Development, 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 are 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, 2012. 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 written in a cursive style with a prominent initial "T" and a long, sweeping underline.

Timothy Morales  
Interim City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

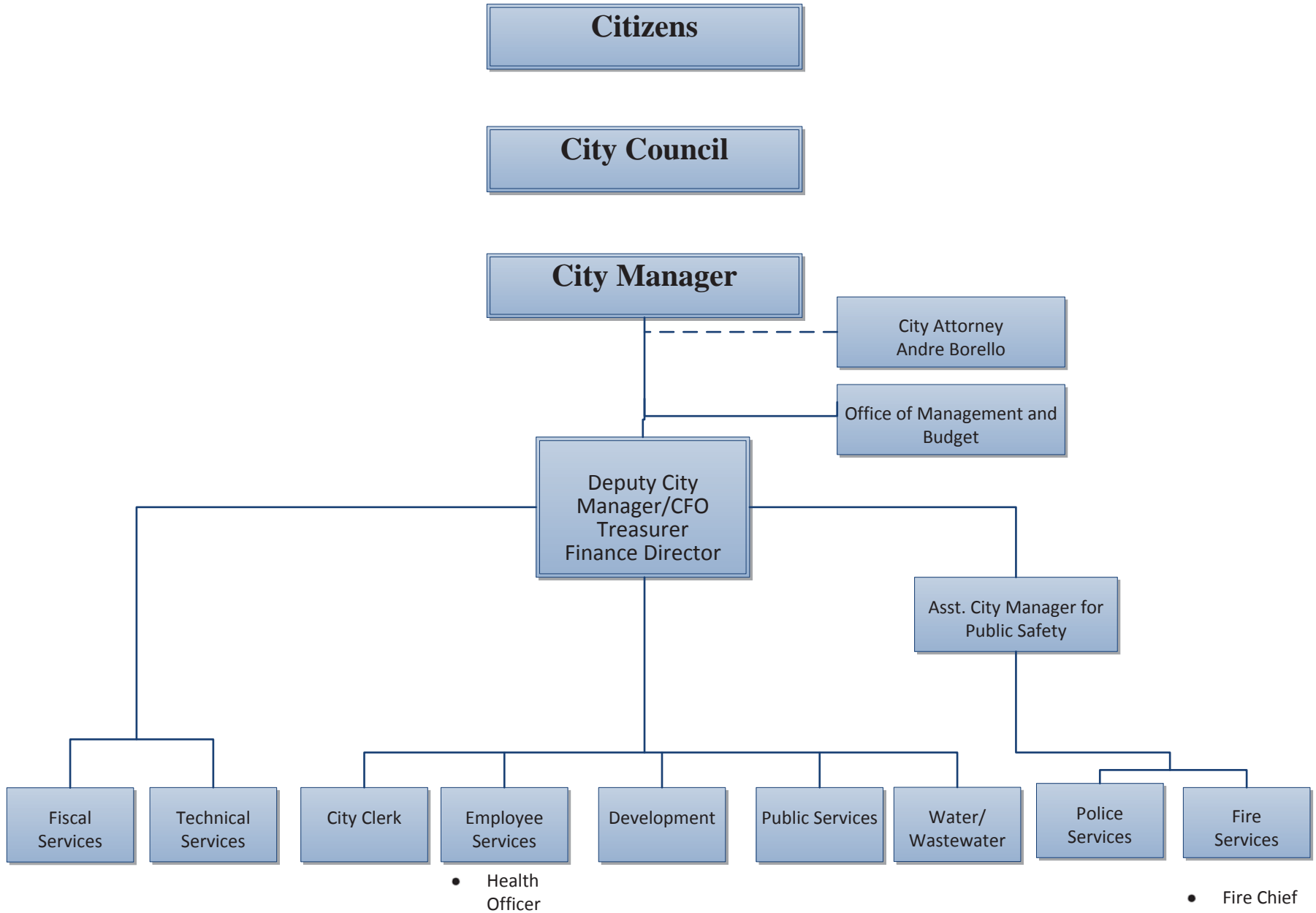
City of Saginaw  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

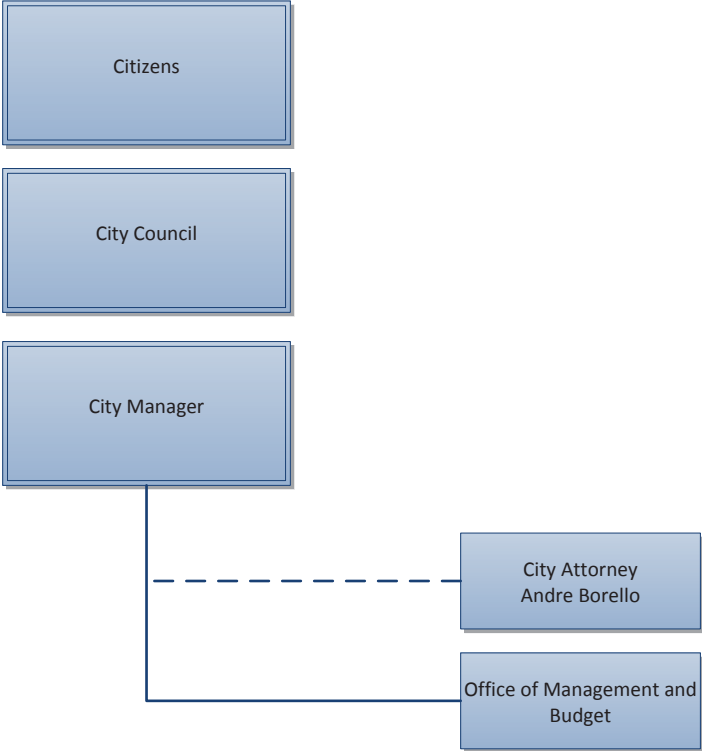
June 30, 2012

Executive Director/CEO

# CITY OF SAGINAW



# CITY OF SAGINAW



**City of Saginaw**  
**List of Elected and Appointed Officials**  
**June 30, 2013**

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City Council

Greg Branch – Mayor

Dennis Browning – Mayor Pro-Term

Annie Boensch – Council Member

Norman Braddock – Council Member

Larry Coulouris – Council Member

Dan Fitzpatrick – Council Member

Floyd Kloc – Council Member

Amos O’Neal – Council Member

Andrew Wendt – Council Member

Administrative Staff

Darnell Earley – City Manager

Tim Morales – Deputy City Manager / Chief Financial Officer





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## 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, 2013, 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Community Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Adoption of New Accounting Standards:**

As described in Note 1 to the financial statements, during the year ended June 30, 2013, the City adopted new accounting guidance: GASB Statements No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*; GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*; and No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

## **Other Matters:**

### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 Supplemental 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, list of elected and appointed officials, statistical section, and other supplemental information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplemental 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 supplemental 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 supplemental 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 section, list of elected and appointed officials, 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 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 financial statements as of and for the year ended June 30, 2012, which are not presented with the accompanying financial statements. In our report dated December 21, 2012, we expressed unmodified opinions on the respective 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 financial statements that collectively comprise the City of Saginaw's financial statements as a whole. The 2012 information in the comparative other supplemental 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 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 information in the comparative supplemental 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 December 19, 2013 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 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 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  
December 19, 2013

## CITY OF SAGINAW, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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, 2013. 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 services, Sewer services, the Parking System, and Celebration Park operations.

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 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 twenty 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 and Community Development Fund, both 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 its general and special revenue funds. Budgetary comparison statements or

schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 3 - 4 through 3 -12 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. *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, 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, and Sewer Fund, each of which are considered to be major funds. Data from the other proprietary funds are combined and presented separately. Individual fund data for each of these nonmajor enterprise funds and internal service funds are provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 3 - 13 through 3 - 18 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 pages 3 - 19 through 3 - 20 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 - 23 through 3 - 52 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.

### Government-wide Financial Analysis

The City of Saginaw has combined net position of \$121,209,159. Business type activities comprise \$116,651,499 and governmental activities make up \$4,557,660 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	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 17,185,851	\$ 22,250,939	\$ 50,226,140	\$ 49,595,959	\$ 67,411,991	\$ 71,846,898
Capital assets	42,480,896	43,056,592	120,287,213	122,243,548	162,768,109	165,300,140
Total assets	59,666,747	65,307,531	170,513,353	171,839,507	230,180,100	237,147,038
Current liabilities	4,596,845	5,090,423	8,602,693	9,776,813	13,199,538	14,867,236
Long-term liabilities	50,512,242	46,069,582	45,259,161	48,713,054	95,771,403	94,782,636
Total liabilities	55,109,087	51,160,005	53,861,854	58,489,867	108,970,941	109,649,872
Net position:						
Net investment in						
capital assets	42,480,896	43,056,592	76,740,286	73,202,779	119,221,182	116,259,371
Restricted	4,772,251	4,552,729	-	-	4,772,251	4,552,729
Unrestricted (deficit)	(42,695,487)	(33,461,795)	39,911,213	40,146,861	(2,784,274)	6,685,066
Total net position	\$ 4,557,660	\$ 14,147,526	\$ 116,651,499	\$ 113,349,640	\$ 121,209,159	\$ 127,497,166

Net position decreased \$1,318,350 during the year, which includes an increase of \$3,301,859 in business-type activities and a decrease of \$4,620,209 in governmental activities. The primary cause of the increase in business-type activities net position is due to the increase in sewer rates. The decrease in governmental activities net position is primarily due to a significant increase in the other postemployment benefits liability.

The following table shows the revenue and expense components of changes in net position for the year ended June 30, 2013.

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 10,745,198	\$ 10,501,804	\$ 37,836,492	\$ 39,084,914	\$ 48,581,690	\$ 49,586,718
Operating grants and contributions	14,121,024	13,018,168	-	-	14,121,024	13,018,168
Capital grants and contributions	-	-	119,520	-	119,520	-
General revenues:						
Property taxes	6,458,365	7,418,664	-	-	6,458,365	7,418,664
Income taxes	12,257,420	12,533,025	-	-	12,257,420	12,533,025
State shared revenue	7,384,019	7,039,181	-	-	7,384,019	7,039,181
Grants not restricted to specific programs	381,736	1,077,985	-	-	381,736	1,077,985
Unrestricted investments earnings	347,386	437,846	28,630	10,520	376,016	448,366
Miscellaneous	91,311	85,938	148,727	782,264	240,038	868,202
Gain on sale of capital assets	87,569	1,059	1,461	-	89,030	1,059
<b>Total revenues</b>	<b>51,874,028</b>	<b>52,113,670</b>	<b>38,134,830</b>	<b>39,877,698</b>	<b>90,008,858</b>	<b>91,991,368</b>
<b>Expenses:</b>						
General government	4,246,625	5,320,994	-	-	4,246,625	5,320,994
Administration	2,082,511	3,835,495	-	-	2,082,511	3,835,495
Public safety	28,577,748	31,454,037	-	-	28,577,748	31,454,037
Highway/streets	5,033,333	5,030,597	-	-	5,033,333	5,030,597
Other general services	9,883,212	7,975,113	-	-	9,883,212	7,975,113
Community services	1,588,378	1,846,903	-	-	1,588,378	1,846,903
Economic development	10,063,315	10,791,028	-	-	10,063,315	10,791,028
Interest on long-term debt	2,436	-	-	-	2,436	-
Water	-	-	14,558,993	14,566,097	14,558,993	14,566,097
Sewer	-	-	20,260,314	19,008,406	20,260,314	19,008,406
<b>Total expenses</b>	<b>61,477,558</b>	<b>66,254,167</b>	<b>34,819,307</b>	<b>33,574,503</b>	<b>96,296,865</b>	<b>99,828,670</b>
Transfers	13,664	-	(13,664)	-	-	-
Increase (decrease) in net position	(9,589,866)	(14,140,497)	3,301,859	6,303,195	(6,288,007)	(7,837,302)
Net position, beginning of year (restated)	14,147,526	23,318,366	113,349,640	107,046,445	127,497,166	130,364,811
Prior period adjustment	-	4,969,657	-	-	-	4,969,657
<b>Total net position (restated)</b>	<b>\$ 4,557,660</b>	<b>\$ 14,147,526</b>	<b>\$ 116,651,499</b>	<b>\$ 113,349,640</b>	<b>\$ 121,209,159</b>	<b>\$ 127,497,166</b>

## Governmental Activities

General revenues for governmental activities totaled approximately \$27.0 million for the year ended June 30, 2013. A total of approximately \$6.5 million was in the form of property tax collections and related revenues that reflected an increase in the tax rate for general operations from 6.7290 (\$6.7290 per \$1,000 of taxable value) to 7.0637 mills. Property taxes revenue is shown net of applicable chargebacks. Income tax generated approximately \$12.3 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 \$7.4 million, it is uncertain what will happen in the next several years, given the State of Michigan's financial difficulties.

The increase in governmental activities operating grants and contributions is due to more activity in the community development grant program. The decrease in general government expenses are primarily due to increases in postemployment expenses offset with reduction in expenses.

## Business-type Activities

Business-type activities operated by the City include the water and sewer system. Program revenues from business-type activities were approximately \$37.8 million. Significant items include sewer service - \$22.2 million and water supply - \$15.6 million.

The increase in capital grants and contributions for business type activities is due to State Revolving Fund Loan Program in 2013, part of the loan was recognized as a grant. The increase in water and sewer charges for service is due to rate increases in sewer fund offset by reduction in consumption in the water fund.

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. Property ownership and tax filing status may impact income taxes because some of the higher paying jobs may be exempt from income taxes.

Economic growth: The City continues to experience moderate economic growth. The Saginaw Housing Commission, Habitat for Humanity, and Neighborhood Stabilization Program continue to provide scattered public housing and building blitz within the City of Saginaw.

Future State of Michigan Public Act 425 Agreements or corresponding service agreements is being 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 40% of its general fund revenue from local income tax. Economic conditions continue to have a negative impact on this revenue source. For the 2013-2014 budget, the revenue from income taxes is expected to stay the same as the 2012-2013 budget amount.

State shared revenues: The City of Saginaw receives approximately 24% of its general fund revenue from state revenue sharing. The State of Michigan is experiencing significant budget problems, which it is attempting to partially remedy by cutting payments of shared sales tax revenues to local units of government. It is our belief that any additional and continued cuts in state shared revenue will severely impact the City's ability to provide services.

### **Financial analysis of City funds and budgets**

The general fund ended 2012-2013 with a fund balance of approximately \$268,881, of which \$212,591 is nonspendable for prepaid and inventory, and \$10,000 is restricted for police.

The unassigned fund balance is \$46,290 as of June 30, 2013. The unassigned amount represented less than 1% of the June 30, 2013 general fund expenditures and other financing uses. That same number represents less than 1% of the fiscal year 2013-2014 budget (prior to 2013-2014 budget amendments).

Several factors affected general fund operating results:

- State shared revenue increased \$343,493
- Property tax revenue decreased \$627,673
- Income tax revenue decreased \$275,605

The general fund budget is amended throughout the year, and resulted in \$1,793,608 in expenditures over revenues. Revenues were \$1,826,510 under budget while expenditures were \$442,148 over budget.

The rubbish fund has a June 30, 2013, restricted fund balance of \$646,744.

The City's June 30, 2013, \$220 million in unfunded health care liability impacts all funds per the December 31, 2011, actuary valuation. 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. A plan to fund 50% of the \$220 million liability is being developed and requires a \$470,000, annual contribution to the Public Employee Healthcare fund. The City did not make an annual contribution in 2013.

### 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, 2013, amounted to \$162,768,109 (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.

The total decrease in the City's investment in capital assets for the current fiscal year was 1.5%.

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

- WTP upgrades – approximately \$2,217,776
- WWTP upgrades – approximately \$2,196,263
- Radio upgrades – approximately \$454,892

Additional information on the City's capital assets can be found on pages 3 - 34 of this report.

### Long-term debt

At the end of the current fiscal year, the City of Saginaw had total debt outstanding of \$43.6 million in principal and \$11 million in interest. Of this amount, \$24.3 million in principal comprises debt backed by the full faith and credit of the government. The remainder of the City of Saginaw's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
General obligation debt	\$ -	\$ -	\$ 850,000	\$ 232,000	\$ 850,000	\$ 232,000
Loans	94,435	17,586	-	-	94,435	17,586
Revenue bonds	-	-	43,913,861	10,711,973	43,913,861	10,711,973
Total	<u>\$ 94,435</u>	<u>\$ 17,586</u>	<u>\$ 44,763,861</u>	<u>\$ 10,943,973</u>	<u>\$ 44,858,296</u>	<u>\$ 10,961,559</u>

The City's total debt decreased by \$5,413,097 (11.0%) during the fiscal year.

The City maintains an "A-" 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 \$54,310,800, 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 - 38 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 2014 fiscal year:

Significant operating deficit from fiscal year 2013  
Loss of property tax revenue for the police and fire tax levy  
Continued increase in annual pension contributions

### **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, 2013**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 5,681,362	\$ 18,555,232	\$ 24,236,594	\$ 5,031,803
Investments	-	5,749,697	5,749,697	-
Receivables, net	6,237,234	6,592,096	12,829,330	1,876,584
Due from other units of government	6,201,481	-	6,201,481	-
Internal balances	(4,939,223)	4,939,223	-	-
Inventories	617,709	1,369,113	1,986,822	-
Prepaid items	255,111	-	255,111	-
Restricted assets				
Cash and cash equivalents	682,242	561,416	1,243,658	-
Investments	2,449,935	12,459,363	14,909,298	-
Capital assets not being depreciated	15,929,706	13,309,438	29,239,144	-
Capital assets, net of accumulated depreciation	<u>26,551,190</u>	<u>106,977,775</u>	<u>133,528,965</u>	<u>-</u>
 Total assets	 <u>59,666,747</u>	 <u>170,513,353</u>	 <u>230,180,100</u>	 <u>6,908,387</u>

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Statement of Net Position**  
**June 30, 2013**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities</b>				
Accounts payable	\$ 1,753,842	\$ 1,604,036	\$ 3,357,878	\$ 6,592
Accrued and other liabilities	1,774,866	1,557,400	3,332,266	-
Due to other units of government	144,031	-	144,031	-
Unearned revenue	918,400	1,246	919,646	-
Noncurrent liabilities				
Due within one year	5,706	5,440,011	5,445,717	-
Due in more than one year	8,604,989	39,243,105	47,848,094	-
Other postemployment benefit obligations	41,907,253	6,016,056	47,923,309	-
 Total liabilities	 <u>55,109,087</u>	 <u>53,861,854</u>	 <u>108,970,941</u>	 <u>6,592</u>
<b>Net position</b>				
Net investment in capital assets	42,480,896	76,740,286	119,221,182	-
Restricted for:				
Endowments	2,449,935	-	2,449,935	-
Police	10,000	-	10,000	-
Other special revenue funds	2,159,078	-	2,159,078	-
Permanent fund	153,238	-	153,238	-
Unrestricted (deficit)	<u>(42,695,487)</u>	<u>39,911,213</u>	<u>(2,784,274)</u>	<u>6,901,795</u>
 Total net position	 <u>\$ 4,557,660</u>	 <u>\$ 116,651,499</u>	 <u>\$ 121,209,159</u>	 <u>\$ 6,901,795</u>

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental activities								
General government	\$ 4,246,625	\$ 3,239,979	\$ 167,668	\$ -	\$ (838,978)	\$ -	\$ (838,978)	\$ -
Administration	2,082,511	1,233,118	-	-	(849,393)	-	(849,393)	-
Public safety	28,577,748	784,612	789,969	-	(27,003,167)	-	(27,003,167)	-
Highways and streets	5,033,333	44,756	4,845,311	-	(143,266)	-	(143,266)	-
General services	9,883,212	3,767,869	-	-	(6,115,343)	-	(6,115,343)	-
Community services	1,588,378	799,608	184,103	-	(604,667)	-	(604,667)	-
Economic development	10,063,315	875,256	8,133,973	-	(1,054,086)	-	(1,054,086)	-
Interest on long-term debt	2,436	-	-	-	(2,436)	-	(2,436)	-
Total governmental activities	<u>61,477,558</u>	<u>10,745,198</u>	<u>14,121,024</u>	<u>-</u>	<u>(36,611,336)</u>	<u>-</u>	<u>(36,611,336)</u>	<u>-</u>
Business-type activities								
Sewer	20,260,314	22,282,741	-	119,520	-	2,141,947	2,141,947	-
Water	14,558,993	15,553,751	-	-	-	994,758	994,758	-
Total business-type activities	<u>34,819,307</u>	<u>37,836,492</u>	<u>-</u>	<u>119,520</u>	<u>-</u>	<u>3,136,705</u>	<u>3,136,705</u>	<u>-</u>
Total primary government	<u>\$ 96,296,865</u>	<u>\$ 48,581,690</u>	<u>\$ 14,121,024</u>	<u>\$ 119,520</u>	<u>(36,611,336)</u>	<u>3,136,705</u>	<u>(33,474,631)</u>	<u>-</u>
Component units	<u>\$ 84,273</u>	<u>\$ -</u>	<u>\$ 491,281</u>	<u>\$ -</u>				<u>407,008</u>
General revenues								
Property taxes					6,458,365	-	6,458,365	59,082
Income taxes					12,257,420	-	12,257,420	-
State shared revenue					7,384,019	-	7,384,019	-
Grants not restricted to specific programs					381,736	-	381,736	-
Unrestricted investment earnings					347,386	28,630	376,016	68,988
Gain on sale of capital assets					87,569	1,461	89,030	-
Miscellaneous					91,311	148,727	240,038	133,615
Transfers					13,664	(13,664)	-	-
Total general revenues					<u>27,021,470</u>	<u>165,154</u>	<u>27,186,624</u>	<u>261,685</u>
Change in net position					<u>(9,589,866)</u>	<u>3,301,859</u>	<u>(6,288,007)</u>	<u>668,693</u>
Net position - beginning of year					9,177,869	113,349,640	122,527,509	6,233,102
Prior period adjustment					<u>4,969,657</u>	<u>-</u>	<u>4,969,657</u>	<u>-</u>
Net position - beginning of year (restated)					<u>14,147,526</u>	<u>113,349,640</u>	<u>127,497,166</u>	<u>6,233,102</u>
Net position - end of year					<u>\$ 4,557,660</u>	<u>\$ 116,651,499</u>	<u>\$ 121,209,159</u>	<u>\$ 6,901,795</u>

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2013**

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	General	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,015,406	\$ 205,010	\$ 998,380	\$ 2,218,796
Investments	-	-	-	-
Receivables				
Receivables, net of allowance	3,390,207	245,793	1,755,355	5,391,355
Due from other units of government	1,237,591	3,889,258	1,074,632	6,201,481
Due from other funds	2,340,935	-	930,892	3,271,827
Inventories	175,351	-	227,613	402,964
Prepaid items	37,240	-	174,865	212,105
Notes and contracts receivable	-	843,465	-	843,465
Restricted assets				
Cash and cash equivalents	-	85,790	596,452	682,242
Investments	-	-	2,449,935	2,449,935
Total assets	\$ 8,196,730	\$ 5,269,316	\$ 8,208,124	\$ 21,674,170

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2013**

	<u>General</u>	<u>Community Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Liabilities</b>				
Accounts payable	\$ 419,188	\$ 483,727	\$ 684,444	\$ 1,587,359
Accrued and other liabilities	1,002,419	23,798	678,301	1,704,518
Due to other funds	6,217,917	2,037,414	1,095,969	9,351,300
Due to other units of government	58,241	85,790	-	144,031
Unearned revenue	<u>11,717</u>	<u>422,900</u>	<u>483,783</u>	<u>918,400</u>
Total liabilities	<u>7,709,482</u>	<u>3,053,629</u>	<u>2,942,497</u>	<u>13,705,608</u>
<b>Deferred inflows of resources</b>				
Accounts receivable	218,367	-	71,852	290,219
Notes and contracts receivable	-	843,465	-	843,465
Grants	<u>-</u>	<u>2,979,121</u>	<u>127,595</u>	<u>3,106,716</u>
Total deferred inflows of resources	<u>218,367</u>	<u>3,822,586</u>	<u>199,447</u>	<u>4,240,400</u>
<b>Fund balances</b>				
Non-spendable				
Inventories	175,351	-	227,613	402,964
Prepaid items	37,240	-	174,865	212,105
Endowments	-	-	2,449,935	2,449,935
Restricted for:				
Police	10,000	-	-	10,000
Other special revenue funds	-	-	2,159,078	2,159,078
Permanent fund	-	-	153,238	153,238
Assigned	-	-	157,408	157,408
Unassigned (deficit)	<u>46,290</u>	<u>(1,606,899)</u>	<u>(255,957)</u>	<u>(1,816,566)</u>
Total fund balances	<u>268,881</u>	<u>(1,606,899)</u>	<u>5,066,180</u>	<u>3,728,162</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,196,730</u>	<u>\$ 5,269,316</u>	<u>\$ 8,208,124</u>	<u>\$ 21,674,170</u>

See Accompanying Notes to Financial Statements



**City of Saginaw**  
**Governmental Funds**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to Net Position of Governmental Activities**  
**June 30, 2013**

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<b>Total fund balances for governmental funds</b>	\$ 3,728,162
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.	25,426,533
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	15,929,706
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	4,240,400
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Compensated absences	(3,914,798)
Net other post employment obligation	(41,907,253)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	(94,435)
Internal service funds are included as part of governmental activities.	<u>1,149,345</u>
<b>Net position of governmental activities</b>	<u><u>\$ 4,557,660</u></u>

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2013**

	<u>General</u>	<u>Community Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
General operating property taxes	\$ 2,925,546	\$ -	\$ 3,196,328	\$ 6,121,874
Special assessments	157,885	-	-	157,885
City income tax	12,257,420	-	-	12,257,420
State shared revenues	7,417,862	-	4,329,472	11,747,334
Licenses, permits and fees	1,802,619	-	3,695,651	5,498,270
Fines, penalties and forfeitures	462,907	-	137,409	600,316
Grants, donations and contributions	3,717,861	9,923,085	1,229,894	14,870,840
Interest on loans and investments	356,866	13,554	41,886	412,306
Rents and privileges	30,851	4,374	57,324	92,549
Sale of materials and services	1,359,548	718,675	-	2,078,223
Loan repayments	-	54,506	-	54,506
Miscellaneous	-	56,656	328,002	384,658
	<u>30,489,365</u>	<u>10,770,850</u>	<u>13,015,966</u>	<u>54,276,181</u>
Total revenues				

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2013**

	General	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>Expenditures</b>				
Current				
General government	\$ 4,206,666	\$ -	\$ 269	\$ 4,206,935
Administration	2,699,146	-	-	2,699,146
Public safety	20,836,626	-	4,756,158	25,592,784
Highways and streets	-	-	4,656,888	4,656,888
General services	3,208,619	-	3,903,115	7,111,734
Community services	1,331,916	-	257,089	1,589,005
Economic development	-	9,876,668	136,907	10,013,575
Debt service				
Principal retirement	-	-	5,565	5,565
Interest and fiscal charges	-	-	2,436	2,436
Total expenditures	<u>32,282,973</u>	<u>9,876,668</u>	<u>13,718,427</u>	<u>55,878,068</u>
Excess (deficiency) of revenues over expenditures	<u>(1,793,608)</u>	<u>894,182</u>	<u>(702,461)</u>	<u>(1,601,887)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,622,249	-	1,323,745	2,945,994
Transfers out	(807,818)	(196,089)	(367,437)	(1,371,344)
Sale of fixed assets	-	-	40,710	40,710
Insurance recoveries	-	-	2,000	2,000
Total other financing sources and uses	<u>814,431</u>	<u>(196,089)</u>	<u>999,018</u>	<u>1,617,360</u>
Net change in fund balance	(979,177)	698,093	296,557	15,473
Fund balance (deficit) - beginning of year	<u>1,248,058</u>	<u>(2,304,992)</u>	<u>4,769,623</u>	<u>3,712,689</u>
Fund balance (deficit) - end of year	<u>\$ 268,881</u>	<u>\$ (1,606,899)</u>	<u>\$ 5,066,180</u>	<u>\$ 3,728,162</u>

See Accompanying Notes to 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, 2013**

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<b>Net change in fund balances - Total governmental funds</b>	<b>\$ 15,473</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	(2,236,710)
Capital outlay	1,411,861
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Special assessments	33,538
Grants	(1,862,941)
Notes receivable	17,921
Other revenue	(633,381)
Expenses are recorded when incurred in the statement of activities	
Compensated absences	1,910,327
Claims and judgments	555,000
Net other post employment obligation	(6,755,158)
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.	
Repayments of long-term debt	5,565
Internal service funds are also included as governmental activities	(2,051,361)
<b>Change in net position of governmental activities</b>	<b>\$ (9,589,866)</b>

**City of Saginaw**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
General operating property taxes	\$ 4,637,951	\$ 4,637,951	\$ 2,925,546	\$ (1,712,405)
Special assessments	150,000	150,000	157,885	7,885
City income tax	12,022,879	12,022,879	12,257,420	234,541
State shared revenues	7,108,207	7,349,221	7,417,862	68,641
Licenses, permits and forfeitures	1,704,726	1,945,445	1,802,619	(142,826)
Fines, penalties and forfeitures	849,622	654,417	462,907	(191,510)
Grants, donations and contributions	3,619,204	3,713,082	3,717,861	4,779
Interest	353,000	353,000	356,866	3,866
Rents and privileges	32,000	32,000	30,851	(1,149)
Sale of materials and services	1,326,567	1,457,880	1,359,548	(98,332)
	<u>31,804,156</u>	<u>32,315,875</u>	<u>30,489,365</u>	<u>(1,826,510)</u>
Total revenues				

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Expenditures				
General government	\$ 3,425,300	\$ 3,437,597	\$ 4,206,666	\$ 769,069
Administration	2,865,304	2,865,304	2,699,146	(166,158)
Public safety	19,757,581	20,885,846	20,836,626	(49,220)
General services	3,004,016	3,183,846	3,208,619	24,773
Community services	1,466,443	1,468,232	1,331,916	(136,316)
Total expenditures	<u>30,518,644</u>	<u>31,840,825</u>	<u>32,282,973</u>	<u>442,148</u>
Revenue over (under) expenditures	<u>1,285,512</u>	<u>475,050</u>	<u>(1,793,608)</u>	<u>(2,268,658)</u>
Other financing sources (uses)				
Transfers in	-	-	1,622,249	1,622,249
Transfers out	<u>(1,286,562)</u>	<u>(1,341,371)</u>	<u>(807,818)</u>	<u>533,553</u>
Total other financing sources (uses)	<u>(1,286,562)</u>	<u>(1,341,371)</u>	<u>814,431</u>	<u>2,155,802</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,050)</u>	<u>\$ (866,321)</u>	<u>(979,177)</u>	<u>\$ (112,856)</u>
Fund balance - beginning of year			<u>1,248,058</u>	
Fund balance - end of year			<u>\$ 268,881</u>	

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Community Development**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
<b>Revenues</b>				
Federal grants	\$ 12,206,715	\$ 13,420,772	\$ 9,923,085	\$ (3,497,687)
Interest income	40,000	40,000	13,554	(26,446)
Loan repayments	135,000	135,000	54,506	(80,494)
Rental income	5,412	5,412	4,374	(1,038)
Sale of materials and services	2,000,000	2,000,000	718,675	(1,281,325)
Miscellaneous	-	1,000	56,656	55,656
	<u>14,387,127</u>	<u>15,602,184</u>	<u>10,770,850</u>	<u>(4,831,334)</u>
<b>Total revenues</b>				
	<u>14,387,127</u>	<u>15,602,184</u>	<u>10,770,850</u>	<u>(4,831,334)</u>
<b>Expenditures</b>				
Current				
Economic development	14,191,038	15,406,095	9,876,668	(5,529,427)
Transfers out	196,089	196,089	196,089	-
	<u>14,387,127</u>	<u>15,602,184</u>	<u>10,072,757</u>	<u>(5,529,427)</u>
<b>Total expenditures</b>				
	<u>14,387,127</u>	<u>15,602,184</u>	<u>10,072,757</u>	<u>(5,529,427)</u>
				-
Excess of revenues over expenditures	-	-	698,093	698,093
Fund balance - beginning of year (deficit)	<u>(2,304,992)</u>	<u>(2,304,992)</u>	<u>(2,304,992)</u>	<u>-</u>
Fund balance - end of year (deficit)	<u>\$ (2,304,992)</u>	<u>\$ (2,304,992)</u>	<u>\$ (1,606,899)</u>	<u>\$ 698,093</u>

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2013**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 5,434,584	\$ 13,120,648	\$ 18,555,232	\$ 3,462,566
Investments	1,103,833	4,645,864	5,749,697	-
Receivables				
Customers	4,447,097	1,838,065	6,285,162	2,414
Special assessments, current	303,725	1,182	304,907	-
Accrued interest and other	-	2,027	2,027	-
Due from other funds	4,356,133	-	4,356,133	1,723,340
Inventories	-	1,369,113	1,369,113	214,745
Prepaid items	-	-	-	43,006
Restricted cash - bond proceeds	-	561,416	561,416	-
	<u>15,645,372</u>	<u>21,538,315</u>	<u>37,183,687</u>	<u>5,446,071</u>
Noncurrent assets				
Investment In SMWSC	-	12,459,363	12,459,363	-
Capital assets not being depreciated	3,349,533	9,959,905	13,309,438	1,124,657
Capital assets, net of accumulated depreciated	<u>70,907,961</u>	<u>36,069,814</u>	<u>106,977,775</u>	<u>-</u>
	<u>74,257,494</u>	<u>58,489,082</u>	<u>132,746,576</u>	<u>1,124,657</u>
Total noncurrent assets	<u>74,257,494</u>	<u>58,489,082</u>	<u>132,746,576</u>	<u>1,124,657</u>
Total assets	<u>89,902,866</u>	<u>80,027,397</u>	<u>169,930,263</u>	<u>6,570,728</u>

See Accompanying Notes to Financial Statements



**City of Saginaw**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2013**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 1,108,412	\$ 495,624	\$ 1,604,036	\$ 166,483
Accrued and other liabilities	353,026	1,204,374	1,557,400	70,348
Unearned revenue	623	623	1,246	-
Current portion of compensated absences	210,421	190,540	400,961	-
Current portion of noncurrent liabilities	635,000	795,000	1,430,000	-
Payable from restricted assets				
Current portion of noncurrent liabilities	3,609,050	-	3,609,050	-
Total current liabilities	5,916,532	2,686,161	8,602,693	236,831
Noncurrent liabilities				
Workers' compensation claims payable	-	-	-	2,951,497
Insurance claims payable	-	-	-	1,489,186
Accrued compensated absences	385,842	349,386	735,228	160,779
Other postemployment benefit	3,283,530	2,732,526	6,016,056	-
Long-term debt net of current portion	19,973,623	18,534,254	38,507,877	-
Total noncurrent liabilities	23,642,995	21,616,166	45,259,161	4,601,462
Total liabilities	29,559,527	24,302,327	53,861,854	4,838,293
<b>Net position</b>				
Net investment in capital assets	50,039,821	26,700,465	76,740,286	-
Unrestricted	10,303,518	29,024,605	39,328,123	1,732,435
Total net position	\$ 60,343,339	\$ 55,725,070	116,068,409	\$ 1,732,435
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			583,090	
Net position of business-type activities			\$ 116,651,499	

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2013**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Operating revenue</b>				
User charges	\$ 22,282,741	\$ 15,553,751	\$ 37,836,492	\$ 6,195,530
Other revenue	138,073	10,654	148,727	165,495
Total operating revenue	<u>22,420,814</u>	<u>15,564,405</u>	<u>37,985,219</u>	<u>6,361,025</u>
<b>Operating expenses</b>				
Salaries and benefits	8,179,252	6,033,192	14,212,444	2,151,341
Supplies	981,323	971,945	1,953,268	397,084
Contractual services	3,845,577	3,939,726	7,785,303	2,539,020
Claims	-	-	-	1,700,081
Utilities	77,338	58,152	135,490	3,619
Repairs and maintenance	63,205	42,820	106,025	-
Other expenses	292,014	68,503	360,517	2,262
Amortization	-	5,413	5,413	-
Depreciation	6,095,851	1,322,293	7,418,144	311,197
Total operating expenses	<u>19,534,560</u>	<u>12,442,044</u>	<u>31,976,604</u>	<u>7,104,604</u>
Operating income (loss)	<u>2,886,254</u>	<u>3,122,361</u>	<u>6,008,615</u>	<u>(743,579)</u>

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2013**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Nonoperating revenue (expenses)</b>				
State grant	\$ 119,520	\$ -	\$ 119,520	\$ -
Gain on investments	8,332	20,298	28,630	3,443
Gain (loss) on sale of assets	(26,049)	1,461	(24,588)	3,063
Contractual obligations to SMWSC	-	(697,442)	(697,442)	-
Interest expense	(561,209)	(1,311,305)	(1,872,514)	-
 Total nonoperating revenues (expenses)	<u>(459,406)</u>	<u>(1,986,988)</u>	<u>(2,446,394)</u>	<u>6,506</u>
 Income (loss) before transfers	2,426,848	1,135,373	3,562,221	(737,073)
 Transfers out	<u>-</u>	<u>(13,664)</u>	<u>(13,664)</u>	<u>(1,560,986)</u>
 Change in net position	2,426,848	1,121,709	3,548,557	(2,298,059)
 Net position - beginning of year	<u>57,916,491</u>	<u>54,603,361</u>		<u>4,030,494</u>
 Net position - end of year	<u>\$ 60,343,339</u>	<u>\$ 55,725,070</u>		<u>\$ 1,732,435</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			<u>(246,698)</u>	
 Change in net position of business-type activities			<u>\$ 3,301,859</u>	

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2013**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 22,289,680	\$ 15,882,590	\$ 38,172,270	\$ 7,496,206
Receipts from other funds	4,354,886	-	4,354,886	559,254
Payments to other funds	(4,356,133)	-	(4,356,133)	-
Payments to suppliers	(4,706,950)	(5,846,025)	(10,552,975)	(6,073,453)
Payments to employees	(7,551,506)	(5,636,048)	(13,187,554)	(2,208,357)
Net cash provided (used) by operating activities	10,029,977	4,400,517	14,430,494	(226,350)
<b>Cash flows from noncapital financing activities</b>				
Transfers to other funds	-	(13,664)	(13,664)	(1,560,986)
<b>Cash flows from capital and related financing activities</b>				
Proceeds from capital debt	1,458,819	-	1,458,819	-
Proceeds from special assessments	-	32	32	-
Purchases/construction of capital assets	(2,943,709)	(2,398,580)	(5,342,289)	(560,553)
Principal and interest paid on long-term debt	(5,973,126)	(2,771,305)	(8,744,431)	-
Contractual obligations to Saginaw-Midland Water Supply Corporation	-	(697,442)	(697,442)	-
Proceeds from sale of capital assets	(26,049)	1,461	(24,588)	3,266
Net cash used by capital and related financing activities	(7,484,065)	(5,865,834)	(13,349,899)	(557,287)

**City of Saginaw**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2013**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Cash flows from investing activities</b>				
Gain (loss) from sales and maturities of investments	\$ 33,164	\$ (3,918)	\$ 29,246	\$ -
Purchases of investments	-	(586,270)	(586,270)	-
Interest received	8,332	20,318	28,650	3,443
	41,496	(569,870)	(528,374)	3,443
Net cash provided (used) by investing activities				
Net change in cash and cash equivalents	2,587,408	(2,048,851)	538,557	(2,341,180)
Cash and cash equivalents - beginning of year	2,847,176	15,730,915	18,578,091	5,803,746
Cash and cash equivalents - end of year	\$ 5,434,584	\$ 13,682,064	\$ 19,116,648	\$ 3,462,566
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ 2,886,254	\$ 3,122,361	\$ 6,008,615	\$ (743,579)
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization expense	6,095,851	1,327,706	7,423,557	311,197
Changes in assets and liabilities				
Receivables (net)	(206,870)	266,384	59,514	1,135,181
Due from other units of government	75,827	51,892	127,719	-
Due from other funds	(1,247)	-	(1,247)	559,254
Inventories	-	(53,495)	(53,495)	40,168
Prepaid items	-	-	-	(16,853)
Accounts payable	724,646	(752,753)	(28,107)	(1,097,034)
Accrued and other liabilities	24,232	41,369	65,601	(18,688)
Unearned revenue	(91)	(91)	(182)	-
Customer deposits payable	-	-	-	(338,980)
Other post employment benefit obligation	627,746	522,770	1,150,516	-
Compensated absences	(196,371)	(125,626)	(321,997)	(57,016)
Net cash provided (used) by operating activities	\$ 10,029,977	\$ 4,400,517	\$ 14,430,494	\$ (226,350)

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2013**

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	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 7,407,548	\$ 406,737
Investments	111,187,895	-
Accrued interest and other	222,456	83,814
Prepaid insurance	<u>-</u>	<u>1,360,559</u>
Total assets	<u>118,817,899</u>	<u>\$ 1,851,110</u>
<b>Liabilities</b>		
Accounts payable	1,446,107	408,188
Accrued and other liabilities	946,979	652,429
Claims payable	-	754,553
Unearned revenue	<u>-</u>	<u>35,940</u>
Total liabilities	<u>2,393,086</u>	<u>\$ 1,851,110</u>
<b>Net position</b>		
Held in trust for pension benefits and other purposes	<u>\$ 116,424,813</u>	

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Fiduciary Funds**  
**Statement of Changes in Net Position**  
**For the Year Ended June 30, 2013**

	<u>Pension and Other Employee Benefit Trust Funds</u>
<b>Additions</b>	
Contributions	
Employer	\$ 6,015,990
Current premium contributions	8,282,847
Plan members	<u>694,351</u>
Total contributions	<u>14,993,188</u>
Investment earnings (losses)	
Interest	1,568,710
Dividends	1,693,780
Mutual fund rebates	234,842
Change in fair value	8,870,515
Investment expenses	<u>(94,990)</u>
Total investment earnings	<u>12,272,857</u>
Total additions	<u>27,266,045</u>
<b>Deductions</b>	
Benefits	7,987,837
Refunds of contributions	6,875,350
Retiree healthcare premium payments	8,282,847
Administrative expenses	<u>670,025</u>
Total deductions	<u>23,816,059</u>
Change in net position	3,449,986
Net position - beginning of year	<u>112,974,827</u>
Net position - end of year	<u>\$ 116,424,813</u>

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Combining Statement of Net Position**  
**Component Units**  
**June 30, 2013**

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	<u>TIFA Activities</u>	<u>DDA Activities</u>	<u>LDFA Activities</u>	<u>Saginaw Economic Development Corporation</u>	<u>Brownfield Activities</u>	<u>Total</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 31,305	\$ 201,909	\$ 3,939,178	\$ 653,572	\$ 205,839	\$ 5,031,803
Receivables	-	423	4,621	-	-	5,044
Notes and contracts receivable	-	-	-	<u>1,871,540</u>	-	<u>1,871,540</u>
Total assets	31,305	202,332	3,943,799	2,525,112	205,839	6,908,387
<b>Liabilities</b>						
Accounts payable	-	<u>2,030</u>	-	<u>4,562</u>	-	<u>6,592</u>
<b>Net position</b>						
Unrestricted	<u>\$ 31,305</u>	<u>\$ 200,302</u>	<u>\$ 3,943,799</u>	<u>\$ 2,520,550</u>	<u>\$ 205,839</u>	<u>\$ 6,901,795</u>

See Accompanying Notes to Financial Statements



**City of Saginaw**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Charges for services	Operating grants and contributions	Net (expense) revenue
DDA Activities	\$ 84,242	\$ -	\$ 52,861	\$ (31,381)
LDFA Activities	31	-	-	(31)
Saginaw Economic Development Corporation	-	-	438,420	438,420
<b>Total component unit activities</b>	<b>\$ 84,273</b>	<b>\$ -</b>	<b>\$ 491,281</b>	<b>\$ 407,008</b>

**Component Units**

	TIFA Activities	DDA Activities	LDFA Activities	Saginaw Economic Development Corporation	Brownfield Activities	Total
Changes in net position						
Net expense	\$ -	\$ (31,381)	\$ (31)	\$ 438,420	\$ -	\$ 407,008
General revenues:						
Property taxes	-	26,034	-	-	33,048	59,082
Unrestricted investment earnings	-	-	6,581	62,407	-	68,988
Miscellaneous	-	-	-	133,615	-	133,615
<b>Total general revenues</b>	<b>-</b>	<b>26,034</b>	<b>6,581</b>	<b>196,022</b>	<b>33,048</b>	<b>261,685</b>
Change in net position	-	(5,347)	6,550	634,442	33,048	668,693
Net position, beginning of year	31,305	205,649	3,937,249	1,886,108	172,791	6,233,102
Net position, end of year	\$ 31,305	\$ 200,302	\$ 3,943,799	\$ 2,520,550	\$ 205,839	\$ 6,901,795

See Accompanying Notes to Financial Statements

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

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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 seven-member Board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government'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 government (see discussion below for description).

Discretely Presented Component Units

The component unit column in the entity wide financial statements include 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 except the Saginaw Economic Development Corporation.

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.

Downtown Development Authority (DDA) - Three 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, Sils Island and the DDA. The City has the ability to significantly influence the operations of the DDA.

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.

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

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

ability to significantly influence the operations of the SEDC. Complete financial statements of the SEDC can be obtained at the City of Saginaw, 1315 S. Washington Avenue, Saginaw, Michigan, 48601.

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

The City of Saginaw purchases raw water from the Saginaw-Midland Municipal Water Supply Corporation. 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 an increase in equity of \$586,270 as nonoperating revenues. At June 30, 2013, total outstanding bonded debt of the Saginaw-Midland Municipal Water Supply Corporation was \$10,795,000. The City was obligated for \$5,774,069 of this total. During fiscal year 2013, the City paid the Corporation \$697,442 to

finance its share of the contractual obligations. The City's equity of \$12,459,363 in the Saginaw-Midland Municipal Water Supply Corporation 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, 2013, for the Saginaw-Midland Municipal Water Supply Corporation follows:

Total assets and deferred inflows	\$ 35,517,348
Total liabilities	<u>12,223,757</u>
Net position:	
City of Saginaw	12,459,363
City of Midland	<u>10,834,228</u>
Total net position	<u><u>\$ 23,293,591</u></u>
Total revenues	\$ 5,222,480
Total expenses	<u>3,938,279</u>
Net income	1,284,201
Net position at beginning of year	<u>22,009,390</u>
Total net position	<u><u>\$ 23,293,591</u></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 changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

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

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

**City of Saginaw**  
**Notes to Financial Statements**  
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The government reports the following major proprietary funds:

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

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

Additionally, the government reports the following:

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

The pension and other employee benefits trust funds account for the activities of the Policemen and Firemen Pension Fund and Public Employee Healthcare Fund, which accumulate resources for pension and health benefit payments for qualified employees.

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

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 government's water and sewer function and various other functions of the government. 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 intended 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.

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

**City of Saginaw**  
**Notes to Financial Statements**  
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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 trade and property tax receivables are shown as net of allowance for uncollectible amounts. The City considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

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 government as assets with an initial individual cost of more than \$5,000 and an estimated

useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

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 government values these capital assets at the estimated fair 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 government that is applicable to a future reporting period

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

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unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.

Compensated absences – The liability for unused sick and vacation/PTO hours as earned by employees at various rates has been recorded as 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. 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. 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.

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 government's highest level of decision-making, the City Commission. A fund balance commitment may be established, modified, or rescinded by a resolution of the City Commission.

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.

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The following is a detail of the assigned fund balance as of June 30, 2013.

Anderson Center Operation	\$ 118,394
Boat Launch	<u>39,014</u>
Total assigned fund balance	<u>\$ 157,408</u>

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the government'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 government'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, 2012, presented for comparative purposes, is not intended to be a complete financial statement presentation.

#### **Adoption of New Accounting Standards**

The Government Accounting Standards Board has issued *Statements 63 and 65, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and Items Previously Reported as Assets and Liabilities*, which the government adopted effective July 1, 2012. The new standards provide guidance for reporting deferred outflows of resources, deferred inflows of

resources and net position in a statement of financial position and related disclosures.

The Government Accounting Standards Board also issued *Statement 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, which the government adopted effective July 1, 2012. This statement modifies certain requirements for inclusion of component units in the financial reporting entity, and amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances, and clarifies the reporting of equity interests in legally separate organizations.

#### **Upcoming Accounting and Reporting Changes**

The Government Accounting Standards Board has issued *Statements 67, Financial Reporting for Pension Plans and 68 Accounting and Financial Reporting for Pensions*. Statement 67 changes how public employee pension plans calculate and report their total pension liability. Statement 68 requires governments participating in public employee pension plans to recognize their portion of the long-term obligation for the pension benefits as a liability and to measure the annual costs of the pension benefits. The effect of these changes has not been determined. Statement 67 is effective for the year ending June 30, 2014 and Statement 68 is effective for the year ending June 30, 2015.

The Government Accounting Standards Board has also issued *Statement 69, Government Combinations and Disposals of Government Operations and Statement 70, Nonexchange Financial Guarantees*.

Statement 69 provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance



**City of Saginaw**  
**Notes to Financial Statements**  
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available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity. Statement 69 is effective for the year ending June 30, 2015.

Statement 70 addresses the accounting and disclosure of situations in which one government offers a financial guarantee on behalf of another government, not-for-profit organization, private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). A government that extends a nonexchange financial guarantee will be required to recognize a liability when qualitative factors and/or historical data indicate that it is "more likely than not" that the government will be required to make a payment on the guarantee. It further requires governments to disclose any outstanding financial guarantees in the notes to the financial statements. Statement 70 is effective for the year ending June 30, 2014.

**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 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.

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, GM Tower, boat launch operation, economic development, and celebration park 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**  
**Notes to Financial Statements**  
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**Excess of expenditures over appropriations**

The following funds had excess expenditures over appropriation at the legal level of budgetary control:

	<u>Appropriations</u>	<u>Actual</u>	<u>Budget Variance</u>
General Fund			
General government	\$ 3,437,597	\$ 4,206,666	\$ 769,069
General services	3,183,846	3,208,619	24,773
Andersen Center Operation			
Recreation and culture	221,594	239,383	17,789

**Deficit fund equity**

The community development, local law enforcement, and the celebration park fund reported an unassigned deficit fund balance at June 30, 2013. A deficit elimination plan will be prepared for City Council to approve and then filed with the Local Audit and Finance Division of the State of Michigan.

The City also budgeted for a deficit fund balance in the clean energy coalition, police grants, GM tower, celebration park, and community development special revenue funds.

**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, 2012	\$ (3,006,064)
Current year building permit revenue	382,684
Related expenditures	<u>(810,022)</u>
Cumulative shortfall at June 30, 2013	<u><u>\$ (3,433,402)</u></u>

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Restricted Cash and Equivalents</u>	<u>Restricted Investments</u>
Governmental activities	\$ 5,681,362	\$ -	\$ 682,242	\$ 2,449,935
Business-type activities	<u>18,555,232</u>	<u>5,749,697</u>	<u>561,416</u>	<u>12,459,363</u>
Total primary government	24,236,594	5,749,697	1,243,658	14,909,298
Fiduciary funds	7,814,285	111,187,895	-	-
Component unit	<u>5,031,803</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 37,082,682</u></u>	<u><u>\$ 116,937,592</u></u>	<u><u>\$ 1,243,658</u></u>	<u><u>\$ 14,909,298</u></u>

**City of Saginaw**  
**Notes to Financial Statements**  
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The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Unit
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 25,472,102	\$ 7,814,285	\$ 5,031,803
Investments in securities, mutual funds and similar vehicles	20,658,995	111,187,895	-
Petty cash and cash on hand	8,150	-	-
	<u>\$ 46,139,247</u>	<u>\$ 119,002,180</u>	<u>\$ 5,031,803</u>

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

Investment	Fair Value	Rating	Rating Organization
<b>Primary government</b>			
Money market funds	\$ 5,542,550	-	N/A
MI class pooled funds	207,147	-	N/A
Total primary government	<u>\$ 5,749,697</u>		
<b>Pension and other employee benefit funds</b>			
Equity mutual funds	\$ 1,190,178	N/A	-
Nonrated governmental securities	14,657,166	N/A	-
Governmental securities	82,927	AAA	S&P
Nonrated municipal obligations	141,553	N/A	-
Municipal obligations	2,101,392	AA-AAA	S&P
Nonrated corporate bonds	686,790	N/A	-
Corporate bonds	11,576,432	A-BBB+	S&P
Common stocks	80,315,404	N/A	-
Money market and other	436,053	N/A	-
Total pension and benefit	<u>\$ 111,187,895</u>		

*Interest rate risk* – The government does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates

*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

**City of Saginaw**  
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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. The Policemen and Firemen Retirement System is also authorized to invest a portion of its assets in stocks that are registered on a national securities exchange that have paid dividends for five of the last seven years and mutual funds of diversified investment companies having assets greater than \$100 million.

*Concentration of credit risk* – The government 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 government's deposits may not be returned to it. The government does not have a policy for custodial credit risk. As of year-end, \$ 37,486,890 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 government 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 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 - RECEIVABLES**

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

	Government Activities	Business Type Activities	Component Units
<b>Primary government</b>			
Income taxes	\$ 1,511,474	\$ -	\$ -
Accounts	4,868,462	6,449,934	-
Accrued interest and other Assessments	10,060	2,027	-
Due within one year	330,580	304,907	-
Notes			
Due within one year	180,000	-	-
Due after one year	<u>663,465</u>	<u>-</u>	<u>1,876,584</u>
Total receivables	7,564,041	6,756,868	1,876,584
Less allowance	<u>(1,326,807)</u>	<u>(164,772)</u>	<u>-</u>
Total receivables, net	<u>\$ 6,237,234</u>	<u>\$ 6,592,096</u>	<u>\$ 1,876,584</u>
Intergovernmental	<u>\$ 6,201,481</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 5 - UNEARNED REVENUE**

Governmental funds 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 drawdowns prior to meeting eligibility requirements	\$ 918,400
Other revenue	<u>1,246</u>
	<u>\$ 919,646</u>

**City of Saginaw**  
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**NOTE 6 - CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance		Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>					<b>Business-type activities</b>				
Capital assets not being depreciated					Capital assets not being depreciated				
Land	\$ 15,229,609	\$ -	\$ -	\$ 15,229,609	Land	\$ 1,420,629	\$ -	\$ -	\$ 1,420,629
Construction in progress	<u>1,624,743</u>	<u>962,610</u>	<u>1,887,256</u>	<u>700,097</u>	Construction in progress	<u>15,287,083</u>	<u>4,403,395</u>	<u>7,801,669</u>	<u>11,888,809</u>
Total capital assets not being depreciated	<u>16,854,352</u>	<u>962,610</u>	<u>1,887,256</u>	<u>15,929,706</u>	Total capital assets not being depreciated	<u>16,707,712</u>	<u>4,403,395</u>	<u>7,801,669</u>	<u>13,309,438</u>
Capital assets being depreciated					Capital assets being depreciated				
Land improvements	1,407,044	-	-	1,407,044	Buildings, additions and improvements	156,635,091	6,199,416	-	162,834,507
Infrastructure	42,661,520	1,199,749	-	43,861,269	CSO Facility	95,328,129	1,612,896	-	96,941,025
Buildings, additions and improvements	24,021,913	825,231	-	24,847,144	Machinery and equipment	7,728,959	593,736	-	8,322,695
Machinery and equipment	9,377,527	301,680	-	9,679,207	Vehicular equipment	<u>1,296,174</u>	<u>454,035</u>	<u>-</u>	<u>1,750,209</u>
Vehicles	<u>11,036,671</u>	<u>570,400</u>	<u>562,590</u>	<u>11,044,481</u>	Total capital assets being depreciated	<u>260,988,353</u>	<u>8,860,083</u>	<u>-</u>	<u>269,848,436</u>
Total capital assets being depreciated	<u>88,504,675</u>	<u>2,897,060</u>	<u>562,590</u>	<u>90,839,145</u>	Less accumulated depreciation for				
Less accumulated depreciation for					Buildings, additions and improvements	87,888,931	2,579,230	-	90,468,161
Land improvements	27,859	28,733	-	56,592	CSO facility	60,091,082	4,615,491	-	64,706,573
Infrastructure	26,529,906	1,337,954	-	27,867,860	Machinery and equipment	6,318,397	166,842	-	6,485,239
Buildings, additions and improvements	18,354,561	303,582	-	18,658,143	Vehicular equipment	<u>1,154,107</u>	<u>56,581</u>	<u>-</u>	<u>1,210,688</u>
Machinery and equipment	8,302,997	310,529	-	8,613,526	Total accumulated depreciation	<u>155,452,517</u>	<u>7,418,144</u>	<u>-</u>	<u>162,870,661</u>
Vehicles	<u>9,087,112</u>	<u>567,109</u>	<u>562,387</u>	<u>9,091,834</u>	Net capital assets being depreciated	<u>105,535,836</u>	<u>1,441,939</u>	<u>-</u>	<u>106,977,775</u>
Total accumulated depreciation	<u>62,302,435</u>	<u>2,547,907</u>	<u>562,387</u>	<u>64,287,955</u>	Business-type capital assets, net	<u>\$ 122,243,548</u>	<u>\$ 5,845,334</u>	<u>\$ 7,801,669</u>	<u>\$ 120,287,213</u>
Net capital assets being depreciated	<u>26,202,240</u>	<u>349,153</u>	<u>203</u>	<u>26,551,190</u>					
Governmental activities capital assets, net	<u>\$ 43,056,592</u>	<u>\$ 1,311,763</u>	<u>\$ 1,887,459</u>	<u>\$ 42,480,896</u>					

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

**Governmental activities**

General government	\$ 67,680
Administration	12,510
Public safety	559,632
Highways and streets	1,353,846
General services	204,113
Community services	38,929
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>311,197</u>
<b>Total governmental activities</b>	<u><b>2,547,907</b></u>

**Business-type activities**

Sewer	6,095,851
Water	<u>1,322,293</u>
<b>Total business-type activities</b>	<u><b>7,418,144</b></u>
<b>Total primary government</b>	<u><b>\$ 9,966,051</b></u>

**Construction Commitments**

The City has active construction projects as of June 30, 2013, consisting of the following:

	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Commitment Remaining</u>
Hemansau Design	\$ 22,624	\$ 19,647	\$ 2,977
Remington Design	59,850	46,837	13,013
Course screen improvements	2,336,778	1,636,561	700,217
Michigan Ave	4,230,000	2,630,000	1,600,000
Lois Kay (CDBG resurfacing/ramps)	513,863	277,352	236,511
Hamilton Design	43,353	40,829	2,524
Emergency Gen - Kochville	119,628	86,989	32,639
Sewer cleaning and televising	440,000	89,156	350,844
E. Genesee Design	65,377	58,931	6,446
Fordney Construction	584,000	287,418	296,582
Ezra Rust Construction	125,065	36,835	88,230
Construction Staking (Michigan Ave for 2012 Constr.)	<u>16,300</u>	<u>8,740</u>	<u>7,560</u>
<b>Total</b>	<u><b>\$ 8,556,838</b></u>	<u><b>\$ 5,219,295</b></u>	<u><b>\$ 3,337,543</b></u>

**City of Saginaw**  
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**NOTE 7 - INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS**

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Major Street	General Fund	\$ 930,892
General Fund	Community Development	2,037,414
General Fund	Community Policing	52,638
General Fund	Celebration Park	123,288
General Fund	Local Law Enforcement	127,595
Sewer	General Fund	4,356,133
Self Insurance	General Fund	930,892
Workers' Compensation	Rubbish Collection	792,448
		<u>\$ 9,351,300</u>

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.

The details for interfund transfers are as follows:

Funds Transferred From	Funds Transferred To	Amount
General Fund	GM tower	\$ 69,572
General Fund	Auto Theft Prevention	77,953
General Fund	Public Safety	337,575
General Fund	Clean energy coalition	43,682
Major Street	Local Street	265,188
Community Development	Community Policing	196,089
General Fund	Police training	3,256
General Fund	Local law enforcement	9,484
General Fund	Community Policing	190,053
General Fund	Celebration Park	75,350
Water Fund	Celebration Park	13,664
GIS	Celebration Park	20,493
Information Systems	Celebration Park	20,493
General Fund	Drug forfeiture	893
Capital projects	General Fund	102,249
Self Insurance	General Fund	1,520,000
		<u>\$ 2,945,994</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

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**NOTE 8 - LEASES**

**Operating Leases**

The City leases various IBM computer equipment under non-cancelable operating leases. Total costs for such leases were \$88,214 for the year ended June 30, 2013. The future minimum lease payments for these leases are as follows:

<u>Year ending June 30,</u>	
2014	\$ 130,000
2015	<u>130,000</u>
	<u>\$ 260,000</u>



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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:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>							
Energy reduction revolving loan fund	2.50%	\$5,706 - \$7,894	\$ 100,000	\$ -	\$ 5,565	\$ 94,435	\$ 5,706
Workers' compensation claims payable			3,578,469	170,307	797,279	2,951,497	-
Insurance claims payable			1,201,194	1,009,014	721,022	1,489,186	-
Accrued sick and vacation payable			<u>6,042,920</u>	<u>-</u>	<u>1,967,343</u>	<u>4,075,577</u>	<u>-</u>
Total governmental activities			<u>\$ 10,922,583</u>	<u>\$ 1,179,321</u>	<u>\$ 3,491,209</u>	<u>\$ 8,610,695</u>	<u>\$ 5,706</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, workers' compensation and insurance claims payable are liquidated by the internal service funds and accrued sick and vacation/PTO compensatory time payable are generally liquidated by the general fund and certain special revenue funds.

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	Rate Ranges	Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>							
General obligation bonds							
State of Michigan sewage disposal system bonds	2.00%	\$3,434,205 - \$1,797,435	\$ 7,347,041	\$ -	\$ 3,434,205	\$ 3,912,836	\$ 2,115,400
State of Michigan sewage disposal system bonds	2.50%	\$860,000 - \$976,777	7,289,648	-	840,000	6,449,648	860,000
State of Michigan wastewater treatment improvement bonds	1.625%	\$130,000 - \$725,000	8,819,744	1,458,819	525,000	9,753,563	635,000
State of Michigan sewage disposal system bonds	2.25%	\$412,138 - \$608,539	3,814,337	-	562,710	3,251,627	583,650
Drake/Douglas sewage general obligation bonds	3.60-5.50%	\$50,000 - \$100,000	900,000	-	50,000	850,000	50,000
Revenue bonds							
2008 water revenue bonds	4.00-5.25%	\$400,000 - \$900,000	10,300,000	-	700,000	9,600,000	400,000
2011 water revenue bonds	4.00-5.25%	\$395,000 - \$780,000	10,570,000	-	760,000	9,810,000	395,000
Less deferred amounts							
For bond discounts			(86,159)	-	(5,413)	(80,746)	-
Total bonds payable			48,954,611	1,458,819	6,866,502	43,546,928	5,039,050
Accrued sick and vacation payable			1,458,185	-	321,997	1,136,188	400,961
Total business-type activities			<u>\$ 50,412,796</u>	<u>\$ 1,458,819</u>	<u>\$ 7,188,499</u>	<u>\$ 44,683,116</u>	<u>\$ 5,440,011</u>

**City of Saginaw**  
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The annual requirements to pay principal and interest on long-term obligations outstanding at June 30, 2013, excluding 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		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 5,706	\$ 2,296	\$ 5,036,080	\$ 1,330,477
2015	5,850	2,151	4,786,085	1,230,428
2016	5,998	2,004	3,146,620	1,130,321
2017	6,150	1,852	3,208,539	1,044,473
2018	6,305	1,696	3,110,000	957,669
2019 - 2023	34,000	6,008	11,937,623	3,496,808
2024 - 2028	30,426	1,579	9,922,727	1,573,547
2029 - 2031	-	-	2,480,000	180,250
	<u>\$ 94,435</u>	<u>\$ 17,586</u>	<u>\$ 43,627,674</u>	<u>\$ 10,943,973</u>

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

**NOTE 10 - 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 Statement 5, *Accounting for 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, but have increased in the current year. 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 11 - SELF INSURANCE**

**General liability**

The City's insurance carriers are Genesis Insurance Company for general liability and automobile coverage and Amerisure Insurance for automobile physical damage. The City is insured up to \$21 million with a \$250,000 deductible per occurrence for general and automobile liability and a \$1,000 deductible for automobile physical damage. There were no reductions of insurance coverage from the prior year.

The self-insurance program for general liability is accounted for in the self-insurance internal service fund. The revenues for this fund's

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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, 2013 and 2012 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
6/30/2012	\$ 1,517,628	\$ 616,350	\$ (932,784)	\$ 1,201,194
6/30/2013	\$ 1,201,194	\$ 1,009,014	\$ (721,022)	\$ 1,489,186

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 applicable departments within the City's other funds, and the Public Employee Healthcare Fund (trust fund). An independent administrator (Blue Cross) is hired to process the daily claims. The City is responsible for individual claims up to \$25,000 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 and for actual prescription claims. 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, 2013 and 2012 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
6/30/2012	\$ 820,446	\$ 13,063,540	\$ (13,044,062)	\$ 839,924
6/30/2013	\$ 839,924	\$ 10,745,259	\$ (10,830,630)	\$ 754,553

**Workers' compensation**

The self-insurance program for workers' compensation is accounted for in the workers' compensation internal service fund. Cambridge, Inc. administers this program. They are responsible for processing incident reports, claims investigation, payment of claims and coordinating workers' compensation cases with the City's employee services 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 Cambridge, Inc. Incurred but not reported claims are judged to be immaterial by management.

The City also carries excess workers' compensation coverage for claims exceeding \$600,000 and employers' liability coverage in the amount of \$1,000,000 through Safety National Insurance Company.

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The coverage will provide financial protection for the City in the event of a major employment-related catastrophe. The City currently has 4 workers' compensation claims that exceed \$300,000.

The changes in the claims liability for the fiscal years ended June 30, 2013 and 2012 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
6/30/2012	\$ 3,608,788	\$ 1,103,571	\$ (1,133,890)	\$ 3,578,469
6/30/2013	\$ 3,578,469	\$ 170,307	\$ (797,279)	\$ 2,951,497

**NOTE 12 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS**

**Retirement systems**

The City participates in three pension plans: the City of Saginaw Policemen and Firemen Retirement System, a single-employer defined benefit system; the Michigan Municipal Employees Retirement System (MERS), a State administered agent multi-employer defined benefit public retirement system that acts as a common investment and administrative agent for virtually all Michigan municipal employees; and a defined contribution system through MERS and ICMA. Permanent, full time employees not covered under the Policemen and Firemen Retirement System are covered under MERS if employed before June 30, 2000. After June 30, 2000, new permanent, full time employees not covered by the Policemen and Firemen Retirement System are covered under the defined contribution system that is held in trust by ICMA and MERS for the sole benefit of the participating employees. The Policemen and Firemen pension plan is maintained as a Pension Trust Fund and is

reported on herein as part of the City's reporting entity. The required supplemental 6-year historical trend information provides information about the progress made in accumulating sufficient assets to pay benefits when due.

**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 an outside third-party administrator. All City employees hired after July 1, 2000, with the exception of certain bargaining units, are required to participate in the Plan. All IAFF union employees hired after July 1, 2001 as well as POAM & COAM union employees hired after January 1, 2002 are also required to participate in the plan. All other City employees that are not vested in the City's Defined Benefit Plan have the option of becoming a participant in the Defined Contribution 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, 2013, there were 142 general city plan members and 34 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.

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Employer contributions to the Plan for the year ended June 30, 2013, amounted to \$1,099,420 and employee contributions were \$593,061.

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

**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 government. 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>.

Funding policy – The City is required to contribute an amount equal to a percentage of covered payroll which is determined based on a flat rate as determined by the actuary. Under the plan, eligible employees are required to contribute 0.0%-5.0% of earned wages to the MERS plan. 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.

Annual pension costs – For the year ended June 30, 2013, the City’s annual pension cost of \$7,576,236 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2012, using the entry age normal cost method. Significant actuarial assumptions used include: 1) a 8.0% investment rate of return; 2) projected salary increases and inflation rate of 4.5% percent per year;

and 3) 0-8.4% percent per year cost of living adjustments. Both determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percent of payroll on a closed basis. The remaining amortization period is 15 years.

Three year trend information as of December 31, (should be as of the date of the actuarial report) follows:

<b>Three Year Trend Information</b>			
Fiscal year ending	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
6/30/2011	\$ 5,856,972	100%	-
6/30/2012	6,720,804	100%	-
6/30/2013	7,576,236	100%	-

<b>Schedule of Funding Progress</b>	
Actuarial valuation date	12/31/2012
Actuarial value of assets	\$ 67,637,828
Actuarial accrued liability (AAL) entry age	144,200,057
Unfunded AAL (UAAL)	76,562,229
Funded ratio	47%
Covered payroll	4,596,699
UAAL as a percentage of covered payroll	1666%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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Substantially all governmental funds typically have been used to liquidate the net pension obligation.

**Policemen and firemen retirement system**

Plan description and contribution information - The City has a single-employer defined benefit contributory pension plan which provides retirement, death and disability benefits covering Police hired prior to January 1, 2002 and Fire personnel hired prior to July 1, 2001. Membership of the plan consisted of the following at June 30, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	405	
Active plan members	92	
	497	
Total	497	

Eligible members of the Plan are required to contribute eight percent (8%) for the police chief and fire department members, and eleven and a half percent (11.5%) for police patrol, and command members of their annual compensation to the Plan with the City contributing such additional amounts as are necessary to provide assets sufficient to meet the benefits to be paid to Plan members. The annual required employer contribution is based upon a flat rate as determined by the actuary and was \$5,845,642 for the year ended June 30, 2013.

The City of Saginaw is the Administrator of the Plan. Administrative costs of the Plan are financed through investment earnings. The Plan is included as a pension trust fund in the City's financial statements and a stand-alone financial report of the Plan has not been issued.

Plan amendments are under the authority of Ordinance D One, Chapter 5, Article One, of the Saginaw General Code which states all amendments are to be approved by City Council. Changes in required

contributions are approved by the Policemen and Firemen Pension Board. The Plan does not issue a separate financial report.

Significant Accounting Policies

**Basis of Accounting** - The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which they are due. The City's contributions to the Plan are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

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

No single investment comprised more than five percent of the total investments for the Police and Fire Retirement System at June 30. However, amounts invested in a separate equity mutual fund (Harbor International Fund) represent 9%, (DFA International Core Equity) represent 8%, (DFA US Small CAP Portfolio) represent 6% of the System's total investments at June 30, 2013.

**City of Saginaw**  
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Annual Pension Cost

The Plan's annual pension cost of \$5,845,642 was equal to the Plan's required and actual contributions for the current year.

Three year trend information as of June 30, (should be as of the date of the actuarial report) follows:

**Three Year Trend Information**

Fiscal year ending	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
6/30/2011	\$ 4,469,001	100%	-
6/30/2012	5,685,858	100%	-
6/30/2013	5,845,642	100%	-

Actuarial Methods and Assumptions

The annual required contribution for the current year was determined as part of a June 30, 2012, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.75% to 17.75% per year. Both (a) and (b) included an inflation component of 4.75%. The assumptions did not include postretirement benefits. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012, was 20 years.

Funded Status and Funding Progress

The funded status of the Policemen and Firemen Pension Trust as of June 30, 2012, the most recent actuarial valuation date, is as follows:

**Schedule of Funding Progress**

Actuarial valuation date	6/30/2012
Actuarial value of assets	\$ 113,475,382
Actuarial accrued liability (AAL) entry age	182,592,108
Unfunded AAL (UAAL)	69,116,726
Funded ratio	62%
Covered payroll	6,337,174
UAAL as a percentage of covered payroll	1091%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Substantially the general fund and public safety related special revenue funds typically have been used in prior years to liquidate the net pension obligation.



**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

Following are the financial statements for the Policemen and Firemen Pension Trust Fund for the year ended June 30, 2013:

<b>Statement of Plan Net Assets</b>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,437,315
Investments, at market value	
Governmental securities	21,904,963
Municipal obligation	2,242,945
Corporate and foreign bonds	24,615,546
Common equity securities	35,333,961
Equity mutual funds	25,464,249
Total investments at fair value	109,561,664
Accrued interest receivable	222,456
Total assets	115,221,435
<b>LIABILITIES</b>	
Accounts payable	1,446,107
Accrued wages payable	946,979
Total liabilities	2,393,086
Net assets held in trust for pension benefits	\$ 112,828,349

<b>Statement of Changes in Plan Net Assets</b>	
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 6,015,990
Plan members	694,351
Total contributions	6,710,341
Investment income	
Interest	1,426,690
Dividends	1,693,780
Mutual fund rebates	234,842
Net appreciation in fair value of investments	8,948,298
Investment expenses	(94,990)
Total investment income	12,208,620
Total additions	18,918,961
<b>DEDUCTIONS</b>	
Benefits	7,987,837
Refund on contributions	6,875,350
Administrative expenses	670,025
Total deductions	15,533,212
Net increase for the year	3,385,749
Net assets held in trust for pension benefits	
Beginning of year	109,442,600
End of year	\$ 112,828,349

**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 \$6,621, 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 between twenty and thirty-two hours per week, contribute 1.45% to

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

Medicare and 3.75% to a deferred compensation account in lieu of Social Security. The City contributes a matching 3.75%.

The City paid or accrued premiums, claims and administrative fees to third party administrators for its full time employees totaling \$3,772,605, an increase of 5.63% from the prior fiscal year, as follows:

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>Change</u>
Health insurance	\$ 3,104,974	\$ 2,859,765	\$ 245,209
Dental insurance	289,476	335,504	(46,028)
Life insurance	91,308	91,242	66
Short/long term disability	218,157	217,939	218
Vision care	<u>68,690</u>	<u>67,189</u>	<u>1,501</u>
Total payments	<u>\$ 3,772,605</u>	<u>\$ 3,571,639</u>	<u>\$ 200,966</u>

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

**Other postemployment benefits**

Plan description and contribution information - In addition to the pension benefits described in Note I.V.C, the City of Saginaw continues health insurance coverage to all employees upon retirement according to Union contracts negotiated with the various employee bargaining groups. Life insurance is also provided upon retirement as follows: \$6,000 for the fire fighters employee group; \$7,000 for the police command employee group; and \$10,000 for the nonunion management, supervisory, police patrol, salaried and hourly employee groups. Dental insurance is continued upon retirement only to the fire fighters covered by Delta Dental. Dental insurance for all other employee groups is terminated upon retirement.

In addition to the health care expenditures for full time employees above, expenditures in the amount of \$8,282,847 were recognized for postretirement health care benefits, a decrease of 15%, from the prior fiscal year, as follows:

	<u>No. of Retirees</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
Health insurance	726	\$ 8,224,902	\$ 9,650,296
Dental insurance	61	53,943	42,235
Life insurance	591	<u>4,002</u>	<u>5,756</u>
Total payments		<u>\$ 8,282,847</u>	<u>\$ 9,698,287</u>

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

Significant Accounting Policies

**Basis of Accounting** - The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which they are due. The City's contributions to the Plan are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The Plan does not issue a separate financial report.

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

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

Funding Policy - The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Certain plan participants are required to contribute to the plan.

Funding Progress - For the year ended June 30, 2013, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2011. Such valuation computes the annual required contribution (ARC) that represents a level of funding, that if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual OPEB Cost and Net OPEB Obligation - For fiscal year ended June 30, 2013, the components of the City's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the City's net OPEB obligation to the plan are as follows:

Annual required contribution	\$ 17,617,037
Interest on net OPEB obligation	1,600,705
Adjustment to annual required contribution	<u>(3,029,221)</u>
Annual OPEB cost	16,188,521
Contribution made	<u>(8,282,847)</u>
Increase in net OPEB obligation	7,905,674
Net OPEB obligation, beginning of year	<u>40,017,635</u>
Net OPEB obligation, end of year	<u><u>\$ 47,923,309</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation of the current year (the first year of implementation) were as follows:

Fiscal year ending	Annual OPEB cost	Actual contribution	Percentage of annual OPEB cost contributed	Net OPEB obligation
6/30/2009	\$ 20,070,947	\$ 7,888,779	39.3%	\$ 12,182,168
6/30/2010	20,635,286	8,945,764	43.4%	23,871,690
6/30/2011	17,836,256	9,515,047	53.3%	32,192,899
6/30/2012	17,615,866	9,791,130	55.6%	40,017,635
6/30/2013	16,188,521	8,282,847	51.2%	47,923,309

Funded Status - The funded status of the plan as of December 31, 2011, the date of the latest actuarial valuation, was as follow:

Actuarial accrued liabilities (AAL)	\$ 223,750,256
Actuarial value of plan assets	<u>3,494,511</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 220,255,745</u></u>
Funded ratio	1.6%
Covered payroll (active plan members)	\$ 14,750,338
UAAL as a percentage of covered payroll	1493%

Substantially all governmental funds typically have been used in prior years to liquidate the net other postemployment benefit obligations.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

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to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The accompanying schedules of employer contributions trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/2011
Actuarial cost method	Individual entry date
Amortization method for contributions	Level dollar
Remaining amortization period	26 years closed
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	4.3% - 12.4%
Healthcare inflation rate	9% (2011), grading to 4.0% (2021)
General inflation rate	3%

Following are the financial statements for the Public Employee Healthcare Trust Fund for the year ended June 30, 2013:

**Statement of Plan Net Position**

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<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,970,233
Investments, at fair value	1,626,231
Total assets	<u>3,596,464</u>
Net position held in trust for pension benefits	<u>\$ 3,596,464</u>

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

**ADDITIONS**

Contributions:

Current premium contributions	\$	8,282,847
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Investment income

Interest		142,020
Net appreciation in fair value of investments		<u>(77,783)</u>
Total investment income		<u>64,237</u>
Total additions		<u>8,347,084</u>

**DEDUCTIONS**

Retiree premium payments		<u>8,282,847</u>
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Net increase for the year		64,237
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Net position held in trust for pension benefits

Beginning of year		3,532,227
End of year	\$	<u><u>3,596,464</u></u>

**NOTE 13 - 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 government expects such amounts, if any, to be immaterial.

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

**NOTE 14 - 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, 2011, levy was assessed at \$542,029,556 and personal property taxable value was assessed at \$93,911,200.

The City of Saginaw's operating tax rate for the fiscal year ended June 30, 2013, was 7.0637 mills (limited to 7.5000 mills). Additionally, the City levied 5.5000 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

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

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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 ½ of 1 percent for every month, or fraction thereof, from August 1 until the date of payment. A penalty of ½ 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 15 - ECONOMIC DEVELOPMENT PROJECTS**

**Baker Perkins Project**

The City purchased a large industrial complex located in the southern area of the City at the end of 1987 and leased the office portion of the site to the seller. In February 1988, the City sold the office portion to Krauss Portfolio, Ltd. ("KPL") and they assumed the lease with the former owner of the property. The balance of the site was retained by the Local Development Finance Authority (LDFA) for future development.

The LDFA leased the majority of the balance of the property comprising the Baker Perkins Project and the use of the property and certain equipment to Saginaw Industrial Machining, Inc. (SIM) to operate an industrial machining business. The business is financed with a line of credit from LaSalle Bank, secured by the assignment by the City (and the LDFA through private developers) of a portion of an income stream obtained from payments of tax increments made by the Tax Increment Finance Authority (TIFA) to the City from the Saginaw Division Tower Project.

In November 1989, the LDFA approved the sale of the Baker Perkins complex to the Saginaw Industrial Center (SIC). SIC agreed to remodel the facility, lease space and personal property to tenants and market it as an inner-city industrial park. The LDFA would act as an optional lessee and would lease space, if necessary, in the facility to

**City of Saginaw**  
**Notes to Financial Statements**  
**June 30, 2013**

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provide an ongoing cash stream for debt service. The developer secured a \$1.1 million loan from a local bank to purchase the option from KPL, exercise the option and purchase the balance of the site from the LDFA and to make improvements to the facility. The bank's security would be the optional lease from the LDFA. The TIFA and LDFA pledged a portion of the cash stream from the Saginaw Division Tower Project to make the lease payments, if necessary. The payments assigned by the City to LaSalle Bank would be made by the developer, but still backed by the LDFA. The LDFA would have a first mortgage on the Baker Perkins real estate and personal property and a secured personal guarantee from an independent individual to make the LDFA whole in case of a loss.

On August 20, 1990, the TIFA and LDFA approved a Comprehensive Development Agreement with Saginaw Plastic Molding, Inc. (SPM). This project established SPM as an operating tenant at the SIC property and secured an additional \$825,000 loan from Citizens Bank primarily for the purchase of machinery and equipment which will be leased by SIC to SIM and SPM for its use. This loan is secured by an amendment to the existing Master Lease and amendments to the assignments of the income streams not already committed. The LDFA used the income stream to pay debt service payments on the new bank loan. SPM agreed to repay the LDFA all sums advanced, with interest, amortized over the then remaining term of the General Motors lease.

On April 17, 1996, the LDFA deferred the repayment of Interim Rental Advances made to SPM until the earlier of: 1) the date SPM completes the lease obligations for its blow molding machine under the Equipment Lease; or 2) the date the Equipment Lease is otherwise terminated for any reason including default of SPM. The LDFA also waived the payment of interest on the Interim Rental Advances provided SPM does not default in any of its obligations. No payments were made by SPM during the fiscal year.

**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.

**NOTE 16 - SUBSEQUENT EVENT**

Subsequent to year end, the City was awarded the Troubled Asset Relief Program Hardest Hit Fund (TARP) grant from MSHDA to be used for demolitions in the amount of \$11,196,914.

**NOTE 17 - PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was recorded in the amount of \$4,969,657, which increased beginning net assets on the government-wide statements from \$9,177,869 to \$14,147,526. The adjustment was recorded to correct the prior year allocation of deferred revenue from unearned to unavailable. This adjustment had no effect on the fund statements.

**City of Saginaw**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**June 30, 2013**

**Schedule of Employer Contributions**

Fiscal year ending	Annual required contribution	Percentage of APC contributed
6/30/06	\$ 3,626,717	100%
6/30/07	4,273,124	100%
6/30/08	4,654,056	100%
6/30/09	4,931,952	100%
6/30/10	5,104,320	100%
6/30/11	5,856,972	100%
6/30/12	6,720,804	100%
6/30/13	7,576,236	100%

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ 75,094,190	\$ 138,942,208	\$ 63,848,018	54%	\$ 7,289,196	876%
12/31/2009	72,299,080	140,178,740	67,879,660	52%	7,085,203	958%
12/31/2010	70,432,198	140,215,191	69,782,993	50%	6,502,488	1,073%
12/31/2011	69,139,071	142,762,029	73,622,958	48%	5,521,089	1,333%
12/31/2012	67,637,828	144,200,057	76,562,229	47%	4,596,699	1,666%



**City of Saginaw**  
**Required Supplementary Information**  
**Policemen and Firemen Retirement System**  
**June 30, 2013**

**Schedule of Employer Contributions**

Fiscal year ending	Annual required contribution	Percentage of APC contributed
6/30/06	\$ 3,626,717	100%
6/30/07	4,842,384	100%
6/30/08	4,740,074	100%
6/30/09	4,931,700	100%
6/30/10	4,453,364	100%
6/30/11	4,469,001	100%
6/30/12	5,685,858	100%
6/30/13	5,845,642	100%

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2003	\$ 128,401,451	\$ 148,979,436	\$ 20,587,985	86%	\$ 10,208,281	202%
6/30/2004	120,251,339	157,533,568	37,282,229	76%	9,903,748	376%
6/30/2005	122,782,274	160,541,137	37,758,863	76%	9,561,886	395%
6/30/2006	124,578,186	165,327,614	40,749,428	75%	9,502,885	429%
6/30/2007	129,273,674	168,019,730	38,746,056	77%	9,263,203	418%
6/30/2008	130,123,446	170,553,606	40,430,160	76%	8,890,222	455%
6/30/2009	117,274,639	174,401,895	57,127,256	67%	8,619,331	663%
6/30/2011	113,381,831	179,028,910	65,647,079	63%	7,263,659	904%
6/30/2012	113,475,382	182,592,108	69,116,726	62%	6,337,174	1,091%

**City of Saginaw**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**June 30, 2013**

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**Schedule of Employer Contributions**

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<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>
6/30/2009	\$ 20,070,947	\$ 7,888,779	39%
6/30/2010	19,904,355	8,945,764	45%
6/30/2011	18,160,426	9,515,047	52%
6/30/2012	18,085,642	9,791,130	54%
6/30/2013	17,617,037	8,282,847	47%

Funded Status - The funded status of the plan as of December 31, 2011, the date of the latest actuarial valuation, was as follow:

Actuarial accrued liabilities (AAL)	\$ 223,750,256
Actuarial value of plan assets	<u>3,494,511</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 220,255,745</u>
Funded ratio	1.6%
Covered payroll (active plan members)	14,750,338
UAAL as a percentage of covered payroll	1,493%

**City of Saginaw**  
**Other Supplemental Information**  
**General Fund**  
**Balance Sheet**  
**June 30, 2013**

(With Comparative Actual Amounts for June 30, 2012)

	2013	2012
<b>Assets</b>		
Cash and cash equivalents	\$ 1,015,406	\$ 940,084
Receivables		
Income taxes receivable	1,511,474	1,524,917
Customers	1,578,945	1,019,367
Special assessments	290,009	244,212
Accrued interest and other	9,779	9,872
Due from other units of government	1,237,591	1,157,690
Due from other funds	2,340,935	3,753,090
Inventories	175,351	227,779
Prepaid items	37,240	12,240
 Total assets	 \$ 8,196,730	 \$ 8,889,251

**City of Saginaw**  
**Other Supplemental Information**  
**General Fund**  
**Balance Sheet**  
**June 30, 2013**

(With Comparative Actual Amounts for June 30, 2012)

	2013	2012
<b>Liabilities</b>		
Accounts payable	\$ 419,188	\$ 335,118
Accrued and other liabilities	1,002,419	1,080,503
Due to other funds	6,217,917	5,874,886
Due to other units of government	58,241	87,514
Unearned revenue	230,084	263,172
Total liabilities	7,927,849	7,641,193
<b>Fund Balances</b>		
Non-spendable		
Inventories	175,351	227,779
Prepaid items	37,240	12,240
Restricted for police purposes	10,000	10,000
Unassigned	46,290	998,039
Total fund balances	268,881	1,248,058
Total liabilities and fund balances	\$ 8,196,730	\$ 8,889,251

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Departmental and Miscellaneous Revenues**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Licenses				
Business and occupational	\$ 113,000	\$ 113,000	\$ 110,056	\$ (2,944)
Rental housing	<u>303,000</u>	<u>303,000</u>	<u>285,840</u>	<u>(17,160)</u>
Total licenses	<u>416,000</u>	<u>416,000</u>	<u>395,896</u>	<u>(20,104)</u>
Construction and other permits	<u>256,700</u>	<u>371,840</u>	<u>385,584</u>	<u>13,744</u>
Fees				
Property tax administration	282,476	282,476	229,802	(52,674)
Gun registration	1,850	1,850	2,160	310
Zoning code	7,000	7,000	5,705	(1,295)
Witness	5,000	5,000	2,994	(2,006)
Hazmat clean up	15,000	15,000	9,254	(5,746)
Fire department	700	700	939	239
Parking system	170,000	170,000	153,048	(16,952)
Cable television	<u>550,000</u>	<u>675,579</u>	<u>617,237</u>	<u>(58,342)</u>
Total fees	<u>1,032,026</u>	<u>1,157,605</u>	<u>1,021,139</u>	<u>(136,466)</u>
Fines, penalties and forfeitures				
Traffic violations (except parking)	180,000	180,000	178,043	(1,957)
Traffic violations - parking	499,622	304,417	178,175	(126,242)
Penalties on property taxes	135,000	135,000	84,644	(50,356)
Other	2,000	2,000	-	(2,000)
Transfer affidavit fines	<u>33,000</u>	<u>33,000</u>	<u>22,045</u>	<u>(10,955)</u>
Total fines, penalties and forfeitures	<u>849,622</u>	<u>654,417</u>	<u>462,907</u>	<u>(191,510)</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Departmental and Miscellaneous Revenues**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Grants, donations and contributions				
City/county/school liaison	\$ 226,000	\$ 261,000	\$ 97,500	\$ (163,500)
Indirect costs	2,758,964	2,758,964	3,146,425	387,461
Reimbursement for police overtime	120,000	120,000	88,257	(31,743)
Other grants	514,240	573,118	385,679	(187,439)
Total grants, donations and contributions	<u>3,619,204</u>	<u>3,713,082</u>	<u>3,717,861</u>	<u>4,779</u>
Interest				
Deferred special assessments	3,000	3,000	46	(2,954)
City income taxes	350,000	350,000	356,820	6,820
Total interest	<u>353,000</u>	<u>353,000</u>	<u>356,866</u>	<u>3,866</u>
Rents and privileges				
Land and buildings	32,000	32,000	30,851	(1,149)
Sale of materials and services				
Cemetery services and markers	414,400	414,400	366,520	(47,880)
Cemetery grave spaces	97,500	97,500	110,126	12,626
Police department services	76,000	128,347	117,864	(10,483)
Fire department services	10,000	16,450	16,545	95
Election services	90	90	164	74
Engineering plans and specifications	-	-	201	201
Sale of asset	32,000	34,524	46,859	12,335
Insurance proceeds	7,500	21,553	27,313	5,760
Other	689,077	745,016	673,956	(71,060)
Total sale of materials and services	<u>1,326,567</u>	<u>1,457,880</u>	<u>1,359,548</u>	<u>(98,332)</u>
Transfers in	-	-	1,622,249	1,622,249
Total departmental and miscellaneous revenues and transfers in	<u>\$ 7,885,119</u>	<u>\$ 8,155,824</u>	<u>\$ 9,352,901</u>	<u>\$ 1,197,077</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Appropriations and Expenditures**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Expenditures</b>				
General government				
City council	\$ 70,374	\$ 70,374	\$ 50,132	\$ (20,242)
City Manager	404,612	409,612	395,503	(14,109)
Cable television operations	50,084	63,084	55,978	(7,106)
Employee services	509,223	509,223	507,252	(1,971)
City clerk	317,931	317,931	306,480	(11,451)
Elections	253,190	253,190	229,054	(24,136)
City attorney	211,139	206,139	164,724	(41,415)
Unemployment compensation	106,327	67,736	44,364	(23,372)
Retiree health insurance and contributions	1,428,300	1,466,188	2,401,886	935,698
Geographical information system charges	74,120	74,120	51,293	(22,827)
Total general government	<u>3,425,300</u>	<u>3,437,597</u>	<u>4,206,666</u>	<u>769,069</u>
Fiscal services				
Administration	680,044	680,044	634,866	(45,178)
Controller	308,866	308,866	315,625	6,759
Treasurer/income tax	1,079,776	1,079,776	1,024,184	(55,592)
Assessor	604,261	604,261	537,305	(66,956)
Purchasing	192,357	192,357	187,166	(5,191)
Total fiscal services	<u>2,865,304</u>	<u>2,865,304</u>	<u>2,699,146</u>	<u>(166,158)</u>
Administration				
	<u>791,237</u>	<u>791,436</u>	<u>715,164</u>	<u>(76,272)</u>
Police department				
Administration	301,441	317,015	439,994	122,979
Patrol	8,001,120	8,676,451	7,891,822	(784,629)
Investigation	1,715,739	1,930,721	2,245,445	314,724
Building and property management	561,665	586,890	510,508	(76,382)
Technical services	930,941	900,842	859,303	(41,539)
Total police department	<u>11,510,906</u>	<u>12,411,919</u>	<u>11,947,072</u>	<u>(464,847)</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Appropriations and Expenditures**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Fire department				
Administration	\$ 6,598,584	\$ 6,744,093	\$ 7,407,702	\$ 663,609
Fire technical	166,381	169,881	164,464	(5,417)
Prevention	356,358	435,698	344,485	(91,213)
Apparatus operation and maintenance	<u>334,115</u>	<u>332,819</u>	<u>257,739</u>	<u>(75,080)</u>
Total fire department	<u>7,455,438</u>	<u>7,682,491</u>	<u>8,174,390</u>	<u>491,899</u>
Total public safety	<u>19,757,581</u>	<u>20,885,846</u>	<u>20,836,626</u>	<u>(49,220)</u>
General services				
Public works and engineering	33,776	33,426	38,479	5,053
Street lighting	711,111	711,111	800,242	89,131
Public improvements	343,511	336,711	318,125	(18,586)
Traffic engineering	63,148	28,648	28,977	329
Abatement of nuisances	271,519	306,670	283,910	(22,760)
Cemeteries operation and maintenance	564,705	629,165	634,302	5,137
Japanese tea house and cultural center	46,382	46,382	47,177	795
Parks administration	25,000	25,591	25,541	(50)
Building and grounds maintenance	<u>944,864</u>	<u>1,066,142</u>	<u>1,031,866</u>	<u>(34,276)</u>
Total general services	<u>3,004,016</u>	<u>3,183,846</u>	<u>3,208,619</u>	<u>24,773</u>
Community services				
Inspections and zoning	879,104	879,104	826,198	(52,906)
Demolitions	250,000	250,000	216,109	(33,891)
Planning and economic development	336,339	332,139	282,620	(49,519)
Contributions to other organizations	<u>1,000</u>	<u>6,989</u>	<u>6,989</u>	<u>-</u>
Total community services	<u>1,466,443</u>	<u>1,468,232</u>	<u>1,331,916</u>	<u>(136,316)</u>



**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Appropriations and Expenditures**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Transfers out				
Clean energy coalition	\$ 40,000	\$ 40,000	\$ 43,682	\$ 3,682
Public safety	602,252	602,252	337,575	(264,677)
GM tower	69,625	69,625	69,572	(53)
Drug forfeiture	-	-	893	893
Fire safer grant	169,022	134,298	-	(134,298)
Celebrations park	45,912	75,350	75,350	-
Police grants	359,751	419,846	280,746	(139,100)
Total transfers out	<u>1,286,562</u>	<u>1,341,371</u>	<u>807,818</u>	<u>(533,553)</u>
Total appropriations, expenditures, and transfers out	<u>\$ 31,805,206</u>	<u>\$ 33,182,196</u>	<u>\$ 33,090,791</u>	<u>\$ (91,405)</u>

# **NONMAJOR GOVERNMENTAL FUNDS**

## **SPECIAL REVENUE FUNDS**

### ***MAJOR AND LOCAL STREETS FUNDS***

The Major and Local Streets Funds receive 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***

Under authority of State law, the City levies a special property tax earmarked to support the cost of operating a weekly rubbish collection and disposal service. This fund accounts for the tax levy proceeds, household rubbish fees and composting 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.

### ***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.

# **NONMAJOR GOVERNMENTAL FUNDS**

## ***(continued)***

### **SPECIAL REVENUE FUNDS**

#### ***AUTO THEFT PREVENTION GRANT FUND***

This fund accounts for grant funds received from the State of Michigan pursuant to Act 10 of the Public Acts of 1986. These funds are used by the Saginaw Police Department for the prevention and investigation of automobile thefts in Saginaw County.

#### ***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.

#### ***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 and building rentals for the Andersen Enrichment Center. This fund also accounts for the private donations and individual contributions received by the Saginaw Community Enrichment Commission 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.

#### ***GM TOWER***

This fund accounts for the repaid loans received from the developer of the Saginaw Division Tower building. The developer received a Section 108 Loan and an Urban Development Action Grant from the Department of Housing and Urban Development for the renovation of the building and site clearance.

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

### **SPECIAL REVENUE FUNDS**

#### ***BOAT LAUNCH OPERATION FUND***

This fund accounts for the revenues collected from the Wickes and Rust Avenue boat launches for parking and admission fees. This fund also accounts for the operation and maintenance expenditures of these facilities.

#### ***ECONOMIC DEVELOPMENT FUND***

This fund was established to provide funds to be used as local match for federal and state grants for riverfront development projects. These funds are proceeds from a loan that was paid off when the Morley Building was sold.

#### ***CELEBRATION PARK FUND***

The fund accounts for the operation and maintenance expenses of Celebration Park.

### **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds.

### **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 Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	Special Revenue Funds						
	Major Street	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition	Police Grants Funds	
						Community Policing	Local Law Enforcement
<b>Assets</b>							
Cash and cash equivalents	\$ 55,323	\$ 312,109	\$ 176,944	\$ 383	\$ 52,204	\$ -	\$ -
Receivables							
Customers	-	-	-	1,714,503	-	-	-
Special assessments	-	-	-	40,571	-	-	-
Accrued interest and other	-	-	-	-	-	-	-
Due from other units of government	723,643	154,724	-	-	-	68,670	127,595
Due from other funds	930,892	-	-	-	-	-	-
Inventories	227,613	-	-	-	-	-	-
Prepaid items	-	-	-	174,865	-	-	-
Restricted assets							
Cash and cash equivalents	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,937,471</b>	<b>\$ 466,833</b>	<b>\$ 176,944</b>	<b>\$ 1,930,322</b>	<b>\$ 52,204</b>	<b>\$ 68,670</b>	<b>\$ 127,595</b>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	Special Revenue Funds					
	Police Grants Funds					
	Auto Theft Prevention Grants	Police Training	Youth Initiative Grant	Drug Forfeiture	Anderson Center Operation	GM Tower
<b>Assets</b>						
Cash and cash equivalents	\$ 8,229	\$ -	\$ 141	\$ -	\$ 125,998	\$ 9,167
Receivables						
Customers	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Accrued interest and other	-	-	-	-	281	-
Due from other units of government	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted assets						
Cash and cash equivalents	-	-	-	596,452	-	-
Investments	-	-	-	-	-	-
	<u>8,229</u>	<u>-</u>	<u>141</u>	<u>596,452</u>	<u>126,279</u>	<u>9,167</u>
<b>Total assets</b>	<b>\$ 8,229</b>	<b>\$ -</b>	<b>\$ 141</b>	<b>\$ 596,452</b>	<b>\$ 126,279</b>	<b>\$ 9,167</b>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	Boat Launch	Economic Development	Celebration Park	Capital Projects	Permanent Fund	
<b>Assets</b>						
Cash and cash equivalents	\$ 40,501	\$ 64,143	\$ -	\$ -	\$ 153,238	\$ 998,380
Receivables						
Customers	-	-	-	-	-	1,714,503
Special assessments	-	-	-	-	-	40,571
Accrued interest and other	-	-	-	-	-	281
Due from other units of government	-	-	-	-	-	1,074,632
Due from other funds	-	-	-	-	-	930,892
Inventories	-	-	-	-	-	227,613
Prepaid items	-	-	-	-	-	174,865
Restricted assets						
Cash and cash equivalents	-	-	-	-	-	596,452
Investments	-	-	-	-	2,449,935	2,449,935
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 40,501</u>	<u>\$ 64,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,603,173</u>	<u>\$ 8,208,124</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	Special Revenue Funds						
	Major Street	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition	Police Grants Funds	
						Community Policing	Local Law Enforcement
<b>Liabilities</b>							
Accounts payable	\$ 206,089	\$ 4,965	\$ -	\$ 395,327	\$ 51,910	\$ 153	\$ -
Accrued and other liabilities	45,168	15,812	176,944	23,951	294	15,879	-
Due to other funds	-	-	-	792,448	-	52,638	127,595
Unearned revenue	483,783	-	-	-	-	-	-
Total liabilities	<u>735,040</u>	<u>20,777</u>	<u>176,944</u>	<u>1,211,726</u>	<u>52,204</u>	<u>68,670</u>	<u>127,595</u>
<b>Deferred inflows of resources</b>							
Accounts receivable	-	-	-	71,852	-	-	-
Grants	-	-	-	-	-	-	127,595
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,852</u>	<u>-</u>	<u>-</u>	<u>127,595</u>
Total liabilities and deferred inflows of resources	<u>735,040</u>	<u>20,777</u>	<u>176,944</u>	<u>1,283,578</u>	<u>52,204</u>	<u>68,670</u>	<u>255,190</u>
<b>Fund balances</b>							
Non-spendable							
Inventory	227,613	-	-	-	-	-	-
Prepaid items	-	-	-	174,865	-	-	-
Endowments	-	-	-	-	-	-	-
Restricted	974,818	446,056	-	471,879	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	(127,595)
Total fund balances	<u>1,202,431</u>	<u>446,056</u>	<u>-</u>	<u>646,744</u>	<u>-</u>	<u>-</u>	<u>(127,595)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,937,471</u>	<u>\$ 466,833</u>	<u>\$ 176,944</u>	<u>\$ 1,930,322</u>	<u>\$ 52,204</u>	<u>\$ 68,670</u>	<u>\$ 127,595</u>



**City of Saginaw**  
**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	Special Revenue Funds					
	Police Grants Funds					
	Auto Theft Prevention Grants	Police Training	Youth Initiative Grant	Drug Forfeiture	Anderson Center Operation	GM Tower
<b>Liabilities</b>						
Accounts payable	\$ 3,329	\$ -	\$ -	\$ 7,926	\$ 3,813	\$ 9,167
Accrued and other liabilities	4,900	-	141	386,344	4,072	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>8,229</u>	<u>-</u>	<u>141</u>	<u>394,270</u>	<u>7,885</u>	<u>9,167</u>
<b>Deferred inflows of resources</b>						
Accounts receivable	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>8,229</u>	<u>-</u>	<u>141</u>	<u>394,270</u>	<u>7,885</u>	<u>9,167</u>
<b>Fund balances</b>						
Non-spendable						
Inventory	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Endowments	-	-	-	-	-	-
Restricted	-	-	-	202,182	-	-
Assigned	-	-	-	-	118,394	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,182</u>	<u>118,394</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,229</u>	<u>\$ -</u>	<u>\$ 141</u>	<u>\$ 596,452</u>	<u>\$ 126,279</u>	<u>\$ 9,167</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	Special Revenue Funds					Total
	Boat Launch	Economic Development	Celebration Park	Capital Projects	Permanent Fund	Nonmajor Governmental Funds
<b>Liabilities</b>						
Accounts payable	\$ 1,487	\$ -	\$ 278	\$ -	\$ -	\$ 684,444
Accrued and other liabilities	-	-	4,796	-	-	678,301
Due to other funds	-	-	123,288	-	-	1,095,969
Unearned revenue	-	-	-	-	-	483,783
Total liabilities	1,487	-	128,362	-	-	2,942,497
<b>Deferred inflows of resources</b>						
Accounts receivable	-	-	-	-	-	71,852
Grants	-	-	-	-	-	127,595
Total deferred inflows	-	-	-	-	-	199,447
Total liabilities and deferred inflows of resources	1,487	-	128,362	-	-	3,141,944
<b>Fund balances</b>						
Non-spendable						
Inventory	-	-	-	-	-	227,613
Prepaid items	-	-	-	-	-	174,865
Endowments	-	-	-	-	2,449,935	2,449,935
Restricted	-	64,143	-	-	153,238	2,312,316
Assigned	39,014	-	-	-	-	157,408
Unassigned (deficit)	-	-	(128,362)	-	-	(255,957)
Total fund balances	39,014	64,143	(128,362)	-	2,603,173	5,066,180
Total liabilities, deferred inflows of resources and fund balances	\$ 40,501	\$ 64,143	\$ -	\$ -	\$ 2,603,173	\$ 8,208,124

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2013**

	Special Revenue Funds						
	Major Street	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition	Police Grants Funds	
						Community Policing	Local Law Enforcement
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ 3,188,283	\$ 8,045	\$ -	\$ -	\$ -
Licenses and permits	30,665	-	-	-	-	-	-
Federal grants	2,247	-	-	-	-	291,750	295,585
State revenue sharing	3,395,002	934,470	-	-	-	-	-
Other state grants	513,592	-	-	-	-	-	-
Local contributions	-	-	-	-	-	-	-
Charges for services	12,710	33	-	3,597,496	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Interest income	-	1	-	39,933	-	-	-
Rental income	-	-	-	-	-	-	-
Other revenue	25,345	5,497	-	43,251	23,535	-	-
<b>Total revenues</b>	<b>3,979,561</b>	<b>940,001</b>	<b>3,188,283</b>	<b>3,688,725</b>	<b>23,535</b>	<b>291,750</b>	<b>295,585</b>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2013**

	Special Revenue Funds					
	Police Grants Funds					
	Auto Theft Prevention Grant	Police Training	Youth Initiative Grant	Drug Forfeiture	Anderson Center Operation	GM Tower
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-
State revenue sharing	-	-	-	-	-	-
Other state grants	40,232	18,488	-	-	-	-
Local contributions	-	-	-	-	20,000	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	137,409	-	-
Interest income	-	-	-	1,394	450	108
Rental income	-	-	-	-	57,324	-
Other revenue	-	-	56,253	10,050	164,071	-
	<u>40,232</u>	<u>18,488</u>	<u>56,253</u>	<u>148,853</u>	<u>241,845</u>	<u>108</u>
Total revenues						

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2013**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Boat Launch	Economic Development	Celebration Park	Capital Projects	Permanent Fund	
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,196,328
Licenses and permits	-	-	-	-	-	30,665
Federal grants	-	-	-	-	-	589,582
State revenue sharing	-	-	-	-	-	4,329,472
Other state grants	-	-	48,000	-	-	620,312
Local contributions	-	-	-	-	-	20,000
Charges for services	21,492	-	-	-	33,255	3,664,986
Fines and forfeitures	-	-	-	-	-	137,409
Interest income	-	-	-	-	-	41,886
Rental income	-	-	-	-	-	57,324
Other revenue	-	-	-	-	-	328,002
	<u>21,492</u>	<u>-</u>	<u>48,000</u>	<u>-</u>	<u>33,255</u>	<u>13,015,966</u>
Total revenues						

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2013**

	Special Revenue Funds						
	Major Street	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition	Police Grants Funds	
						Community Policing	Local Law Enforcement
<b>Expenditures</b>							
Current							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	3,525,858	-	-	677,892	105,330
Public works							
Highways and streets	3,568,146	1,088,742	-	-	-	-	-
Garbage and rubbish	-	-	-	3,744,566	158,549	-	-
Economic development	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Debt service							
Principal retirement	-	-	-	-	5,565	-	-
Interest and fiscal charges	-	-	-	-	2,436	-	-
Total expenditures	<u>3,568,146</u>	<u>1,088,742</u>	<u>3,525,858</u>	<u>3,744,566</u>	<u>166,550</u>	<u>677,892</u>	<u>105,330</u>
Excess (deficiency) of revenues over expenditures	<u>411,415</u>	<u>(148,741)</u>	<u>(337,575)</u>	<u>(55,841)</u>	<u>(143,015)</u>	<u>(386,142)</u>	<u>190,255</u>
<b>Other financing sources (uses)</b>							
Transfers in	-	265,188	337,575	-	43,682	386,142	9,484
Transfers out	(265,188)	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-
Sale of fixed assets	33,580	-	-	7,130	-	-	-
Total other financing sources and uses	<u>(231,608)</u>	<u>265,188</u>	<u>337,575</u>	<u>7,130</u>	<u>43,682</u>	<u>386,142</u>	<u>9,484</u>
Net change in fund balance	179,807	116,447	-	(48,711)	(99,333)	-	199,739
Fund balance - beginning of year (deficit)	<u>1,022,624</u>	<u>329,609</u>	<u>-</u>	<u>695,455</u>	<u>99,333</u>	<u>-</u>	<u>(327,334)</u>
Fund balance - end of year (deficit)	<u>\$ 1,202,431</u>	<u>\$ 446,056</u>	<u>\$ -</u>	<u>\$ 646,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (127,595)</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2013**

	Special Revenue Funds					
	Police Grants Funds					
	Auto Theft Prevention Grant	Police Training	Youth Initiative Grant	Drug Forfeiture	Anderson Center Operation	GM Tower
<b>Expenditures</b>						
Current						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	118,185	21,744	56,253	250,896	-	-
Public works						
Highways and streets	-	-	-	-	-	-
Garbage and rubbish	-	-	-	-	-	-
Economic development	-	-	-	-	-	102,500
Recreation and culture	-	-	-	-	239,383	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>118,185</u>	<u>21,744</u>	<u>56,253</u>	<u>250,896</u>	<u>239,383</u>	<u>102,500</u>
Excess (deficiency) of revenues over expenditures	<u>(77,953)</u>	<u>(3,256)</u>	<u>-</u>	<u>(102,043)</u>	<u>2,462</u>	<u>(102,392)</u>
<b>Other financing sources (uses)</b>						
Transfers in	77,953	3,256	-	893	-	69,572
Transfers out	-	-	-	-	-	-
Insurance recoveries	-	-	-	2,000	-	-
Sale of fixed assets	-	-	-	-	-	-
Total other financing sources and uses	<u>77,953</u>	<u>3,256</u>	<u>-</u>	<u>2,893</u>	<u>-</u>	<u>69,572</u>
Net change in fund balance	-	-	-	(99,150)	2,462	(32,820)
Fund balance - beginning of year (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,332</u>	<u>115,932</u>	<u>32,820</u>
Fund balance - end of year (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,182</u>	<u>\$ 118,394</u>	<u>\$ -</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2013**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Boat Launch	Economic Development	Celebration Park	Capital Projects	Permanent Fund	
<b>Expenditures</b>						
Current						
General government	\$ -	\$ -	\$ -	\$ -	\$ 269	\$ 269
Public safety	-	-	-	-	-	4,756,158
Public works						
Highways and streets	-	-	-	-	-	4,656,888
Garbage and rubbish	-	-	-	-	-	3,903,115
Economic development	-	44	34,363	-	-	136,907
Recreation and culture	17,706	-	-	-	-	257,089
Debt service						
Principal retirement	-	-	-	-	-	5,565
Interest and fiscal charges	-	-	-	-	-	2,436
Total expenditures	<u>17,706</u>	<u>44</u>	<u>34,363</u>	<u>-</u>	<u>269</u>	<u>13,718,427</u>
Excess (deficiency) of revenues over expenditures	<u>3,786</u>	<u>(44)</u>	<u>13,637</u>	<u>-</u>	<u>32,986</u>	<u>(702,461)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	130,000	-	-	1,323,745
Transfers out	-	-	-	(102,249)	-	(367,437)
Insurance recoveries	-	-	-	-	-	2,000
Sale of fixed assets	-	-	-	-	-	40,710
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>130,000</u>	<u>(102,249)</u>	<u>-</u>	<u>999,018</u>
Net change in fund balance	3,786	(44)	143,637	(102,249)	32,986	296,557
Fund balance - beginning of year (deficit)	<u>35,228</u>	<u>64,187</u>	<u>(271,999)</u>	<u>102,249</u>	<u>2,570,187</u>	<u>4,769,623</u>
Fund balance - end of year (deficit)	<u>\$ 39,014</u>	<u>\$ 64,143</u>	<u>\$ (128,362)</u>	<u>\$ -</u>	<u>\$ 2,603,173</u>	<u>\$ 5,066,180</u>



**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Major Streets Special Revenue Fund**  
**For the Year Ended June 30, 2013**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Licenses and permits	\$ 2,900	\$ 30,665	\$ 27,765
Federal grants	-	2,247	2,247
State revenue sharing	3,509,185	3,395,002	(114,183)
Other state grants	554,948	513,592	(41,356)
Charges for services	11,000	12,710	1,710
Other revenue	10,000	25,345	15,345
Sale of fixed assets	-	33,580	33,580
Total revenues	<u>4,088,033</u>	<u>4,013,141</u>	<u>(74,892)</u>
<b>Expenditures</b>			
Public works			
Routine maintenance of roads and streets	1,053,974	934,417	(119,557)
Routine maintenance of bridges	87,947	116,517	28,570
Winter maintenance of roads and streets	155,133	177,392	22,259
Traffic services maintenance	636,678	535,412	(101,266)
State trunkline maintenance	285,069	293,141	8,072
Administration	804,664	929,081	124,417
Total public works expenditures	<u>3,023,465</u>	<u>2,985,960</u>	<u>(37,505)</u>
Capital outlay	<u>678,722</u>	<u>582,186</u>	<u>(96,536)</u>
Transfers out	<u>265,188</u>	<u>265,188</u>	<u>-</u>
Total expenditures	<u>3,967,375</u>	<u>3,833,334</u>	<u>(134,041)</u>
Excess of revenues over expenditures	120,658	179,807	59,149
Fund balance - beginning of year	<u>1,022,624</u>	<u>1,022,624</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,143,282</u>	<u>\$ 1,202,431</u>	<u>\$ 59,149</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Local Streets Special Revenue Fund**  
**For the Year Ended June 30, 2013**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
State revenue sharing	\$ 920,230	\$ 934,470	\$ 14,240
Charges for services	-	33	33
Interest income	1,400	1	(1,399)
Other revenue	3,000	5,497	2,497
Transfers in	265,188	265,188	-
Total revenues	<u>1,189,818</u>	<u>1,205,189</u>	<u>15,371</u>
<b>Expenditures</b>			
Public works			
Routine maintenance of roads and streets	369,885	322,989	(46,896)
Winter maintenance of roads and streets	117,296	87,306	(29,990)
Traffic services maintenance	236,789	225,822	(10,967)
Administration	465,848	452,625	(13,223)
Total public works expenditures	<u>1,189,818</u>	<u>1,088,742</u>	<u>(101,076)</u>
Excess of revenues over expenditures	-	116,447	116,447
Fund balance - beginning of year	<u>329,609</u>	<u>329,609</u>	<u>-</u>
Fund balance - end of year	<u>\$ 329,609</u>	<u>\$ 446,056</u>	<u>\$ 116,447</u>

**City of Saginaw**  
**Other Supplemental 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, 2013**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Other revenue	\$ 23,535	\$ 23,535	\$ -
Transfers in	40,000	43,682	3,682
Total revenues	<u>63,535</u>	<u>67,217</u>	<u>3,682</u>
<b>Expenditures</b>			
Public works			
Contractual services	159,159	158,549	(610)
Debt service			
Principal retirement	5,565	5,565	-
Interest and fiscal charges	2,676	2,436	(240)
Total debt service	<u>8,241</u>	<u>8,001</u>	<u>(240)</u>
Total expenditures	<u>167,400</u>	<u>166,550</u>	<u>(850)</u>
Deficiency of revenues over expenditures	(103,865)	(99,333)	4,532
Fund balance - beginning of year	<u>99,333</u>	<u>99,333</u>	<u>-</u>
Fund balance - end of year (deficit)	<u>\$ (4,532)</u>	<u>\$ -</u>	<u>\$ 4,532</u>

**City of Saginaw**  
**Other Supplemental 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, 2013**

	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 3,360,888	\$ 3,188,283	\$ (172,605)
Transfers in	<u>602,262</u>	<u>337,575</u>	<u>(264,687)</u>
Total revenues	<u>3,963,150</u>	<u>3,525,858</u>	<u>(437,292)</u>
<b>Expenditures</b>			
Public safety			
Police patrol	2,311,735	2,000,473	(311,262)
Fire suppression	<u>1,651,415</u>	<u>1,525,385</u>	<u>(126,030)</u>
Total public safety expenditures	<u>3,963,150</u>	<u>3,525,858</u>	<u>(437,292)</u>
Excess of revenues over expenditures	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Rubbish Collection Special Revenue Fund**  
**For the Year Ended June 30, 2013**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Taxes	\$ -	\$ 8,045	\$ 8,045
Charges for services	3,559,455	3,597,496	38,041
Interest income	18,500	39,933	21,433
Other revenue	25,140	43,251	18,111
Sale of fixed assets	-	7,130	7,130
	<u>3,603,095</u>	<u>3,695,855</u>	<u>92,760</u>
Total revenues			
<b>Expenditures</b>			
Public works			
Administration	515,695	493,310	(22,385)
Rubbish collection and disposal	2,324,436	2,001,730	(322,706)
Brush collection and disposal	234,519	205,961	(28,558)
Recycling and composting	987,457	835,146	(152,311)
Other functions	-	208,419	208,419
	<u>4,062,107</u>	<u>3,744,566</u>	<u>(317,541)</u>
Total public works expenditures			
Excess (deficiency) of revenues over expenditures	(459,012)	(48,711)	410,301
Fund balance - beginning of year	<u>695,455</u>	<u>695,455</u>	<u>-</u>
Fund balance - end of year	<u>\$ 236,443</u>	<u>\$ 646,744</u>	<u>\$ 410,301</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Police Grants Special Revenue Fund**  
**For the Year Ended June 30, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
<b>Revenues</b>			
Federal grants	\$ 635,244	\$ 587,335	\$ (47,909)
Other state grants	67,714	58,720	(8,994)
Other revenue	84,000	56,253	(27,747)
Transfers in	<u>616,906</u>	<u>476,835</u>	<u>(140,071)</u>
Total revenues	<u>1,403,864</u>	<u>1,179,143</u>	<u>(224,721)</u>
<b>Expenditures</b>			
Public safety	<u>1,166,939</u>	<u>979,404</u>	<u>(187,535)</u>
Excess of revenues over expenditures	236,925	199,739	(37,186)
Fund balance - beginning of year (deficit)	<u>(327,334)</u>	<u>(327,334)</u>	<u>-</u>
Fund balance - end of year (deficit)	<u>\$ (90,409)</u>	<u>\$ (127,595)</u>	<u>\$ (37,186)</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Drug Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2013**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Fines and forfeitures	\$ 61,461	\$ 137,409	\$ 75,948
Interest income	2,500	1,394	(1,106)
Other revenue	-	10,050	10,050
Insurance recoveries	-	2,000	2,000
Transfers in	-	893	893
	<u>63,961</u>	<u>151,746</u>	<u>87,785</u>
<b>Expenditures</b>			
Public safety	<u>323,909</u>	<u>250,896</u>	<u>(73,013)</u>
Excess (deficiency) of revenues over expenditures	(259,948)	(99,150)	160,798
Fund balance - beginning of year	<u>301,332</u>	<u>301,332</u>	<u>-</u>
Fund balance - end of year	<u>\$ 41,384</u>	<u>\$ 202,182</u>	<u>\$ 160,798</u>

**City of Saginaw**  
**Other Supplemental 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, 2013**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Local contributions	\$ 36,939	\$ 20,000	\$ (16,939)
Interest income	-	450	450
Rental income	49,589	57,324	7,735
Other revenue	<u>123,591</u>	<u>164,071</u>	<u>40,480</u>
Total revenues	<u>210,119</u>	<u>241,845</u>	<u>31,726</u>
<b>Expenditures</b>			
Recreation and culture	<u>221,594</u>	<u>239,383</u>	<u>17,789</u>
Excess (deficiency) of revenues over expenditures	(11,475)	2,462	13,937
Fund balance - beginning of year	<u>115,932</u>	<u>115,932</u>	<u>-</u>
Fund balance - end of year	<u>\$ 104,457</u>	<u>\$ 118,394</u>	<u>\$ 13,937</u>



**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**GM Tower Special Revenue Fund**  
**For the Year Ended June 30, 2013**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Interest income	\$ -	\$ 108	\$ 108
Transfers in	<u>69,625</u>	<u>69,572</u>	<u>(53)</u>
Total revenues	<u>69,625</u>	<u>69,680</u>	<u>55</u>
<b>Expenditures</b>			
Economic development	<u>102,500</u>	<u>102,500</u>	<u>-</u>
Deficiency of revenues over expenditures	(32,875)	(32,820)	55
Fund balance - beginning of year	<u>32,820</u>	<u>32,820</u>	<u>-</u>
Fund balance - end of year (deficit)	<u>\$ (55)</u>	<u>\$ -</u>	<u>\$ 55</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Boat Launch Operation Special Revenue Fund**  
**For the Year Ended June 30, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
<b>Revenues</b>			
Charges for services	\$ 23,000	\$ 21,492	\$ (1,508)
<b>Expenditures</b>			
Recreation and culture	36,939	17,706	(19,233)
Excess (deficiency) of revenues over expenditures	(13,939)	3,786	17,725
Fund balance - beginning of year	35,228	35,228	-
Fund balance - end of year	<u>\$ 21,289</u>	<u>\$ 39,014</u>	<u>\$ 17,725</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Economic Development Special Revenue Fund**  
**For the Year Ended June 30, 2013**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
<b>Revenues</b>			
Other state grants	\$ 14,531	\$ -	\$ (14,531)
<b>Expenditures</b>			
Economic development	<u>21,986</u>	<u>44</u>	<u>(21,942)</u>
Deficiency of revenues over expenditures	(7,455)	(44)	7,411
Fund balance - beginning of year	<u>64,187</u>	<u>64,187</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 56,732</u></u>	<u><u>\$ 64,143</u></u>	<u><u>\$ 7,411</u></u>

**City of Saginaw**  
**Other Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget to Actual**  
**Celebration Park Special Revenue Fund**  
**For the Year Ended June 30, 2013**

	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>			
Other state grants	\$ 50,837	\$ 48,000	\$ (2,837)
Local contributions	55,507	-	(55,507)
Charges for services	3,500	-	(3,500)
Transfers in	130,000	130,000	-
Total revenues	<u>239,844</u>	<u>178,000</u>	<u>(61,844)</u>
<b>Expenditures</b>			
Economic development	<u>52,453</u>	<u>34,363</u>	<u>(18,090)</u>
Excess of revenues over expenditures	187,391	143,637	(43,754)
Fund balance - beginning of year (deficit)	<u>(271,999)</u>	<u>(271,999)</u>	<u>-</u>
Fund balance - end of year (deficit)	<u>\$ (84,608)</u>	<u>\$ (128,362)</u>	<u>\$ (43,754)</u>

## **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 acquiring and maintaining vehicles and other motorized equipment for use in general City operations. The costs of maintenance and replacement are recovered through rental 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 Supplemental Information**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2013**

	Information Services	GIS	Motor Pool	Radio
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 81,220	\$ 36,825	\$ 94,584	\$ 478,580
Accounts receivable	-	2,414	-	-
Due from other funds	-	-	-	-
Inventories	-	-	214,745	-
Prepaid items	-	-	-	-
	<u>81,220</u>	<u>39,239</u>	<u>309,329</u>	<u>478,580</u>
Total current assets				
Noncurrent assets				
Capital assets, net of accumulated depreciation	<u>102,041</u>	<u>7,560</u>	<u>486,230</u>	<u>528,826</u>
	<u>183,261</u>	<u>46,799</u>	<u>795,559</u>	<u>1,007,406</u>
Total assets				

**City of Saginaw**  
**Other Supplemental Information**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2013**

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Public Works Building</u>	<u>Total</u>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 535,283	\$ 2,207,505	\$ 28,569	\$ 3,462,566
Accounts receivable	-	-	-	2,414
Due from other funds	930,892	792,448	-	1,723,340
Inventories	-	-	-	214,745
Prepaid items	43,006	-	-	43,006
	<u>1,509,181</u>	<u>2,999,953</u>	<u>28,569</u>	<u>5,446,071</u>
Total current assets				
Noncurrent assets				
Capital assets, net of accumulated depreciation	-	-	-	1,124,657
	<u>1,509,181</u>	<u>2,999,953</u>	<u>28,569</u>	<u>6,570,728</u>
Total assets				

**City of Saginaw**  
**Other Supplemental Information**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2013**

	Information Services	GIS	Motor Pool	Radio
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 10,066	\$ 5,568	\$ 10,085	\$ 91,978
Accrued and other liabilities	<u>16,127</u>	<u>14,689</u>	<u>30,402</u>	<u>658</u>
Total current liabilities	<u>26,193</u>	<u>20,257</u>	<u>40,487</u>	<u>92,636</u>
Noncurrent liabilities				
Workers' compensation claims payable	-	-	-	-
Insurance claims payable	-	-	-	-
Compensated absences	<u>55,027</u>	<u>26,251</u>	<u>53,936</u>	<u>4,699</u>
Total noncurrent liabilities	<u>55,027</u>	<u>26,251</u>	<u>53,936</u>	<u>4,699</u>
Total liabilities	<u>81,220</u>	<u>46,508</u>	<u>94,423</u>	<u>97,335</u>
<b>Net position</b>				
Net investment in capital assets	102,041	7,560	486,230	528,826
Unrestricted (deficit)	<u>-</u>	<u>(7,269)</u>	<u>214,906</u>	<u>381,245</u>
Total net position	<u>\$ 102,041</u>	<u>\$ 291</u>	<u>\$ 701,136</u>	<u>\$ 910,071</u>



**City of Saginaw**  
**Other Supplemental Information**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2013**

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Public Works Building</u>	<u>Total</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 13,187	\$ 22,850	\$ 12,749	\$ 166,483
Accrued and other liabilities	<u>238</u>	<u>1,791</u>	<u>6,443</u>	<u>70,348</u>
Total current liabilities	<u>13,425</u>	<u>24,641</u>	<u>19,192</u>	<u>236,831</u>
Noncurrent liabilities				
Workers' compensation claims payable	-	2,951,497	-	2,951,497
Insurance claims payable	1,489,186	-	-	1,489,186
Compensated absences	<u>6,570</u>	<u>4,919</u>	<u>9,377</u>	<u>160,779</u>
Total noncurrent liabilities	<u>1,495,756</u>	<u>2,956,416</u>	<u>9,377</u>	<u>4,601,462</u>
Total liabilities	<u>1,509,181</u>	<u>2,981,057</u>	<u>28,569</u>	<u>4,838,293</u>
<b>Net position</b>				
Net investment in capital assets	-	-	-	1,124,657
Unrestricted (deficit)	<u>-</u>	<u>18,896</u>	<u>-</u>	<u>607,778</u>
Total net position	<u>\$ -</u>	<u>\$ 18,896</u>	<u>\$ -</u>	<u>\$ 1,732,435</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Balance**  
**For the Year Ended June 30, 2013**

	Information Services	GIS	Motor Pool	Radio	Self Insurance
<b>Operating revenue</b>					
User charges	\$ 1,153,781	\$ 385,611	\$ 1,258,223	\$ 111,892	\$ 1,837,211
Other revenue	174	1,089	2,392	3	109,338
Total operating revenue	<u>1,153,955</u>	<u>386,700</u>	<u>1,260,615</u>	<u>111,895</u>	<u>1,946,549</u>
<b>Operating expenses</b>					
Salaries and benefits	531,601	375,417	998,649	29,226	6,795
Supplies	54,407	6,292	322,849	1,681	-
Contractual services	490,011	65,004	426,049	19,415	1,062,564
Claims	-	-	-	-	902,802
Utilities	-	-	3,619	-	-
Other expenses	138	936	-	1,056	-
Depreciation	9,446	5,138	259,320	37,293	-
Total operating expenses	<u>1,085,603</u>	<u>452,787</u>	<u>2,010,486</u>	<u>88,671</u>	<u>1,972,161</u>
Operating income (loss)	<u>68,352</u>	<u>(66,087)</u>	<u>(749,871)</u>	<u>23,224</u>	<u>(25,612)</u>
<b>Nonoperating revenue (expenses)</b>					
Interest income	-	-	168	-	1,306
Gain (loss) on sale of assets	-	-	3,266	(203)	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>3,434</u>	<u>(203)</u>	<u>1,306</u>
Income (loss) before transfers out	68,352	(66,087)	(746,437)	23,021	(24,306)
Transfers out	<u>(20,493)</u>	<u>(20,493)</u>	<u>-</u>	<u>-</u>	<u>(1,520,000)</u>
Change in net position	47,859	(86,580)	(746,437)	23,021	(1,544,306)
Net position - beginning of year	<u>54,182</u>	<u>86,871</u>	<u>1,447,573</u>	<u>887,050</u>	<u>1,544,306</u>
Net position - end of year	<u>\$ 102,041</u>	<u>\$ 291</u>	<u>\$ 701,136</u>	<u>\$ 910,071</u>	<u>\$ -</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Balance**  
**For the Year Ended June 30, 2013**

	Workers' Compensation	Public Works Building	Total
<b>Operating revenue</b>			
User charges	\$ 1,118,009	\$ 330,803	\$ 6,195,530
Other revenue	51,070	1,429	165,495
Total operating revenue	<u>1,169,079</u>	<u>332,232</u>	<u>6,361,025</u>
<b>Operating expenses</b>			
Salaries and benefits	55,346	154,307	2,151,341
Supplies	-	11,855	397,084
Contractual services	310,039	165,938	2,539,020
Claims	797,279	-	1,700,081
Utilities	-	-	3,619
Other expenses	-	132	2,262
Depreciation	-	-	311,197
Total operating expenses	<u>1,162,664</u>	<u>332,232</u>	<u>7,104,604</u>
Operating income (loss)	<u>6,415</u>	<u>-</u>	<u>(743,579)</u>
<b>Nonoperating revenue (expenses)</b>			
Interest income	1,969	-	3,443
Gain (loss) on sale of assets	-	-	3,063
Total nonoperating revenues (expenses)	<u>1,969</u>	<u>-</u>	<u>6,506</u>
Income (loss) before transfers out	8,384	-	(737,073)
Transfers out	-	-	(1,560,986)
Change in net position	8,384	-	(2,298,059)
Net position - beginning of year	10,512	-	4,030,494
Net position - end of year	<u>\$ 18,896</u>	<u>\$ -</u>	<u>\$ 1,732,435</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2013**

	Information Services	GIS	Motor Pool	Radio	Self Insurance	Workers' Compensation	Public Works Building	Total
<b>Cash flows from operating activities</b>								
Receipts from customers	\$ 1,153,955	\$ 416,927	\$ 1,260,615	\$ 111,895	\$ 2,946,549	\$ 1,274,033	\$ 332,232	\$ 7,496,206
Receipts from other funds	-	-	78,983	-	589,108	(108,837)	-	559,254
Payments to suppliers	(581,073)	(66,528)	(719,575)	70,250	(2,890,197)	(1,719,497)	(166,833)	(6,073,453)
Payments to employees	(545,571)	(373,328)	(1,050,880)	(24,527)	(225)	(55,346)	(158,480)	(2,208,357)
Net cash provided (used) by operating activities	27,311	(22,929)	(430,857)	157,618	645,235	(609,647)	6,919	(226,350)
<b>Cash flows from noncapital financing activities</b>								
Transfers to other funds	(20,493)	(20,493)	-	-	(1,520,000)	-	-	(1,560,986)
<b>Cash flows from capital and related financing activities</b>								
Purchases/construction of capital assets	(84,660)	(5,000)	(16,000)	(454,893)	-	-	-	(560,553)
Proceeds from sale of capital assets	-	-	3,266	-	-	-	-	3,266
Net cash provided (used) by capital and related financing activities	(84,660)	(5,000)	(12,734)	(454,893)	-	-	-	(557,287)
<b>Cash flows from investing activities</b>								
Interest received	-	-	168	-	1,306	1,969	-	3,443
Net increase (decrease) in cash and cash equivalents	(77,842)	(48,422)	(443,423)	(297,275)	(873,459)	(607,678)	6,919	(2,341,180)
Cash and cash equivalents - beginning of year	159,062	85,247	538,007	775,855	1,408,742	2,815,183	21,650	5,803,746
Cash and cash equivalents - end of year	\$ 81,220	\$ 36,825	\$ 94,584	\$ 478,580	\$ 535,283	\$ 2,207,505	\$ 28,569	\$ 3,462,566
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>								
Operating income (loss)	\$ 68,352	\$ (66,087)	\$ (749,871)	\$ 23,224	\$ (25,612)	\$ 6,415	\$ -	\$ (743,579)
Adjustments to reconcile operating income to net cash from operating activities								
Depreciation and amortization expense	9,446	5,138	259,320	37,293	-	-	-	311,197
Changes in assets and liabilities								
Receivables (net)	-	30,227	-	-	1,000,000	104,954	-	1,135,181
Due from other funds	-	-	78,983	-	589,108	(108,837)	-	559,254
Inventories	-	-	40,168	-	-	-	-	40,168
Prepaid items	-	1,637	-	-	(18,490)	-	-	(16,853)
Accounts payable	(2,978)	2,890	(17,534)	91,968	(1,194,571)	14,564	8,627	(1,097,034)
Accrued and other liabilities	(33,539)	1,177	10,308	434	238	229	2,465	(18,688)
Claims payable	-	-	-	-	287,992	(626,972)	-	(338,980)
Compensated absences	(13,970)	2,089	(52,231)	4,699	6,570	-	(4,173)	(57,016)
Net cash provided (used) by operating activities	\$ 27,311	\$ (22,929)	\$ (430,857)	\$ 157,618	\$ 645,235	\$ (609,647)	\$ 6,919	\$ (226,350)

## **FIDUCIARY 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. The unfunded liability is estimated at \$220 million.

### ***POLICEMEN AND FIREMEN PENSION FUND***

Assets accumulated for the payment of retirement benefits for City Police and Fire personnel are recorded in this fund. Benefits for retired members are paid from this fund and active members contribute to the pension system through payroll deductions. The City contributes to the fund by an annual appropriation from the General Fund which is determined and set by an annual actuarial valuation.

### ***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 Supplemental Information**  
**Employee Pension and Other Employee Benefits Trust Funds**  
**Combining Statement of Plan Net Position**  
**June 30, 2013**

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	<u>Police and Firemen Pension</u>	<u>Public Employee Healthcare</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 5,437,315	\$ 1,970,233	\$ 7,407,548
Investments			
Government securities	21,904,963	-	21,904,963
Municipal obligations	2,242,945	-	2,242,945
Corporate and foreign bonds	24,615,546	-	24,615,546
Common equity securities	35,333,961	-	35,333,961
Equity mutual funds	25,464,249	-	25,464,249
Other investments	-	1,626,231	1,626,231
Accrued interest and other	<u>222,456</u>	<u>-</u>	<u>222,456</u>
Total assets	<u>115,221,435</u>	<u>3,596,464</u>	<u>118,817,899</u>
<b>Liabilities</b>			
Accounts payable	1,446,107	-	1,446,107
Accrued and other liabilities	<u>946,979</u>	<u>-</u>	<u>946,979</u>
Total liabilities	<u>2,393,086</u>	<u>-</u>	<u>2,393,086</u>
<b>Net position</b>			
Held in trust for pension benefits and other employee benefits	<u>\$ 112,828,349</u>	<u>\$ 3,596,464</u>	<u>\$ 116,424,813</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Employee Pension and Other Employee Benefits Trust Funds**  
**Combining Statement of Changes in Plan Net Position**  
**For the Year Ended June 30, 2013**

	Police and Firemen Pension	Public Employee Healthcare	Total
<b>Additions</b>			
Contributions			
Employer	\$ 6,015,990	\$ -	\$ 6,015,990
Current premium contributions	-	8,282,847	8,282,847
Plan members	<u>694,351</u>	<u>-</u>	<u>694,351</u>
Total contributions	<u>6,710,341</u>	<u>8,282,847</u>	<u>14,993,188</u>
Investment earnings (losses)			
Interest	1,426,690	142,020	1,568,710
Dividends	1,693,780	-	1,693,780
Mutual fund rebates	234,842	-	234,842
Change in fair value	8,948,298	(77,783)	8,870,515
Investment expenses	<u>(94,990)</u>	<u>-</u>	<u>(94,990)</u>
Total investment earnings	<u>12,208,620</u>	<u>64,237</u>	<u>12,272,857</u>
Total additions	<u>18,918,961</u>	<u>8,347,084</u>	<u>27,266,045</u>
<b>Deductions</b>			
Benefits - police	7,987,837	-	7,987,837
Benefits - fire	6,875,350	-	6,875,350
Retiree healthcare premium payments	-	8,282,847	8,282,847
Administrative expenses	<u>670,025</u>	<u>-</u>	<u>670,025</u>
Total deductions	<u>15,533,212</u>	<u>8,282,847</u>	<u>23,816,059</u>
Change in net assets	3,385,749	64,237	3,449,986
Net position - beginning of year	<u>109,442,600</u>	<u>3,532,227</u>	<u>112,974,827</u>
Net position - end of year	<u>\$ 112,828,349</u>	<u>\$ 3,596,464</u>	<u>\$ 116,424,813</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**  
**Other Supplemental Information**  
**Combining Balance Sheet**  
**Agency Funds**  
**June 30, 2013**

	Intermediate School Tax Collection	Saginaw County Tax Collection	School District Tax Collection	State Education Tax Collection	Delta College Tax Collection	Public Libraries Tax Collection	Saginaw Transit Tax Collection
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables							
Customers	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other units of government	-	-	-	-	-	-	-
Accrued and other liabilities	-	-	-	-	-	-	-
Claims payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Balance Sheet**  
**Agency Funds**  
**June 30, 2013**

	Undistributed Tax Collection	Employee Benefits	Housing Commission	Saginaw County Land Bank	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 278,340	\$ 110,235	\$ -	\$ 18,162	\$ 406,737
Receivables					
Customers	35,940	47,874	-	-	83,814
Prepaid items	<u>-</u>	<u>1,360,559</u>	<u>-</u>	<u>-</u>	<u>1,360,559</u>
Total assets	<u>\$ 314,280</u>	<u>\$ 1,518,668</u>	<u>\$ -</u>	<u>\$ 18,162</u>	<u>\$ 1,851,110</u>
<b>Liabilities</b>					
Accounts payable	\$ 278,340	\$ 111,686	\$ -	\$ -	\$ 390,026
Due to other units of government	-	-	-	18,162	18,162
Accrued and other liabilities	-	652,429	-	-	652,429
Claims payable	-	754,553	-	-	754,553
Unearned revenue	<u>35,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,940</u>
Total liabilities	<u>\$ 314,280</u>	<u>\$ 1,518,668</u>	<u>\$ -</u>	<u>\$ 18,162</u>	<u>\$ 1,851,110</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>Intermediate School Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 2,159	\$ 2,159	\$ -
Liabilities				
Accounts payable	\$ -	\$ 2,159	\$ 2,159	\$ -
Due to other governmental units	-	2,159	2,159	-
Total liabilities	\$ -	\$ 4,318	\$ 4,318	\$ -
 <b>Saginaw County Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 5,020	\$ 5,020	\$ -
Liabilities				
Due to other governmental units	\$ -	\$ 5,020	\$ 5,020	\$ -

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>School District Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 10,829	\$ 10,829	\$ -
Liabilities				
Accounts payable	\$ -	\$ 1,939	\$ 1,939	\$ -
Due to other governmental units	-	10,829	10,829	-
Total liabilities	\$ -	\$ 12,768	\$ 12,768	\$ -
<b>State Education Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 1,285	\$ 1,285	\$ -
Liabilities				
Accounts payable	\$ -	\$ 1,285	\$ 1,285	\$ -
Due to other governmental units	-	1,285	1,285	-
Total liabilities	\$ -	\$ 2,570	\$ 2,570	\$ -

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>Delta College Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 2,112	\$ 2,112	\$ -
Liabilities				
Due to other governmental units	\$ -	\$ 2,112	\$ 2,112	\$ -
 <b>Public Libraries Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 4,106	\$ 4,106	\$ -
Liabilities				
Due to other governmental units	\$ -	\$ 4,106	\$ 4,106	\$ -

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>Saginaw Transit Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 3,102	\$ 3,102	\$ -
Liabilities				
Due to other governmental units	\$ -	\$ 3,102	\$ 3,102	\$ -
 <b>Undistributed Tax Collection</b>				
Assets				
Cash and cash equivalents	\$ 98,977	\$ 49,888,172	\$ 49,708,809	\$ 278,340
Accounts receivable	16,774	1,254,697	1,235,531	35,940
Total assets	<u>\$ 115,751</u>	<u>\$ 51,142,869</u>	<u>\$ 50,944,340</u>	<u>\$ 314,280</u>
Liabilities				
Accounts payable	\$ 92,496	\$ 1,364,265	\$ 1,178,421	\$ 278,340
Due to other governmental units	23,255	25,789,910	25,777,225	35,940
Total liabilities	<u>\$ 115,751</u>	<u>\$ 27,154,175</u>	<u>\$ 26,955,646</u>	<u>\$ 314,280</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>Employee Benefits</b>				
Assets				
Cash and cash equivalents	\$ 1,645,099	\$ 36,137,763	\$ 37,672,627	\$ 110,235
Accounts receivable	5,167	72,249	29,542	47,874
Prepays	<u>1,928,933</u>	<u>1,360,559</u>	<u>1,928,933</u>	<u>1,360,559</u>
 Total assets	 <u>\$ 3,579,199</u>	 <u>\$ 37,570,571</u>	 <u>\$ 39,631,102</u>	 <u>\$ 1,518,668</u>
 Liabilities				
Accounts payable	\$ 120,173	\$ 2,242,068	\$ 2,250,555	\$ 111,686
Due to other governmental units	283,259	-	283,259	-
Claims payable	839,924	-	85,371	754,553
Other current liabilities	<u>2,335,843</u>	<u>37,682,218</u>	<u>39,365,632</u>	<u>652,429</u>
 Total liabilities	 <u>\$ 3,579,199</u>	 <u>\$ 39,924,286</u>	 <u>\$ 41,984,817</u>	 <u>\$ 1,518,668</u>
 <b>Housing Commission</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 78,983	\$ 78,983	\$ -
Accounts receivable	<u>78,983</u>	<u>-</u>	<u>78,983</u>	<u>-</u>
 Total assets	 <u>\$ 78,983</u>	 <u>\$ 78,983</u>	 <u>\$ 157,966</u>	 <u>\$ -</u>
 Liabilities				
Accounts payable	<u>\$ 78,983</u>	<u>\$ -</u>	<u>\$ 78,983</u>	<u>\$ -</u>
 <b>Saginaw County Land Bank</b>				
Assets				
Cash and cash equivalents	\$ -	\$ 18,162	\$ -	\$ 18,162
Accounts receivable	<u>-</u>	<u>18,162</u>	<u>18,162</u>	<u>-</u>
 Total assets	 <u>\$ -</u>	 <u>\$ 36,324</u>	 <u>\$ 18,162</u>	 <u>\$ 18,162</u>
 Liabilities				
Due to other units of government	<u>\$ -</u>	<u>\$ 18,162</u>	<u>\$ -</u>	<u>\$ 18,162</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Combining Statement of Changes in Assets**  
**and Liabilities - Agency Funds**  
**For the Year Ended June 30, 2013**

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	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>Total Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 1,744,076	\$ 86,151,693	\$ 87,489,032	\$ 406,737
Accounts receivable	100,924	1,326,946	1,344,056	83,814
Prepaid insurance	<u>1,928,933</u>	<u>1,360,559</u>	<u>1,928,933</u>	<u>1,360,559</u>
 Total assets	 <u>\$ 3,773,933</u>	 <u>\$ 88,839,198</u>	 <u>\$ 90,762,021</u>	 <u>\$ 1,851,110</u>
 Liabilities				
Accounts payable	\$ 291,652	\$ 3,611,716	\$ 3,513,342	\$ 390,026
Due to other governmental units	306,514	25,836,685	26,089,097	54,102
Claims payable	839,924	-	85,371	754,553
Other current liabilities	<u>2,335,843</u>	<u>37,682,218</u>	<u>39,365,632</u>	<u>652,429</u>
 Total liabilities	 <u>\$ 3,773,933</u>	 <u>\$ 67,130,619</u>	 <u>\$ 69,053,442</u>	 <u>\$ 1,851,110</u>



**City of Saginaw**  
**Other Supplemental Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**TIFA Component Units**  
**June 30, 2013**

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	<u>Saginaw Division TIFA</u>	<u>Morley TIFA</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 5,185	\$ 26,120	\$ 31,305	\$ -	\$ 31,305
<b>Fund balances</b>					
Restricted for TIFA/LDFA projects	\$ 5,185	\$ 26,120	\$ 31,305	\$ (31,305)	-
Net position - unrestricted				\$ 31,305	\$ 31,305

**City of Saginaw**  
**Other Supplemental 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, 2013**

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	Saginaw Division TIFA	Morley TIFA	Total	Adjustments	Statement of Activities
Fund balance/net position - beginning of year	<u>\$ 5,185</u>	<u>\$ 26,120</u>	<u>\$ 31,305</u>	<u>\$ -</u>	<u>\$ 31,305</u>
Fund balance/net position - end of year	<u>\$ 5,185</u>	<u>\$ 26,120</u>	<u>\$ 31,305</u>	<u>\$ -</u>	<u>\$ 31,305</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**DDA Component Units**  
**June 30, 2013**

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	<u>Commerce Center DDA</u>	<u>Sils Island DDA</u>	<u>Downtown Development Authority</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 64,206	\$ 966	\$ 136,737	\$ 201,909	\$ -	\$ 201,909
Receivables						
Customers	<u>-</u>	<u>-</u>	<u>423</u>	<u>423</u>	<u>-</u>	<u>423</u>
Total assets	<u>\$ 64,206</u>	<u>\$ 966</u>	<u>\$ 137,160</u>	<u>\$ 202,332</u>	<u>\$ -</u>	<u>202,332</u>
<b>Liabilities</b>						
Accounts payable	<u>\$ -</u>	<u>\$ 966</u>	<u>\$ 1,064</u>	<u>\$ 2,030</u>	<u>\$ -</u>	<u>2,030</u>
<b>Fund Balances</b>						
Restricted for DDA projects	<u>64,206</u>	<u>-</u>	<u>136,096</u>	<u>200,302</u>	<u>(200,302)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 64,206</u>	<u>\$ 966</u>	<u>\$ 137,160</u>	<u>\$ 202,332</u>		
Net position - unrestricted					<u>\$ 200,302</u>	<u>\$ 200,302</u>

**City of Saginaw**  
**Other Supplemental 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, 2013**

	<u>Commerce Center DDA</u>	<u>Sils Island DDA</u>	<u>Downtown Development Authority</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>						
Taxes	\$ 26,034	\$ -	\$ -	\$ 26,034	\$ -	\$ 26,034
Local contribution	-	-	44,938	44,938	-	44,938
Other revenue	-	-	7,923	7,923	-	7,923
Total revenues	<u>26,034</u>	<u>-</u>	<u>52,861</u>	<u>78,895</u>	<u>-</u>	<u>78,895</u>
<b>Expenditures</b>						
Current						
Community and economic development	<u>26,026</u>	<u>1,346</u>	<u>56,870</u>	<u>84,242</u>	<u>-</u>	<u>84,242</u>
Excess (deficiency) of revenues over expenditures	8	(1,346)	(4,009)	(5,347)	-	(5,347)
Fund balance/net position - beginning of year	<u>64,198</u>	<u>1,346</u>	<u>140,105</u>	<u>205,649</u>	<u>-</u>	<u>205,649</u>
Fund balance/net position - end of year	<u>\$ 64,206</u>	<u>\$ -</u>	<u>\$ 136,096</u>	<u>\$ 200,302</u>	<u>\$ -</u>	<u>\$ 200,302</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**L DFA Component Units**  
**June 30, 2013**

	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	\$ 3,190,397	\$ 466,190	\$ 98,159	\$ 80,103	\$ 4,369	\$ 99,960	\$ 3,939,178	\$ -	\$ 3,939,178
Receivables									
Accrued interest and other	4,621	-	-	-	-	-	4,621	-	4,621
Total assets	<u>\$ 3,195,018</u>	<u>\$ 466,190</u>	<u>\$ 98,159</u>	<u>\$ 80,103</u>	<u>\$ 4,369</u>	<u>\$ 99,960</u>	<u>\$ 3,943,799</u>	<u>\$ -</u>	<u>3,943,799</u>
<b>Fund Balances</b>									
Restricted for TIFA/LDFA projects	<u>\$ 3,195,018</u>	<u>\$ 466,190</u>	<u>\$ 98,159</u>	<u>\$ 80,103</u>	<u>\$ 4,369</u>	<u>\$ 99,960</u>	<u>\$ 3,943,799</u>	<u>\$ (3,943,799)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,195,018</u>	<u>\$ 466,190</u>	<u>\$ 98,159</u>	<u>\$ 80,103</u>	<u>\$ 4,369</u>	<u>\$ 99,960</u>	<u>\$ 3,943,799</u>		
Net position - unrestricted								<u>\$ 3,943,799</u>	<u>\$ 3,943,799</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Statement of Activities and Governmental Fund Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**L DFA Component Units**  
**For the Year Ended June 30, 2013**

	Thompson L DFA	Sexton L DFA	Baker Perkins L DFA	Treasure Island L DFA	Saginaw Machine Systems L DFA	Saginaw Tool and Die L DFA	Total	Adjustments	Statement of Activities
<b>Revenues</b>									
Interest income	\$ 6,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,586	\$ (5)	\$ 6,581
<b>Expenditures</b>									
Current									
Community and economic development	31	-	-	-	-	-	31	-	31
Excess of revenues over expenditures	6,555	-	-	-	-	-	6,555	(5)	6,550
Fund balance/net position - beginning of year	3,188,463	466,190	98,159	80,103	4,369	99,960	3,937,244	5	3,937,249
Fund balance/net position - end of year	<u>\$ 3,195,018</u>	<u>\$ 466,190</u>	<u>\$ 98,159</u>	<u>\$ 80,103</u>	<u>\$ 4,369</u>	<u>\$ 99,960</u>	<u>\$ 3,943,799</u>	<u>\$ -</u>	<u>\$ 3,943,799</u>

**City of Saginaw**  
**Other Supplemental Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**Saginaw Economic Development Corporation**  
**June 30, 2013**

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	<u>Saginaw Economic Development Corporation</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 653,572	\$ -	\$ 653,572
Notes and contracts receivable	<u>2,044,168</u>	<u>(172,628)</u>	<u>1,871,540</u>
Total assets	<u>\$ 2,697,740</u>	<u>\$ (172,628)</u>	<u>2,525,112</u>
<b>Liabilities</b>			
Accounts payable	\$ 4,562	\$ -	4,562
Unearned revenue	<u>2,054,788</u>	<u>(2,054,788)</u>	<u>-</u>
Total liabilities	2,059,350	(2,054,788)	4,562
<b>Fund balances/net position</b>			
Restricted for specific projects	<u>638,390</u>	<u>(638,390)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,697,740</u>		
Net position - unrestricted		<u>\$ 2,693,178</u>	<u>\$ 2,520,550</u>

**City of Saginaw**  
**Other Supplemental 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, 2013**

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	Saginaw Economic Development Corporation	Adjustments	Statement of Activities
<b>Revenues</b>			
Federal grants	\$ 428,470	\$ -	\$ 428,470
Interest income	62,407	-	62,407
Fees and loan repayments	<u>216,540</u>	<u>(206,590)</u>	<u>9,950</u>
 Total revenues	 <u>707,417</u>	 <u>(206,590)</u>	 <u>500,827</u>
<b>Expenditures</b>			
Current			
Community and economic development	<u>389,583</u>	<u>(523,198)</u>	<u>(133,615)</u>
 Excess of revenues over expenditures	 317,834	 316,608	 634,442
 Fund balance/net position - beginning of year	 <u>320,556</u>	 <u>1,565,552</u>	 <u>1,886,108</u>
 Fund balance/net position - end of year	 <u>\$ 638,390</u>	 <u>\$ 1,882,160</u>	 <u>\$ 2,520,550</u>



**City of Saginaw**  
**Other Supplemental Information**  
**Statement of Net Position and Governmental Fund Balance Sheet**  
**Brownfield Component Unit**  
**June 30, 2013**

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	<u>Brownfield Authority SRRF</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 205,839	\$ -	\$ 205,839
<b>Fund balances/net position</b>			
Restricted for specific projects	\$ 205,839	\$ (205,839)	-
Total fund balance	<u>\$ 205,839</u>		
Net position - unrestricted		<u>\$ 205,839</u>	<u>\$ 205,839</u>

**City of Saginaw**  
**Other Supplemental 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, 2013**

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	Brownfield Authority SRRF	Adjustments	Statement of Activities
<b>Revenues</b>			
Taxes	\$ 33,048	\$ -	\$ 33,048
Fund balance/net position - beginning of year	<u>172,791</u>	<u>-</u>	<u>172,791</u>
Fund balance/net position - end of year	<u>\$ 205,839</u>	<u>\$ -</u>	<u>\$ 205,839</u>

**City of Saginaw, Michigan**  
**Net Position by Component**  
**Last Eight Fiscal Years**

	As of June 30,							
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities:</b>								
Net investment in capital assets	\$ 32,080,041	\$ 45,625,909	\$ 44,021,349	\$ 43,412,648	\$ 42,357,901	\$ 43,653,689	\$ 43,056,592	\$ 42,480,896
Restricted	3,141,661	3,308,444	5,503,153	5,726,440	4,855,840	3,794,989	4,552,729	4,772,251
Unrestricted	<u>6,061,704</u>	<u>8,840,328</u>	<u>5,639,120</u>	<u>(4,288,914)</u>	<u>(13,847,085)</u>	<u>(24,064,137)</u>	<u>(38,431,452)</u>	<u>(42,695,487)</u>
Total net position	<u>41,283,406</u>	<u>57,774,681</u>	<u>55,163,622</u>	<u>44,850,174</u>	<u>33,366,656</u>	<u>23,384,541</u>	<u>9,177,869</u>	<u>4,557,660</u>
<b>Business Type Activities:</b>								
Net investment in capital assets	69,779,191	75,854,872	70,941,541	72,449,928	77,177,910	82,280,202	73,202,779	76,740,286
Restricted	7,550,734	8,616,819	8,083,872	999,026	995,343	-	-	-
Unrestricted	<u>20,853,812</u>	<u>17,211,864</u>	<u>24,924,823</u>	<u>27,555,338</u>	<u>24,125,802</u>	<u>24,700,068</u>	<u>40,146,861</u>	<u>39,911,213</u>
Total net position	<u>98,183,737</u>	<u>101,683,555</u>	<u>103,950,236</u>	<u>101,004,292</u>	<u>102,299,055</u>	<u>106,980,270</u>	<u>113,349,640</u>	<u>116,651,499</u>
<b>Primary government in total:</b>								
Net investment in capital assets	101,859,232	121,480,781	114,962,890	115,862,576	119,535,811	125,933,891	116,259,371	119,221,182
Restricted	10,692,395	11,925,263	13,587,025	6,725,466	5,851,183	3,794,989	4,552,729	4,772,251
Unrestricted	<u>26,915,516</u>	<u>26,052,192</u>	<u>30,563,943</u>	<u>23,266,424</u>	<u>10,278,717</u>	<u>635,931</u>	<u>1,715,409</u>	<u>(2,784,274)</u>
Total net position	<u>\$ 139,467,143</u>	<u>\$ 159,458,236</u>	<u>\$ 159,113,858</u>	<u>\$ 145,854,466</u>	<u>\$ 135,665,711</u>	<u>\$ 130,364,811</u>	<u>\$ 122,527,509</u>	<u>\$ 121,209,159</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, Michigan**  
**Changes in Governmental Net Position**  
**Last Eight Years**

(Accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year Ended June 30,							
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>								
Governmental activities:								
General government	\$ 4,031	\$ 4,270	\$ 4,257	\$ 8,108	\$ 4,959	\$ 3,441	\$ 5,321	\$ 4,247
Administration	2,201	2,332	2,391	2,431	2,422	2,590	3,835	2,082
Public Safety	23,557	25,321	24,814	32,375	31,688	32,191	31,454	28,578
General services	12,178	13,919	13,735	12,877	15,855	16,086	13,006	14,917
Community services	1,875	1,999	2,476	2,325	2,121	1,862	1,847	1,588
Economic development	3,205	3,263	2,843	2,914	6,141	9,061	10,791	10,063
Interest on long-term debt	107	66	61	28	4	-	-	2
Total governmental activities expenses	<u>47,154</u>	<u>51,170</u>	<u>50,577</u>	<u>61,058</u>	<u>63,190</u>	<u>65,231</u>	<u>66,254</u>	<u>61,477</u>
Business-type activities:								
Sewer	16,138	17,203	17,392	19,050	19,245	19,279	19,008	20,260
Water	10,532	11,637	11,859	13,513	13,872	13,670	14,566	14,559
Parking	393	359	359	481	421	407	-	-
Wave Pool	142	927	-	-	-	-	-	-
Total business-type activities expenses	<u>27,205</u>	<u>30,126</u>	<u>29,610</u>	<u>33,044</u>	<u>33,538</u>	<u>33,356</u>	<u>33,574</u>	<u>34,819</u>
Total primary government expenses	<u>\$ 74,359</u>	<u>\$ 81,296</u>	<u>\$ 80,187</u>	<u>\$ 94,102</u>	<u>\$ 96,728</u>	<u>\$ 98,587</u>	<u>\$ 99,828</u>	<u>\$ 96,296</u>

**City of Saginaw, Michigan**  
**Changes in Governmental Net Position**  
**Last Eight Years**

(Accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year Ended June 30,							
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Program Revenues</b>								
Governmental activities:								
Charges for services								
General government	\$ 832	\$ 1,077	\$ 988	\$ 1,107	\$ 1,176	\$ 1,373	\$ 1,878	\$ 3,240
Administration	2,192	2,351	2,738	2,484	2,930	3,031	2,305	1,233
Public safety	(200)	262	213	650	360	535	775	785
General services	2,033	2,786	1,681	2,929	2,423	2,010	3,821	3,812
Community services	826	854	(89)	789	832	824	782	800
Economic development	187	220	131	199	163	241	941	875
Operating grants and contributions	10,008	10,162	9,633	10,309	13,117	15,943	13,018	19,091
Capital grants and contributions	408	65	-	-	-	-	-	-
Total governmental activities program revenues	<u>16,286</u>	<u>17,777</u>	<u>15,295</u>	<u>18,467</u>	<u>21,001</u>	<u>23,957</u>	<u>23,520</u>	<u>29,836</u>
Business-type activities:								
Charges for services								
Sewer	17,826	18,239	16,664	16,739	20,733	21,602	22,474	22,283
Water	12,624	12,553	12,305	12,112	13,630	14,991	16,611	15,554
Parking	554	309	255	287	302	278	-	-
Operating grants and contributions	-	-	-	-	102	-	-	119
Capital grants and contributions	240	2,507	2,291	402	-	995	-	-
Total business-type activities program revenues	<u>31,244</u>	<u>33,608</u>	<u>31,515</u>	<u>29,540</u>	<u>34,767</u>	<u>37,866</u>	<u>39,085</u>	<u>37,956</u>
Total primary government program revenues	<u>\$ 47,530</u>	<u>\$ 51,385</u>	<u>\$ 46,810</u>	<u>\$ 48,007</u>	<u>\$ 55,768</u>	<u>\$ 61,823</u>	<u>\$ 62,605</u>	<u>\$ 67,792</u>
<b>Net (expense)/revenue</b>								
Governmental activities	\$ (30,868)	\$ (33,393)	\$ (35,282)	\$ (42,591)	\$ (42,189)	\$ (41,274)	\$ (42,734)	\$ (31,641)
Business-type activities	4,039	3,482	1,905	(3,504)	1,229	4,510	5,511	3,137
Total primary government net expense	<u>\$ (26,829)</u>	<u>\$ (29,911)</u>	<u>\$ (33,377)</u>	<u>\$ (46,095)</u>	<u>\$ (40,960)</u>	<u>\$ (36,764)</u>	<u>\$ (37,223)</u>	<u>\$ (28,504)</u>

**City of Saginaw, Michigan**  
**Changes in Governmental Net Position**  
**Last Eight Years**

(Accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year Ended June 30,							
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General revenues and Other Changes in Net Position</b>								
Governmental activities:								
Property taxes	\$ 6,376	\$ 9,928	\$ 9,659	\$ 9,281	\$ 9,072	\$ 7,757	\$ 7,419	\$ 6,458
Income taxes	13,549	13,526	12,776	12,359	11,803	12,236	12,533	12,257
Unrestricted grants and contributions	10,168	9,885	10,190	10,660	9,299	10,661	8,117	7,766
Unrestricted investment earnings	641	784	657	438	419	473	438	347
Miscellaneous	146	83	84	138	104	27	86	91
Gain on disposal of capital assets	-	44	88	69	-	256	1	88
Transfers	(21)	-	(40)	(421)	-	(29)	-	14
<b>Total governmental activities</b>	<u>30,859</u>	<u>34,250</u>	<u>33,414</u>	<u>32,524</u>	<u>30,697</u>	<u>31,381</u>	<u>28,594</u>	<u>27,021</u>
Business -type activities:								
Unrestricted investment earnings	222	351	322	146	74	43	10	29
Miscellaneous	4	-	-	-	-	-	782	150
Transfers	21	-	40	421	-	28	-	(14)
<b>Total business-type activities</b>	<u>247</u>	<u>351</u>	<u>362</u>	<u>567</u>	<u>74</u>	<u>71</u>	<u>792</u>	<u>165</u>
<b>Total primary government</b>	<u>\$ 31,106</u>	<u>\$ 34,601</u>	<u>\$ 33,776</u>	<u>\$ 33,091</u>	<u>\$ 30,771</u>	<u>\$ 31,452</u>	<u>\$ 29,386</u>	<u>\$ 27,186</u>
<b>Change in Net Position</b>								
Governmental activities	\$ (9)	\$ 857	\$ (1,868)	\$ (10,067)	\$ (11,492)	\$ (9,893)	\$ (14,140)	\$ (4,620)
Business-type activities	4,286	3,833	2,267	(2,937)	1,303	4,581	6,303	3,302
<b>Total primary government</b>	<u>\$ 4,277</u>	<u>\$ 4,690</u>	<u>\$ 399</u>	<u>\$ (13,004)</u>	<u>\$ (10,189)</u>	<u>\$ (5,312)</u>	<u>\$ (7,837)</u>	<u>\$ (1,318)</u>

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

Source: City's Comprehensive Annual Financial Report

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund:										
Reserved	\$ 146	\$ 81	\$ 58	\$ 45	\$ 137	\$ 46	\$ 59	\$ -	\$ -	\$ -
Unreserved	4,952	4,897	5,126	7,626	1,574	1,498	1,513	-	-	-
Non-spendable	-	-	-	-	-	-	-	143	240	212
Restricted	-	-	-	-	-	-	-	1	10	10
Assigned	-	-	-	-	-	-	-	1,036	-	-
Unassigned	-	-	-	-	-	-	-	2,685	998	46
Total general fund	<u>\$ 5,098</u>	<u>\$ 4,978</u>	<u>\$ 5,184</u>	<u>\$ 7,671</u>	<u>\$ 1,711</u>	<u>\$ 1,544</u>	<u>\$ 1,572</u>	<u>\$ 3,865</u>	<u>\$ 1,248</u>	<u>\$ 268</u>
All other governmental funds:										
Reserved	\$ 3,994	\$ 3,787	\$ 3,301	\$ 3,459	\$ 6,642	\$ 6,284	\$ 5,666	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	293	1,322	1,681	990	(719)	1,215	1,934	-	-	-
Capital projects funds	73	26	101	101	101	101	101	-	-	-
Permanent fund	112	105	187	217	92	85	79	-	-	-
Non-spendable	-	-	-	-	-	-	-	2,974	2,870	2,853
Restricted	-	-	-	-	-	-	-	1,338	2,213	2,312
Assigned	-	-	-	-	-	-	-	379	286	157
Unassigned	-	-	-	-	-	-	-	(790)	(2,904)	(1,863)
Total all other governmental funds	<u>\$ 4,472</u>	<u>\$ 5,240</u>	<u>\$ 5,270</u>	<u>\$ 4,767</u>	<u>\$ 6,116</u>	<u>\$ 7,685</u>	<u>\$ 7,780</u>	<u>\$ 3,901</u>	<u>\$ 2,465</u>	<u>\$ 3,459</u>

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

Source: City's Comprehensive Annual Financial Report

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenue</b>										
General operating property taxes	\$ 5,620	\$ 5,669	\$ 5,824	\$ 9,305	\$ 9,218	\$ 8,695	\$ 8,401	\$ 7,303	\$ 7,088	\$ 6,122
Special assessments	101	93	67	45	83	296	160	119	(25)	158
City income tax	12,918	13,229	13,550	13,526	12,776	12,359	11,803	12,236	12,533	12,257
State shared revenues	15,638	15,718	15,199	14,797	14,809	14,863	13,661	13,682	11,422	11,747
Licenses, permits, and fees	3,384	3,008	3,072	3,450	2,649	3,550	2,975	3,114	5,777	5,498
Fines, penalties, and forfeitures	359	442	334	356	293	788	582	518	741	600
Grants, donations, and contributions	9,143	6,165	7,741	7,596	7,713	8,600	11,758	16,058	11,799	14,871
Interest on loans and investments	326	361	583	682	597	431	439	497	475	401
Rents and privileges	67	-	52	1	104	31	37	27	79	93
Sale of materials and services	1,143	1,175	995	1,540	1,281	1,493	1,548	1,676	2,635	2,089
Sale of land	-	-	-	-	-	115	-	-	78	-
Loan repayments	375	69	131	159	104	35	123	90	282	55
Miscellaneous	-	-	-	-	-	-	13	126	-	385
Total revenue	<u>49,074</u>	<u>45,929</u>	<u>47,548</u>	<u>51,457</u>	<u>49,627</u>	<u>51,256</u>	<u>51,500</u>	<u>55,446</u>	<u>52,884</u>	<u>54,276</u>
<b>Expenditures</b>										
General government	4,502	3,702	3,597	3,901	3,882	4,266	4,647	4,646	4,589	4,207
Administration	2,868	2,761	3,002	3,199	3,280	3,308	3,151	3,492	2,657	2,699
Public safety	24,584	22,745	23,714	24,834	24,862	26,279	25,360	28,195	28,075	25,593
Highway and streets	5,394	5,281	6,158	5,930	5,984	5,067	4,600	5,931	4,651	4,657
General services	6,194	6,053	6,067	6,590	6,752	6,361	6,022	6,653	6,833	7,112
Community services	1,501	1,288	1,217	1,512	2,143	1,986	1,767	1,763	1,598	1,589
Economic development	2,443	1,450	2,258	2,029	1,835	1,785	4,696	7,213	9,566	10,014
Capital outlay	2,712	866	825	843	542	557	657	510	-	-
Debt service										
Principal	1,164	765	780	576	430	450	470	-	-	5
Interest and other fees	155	128	90	59	40	26	9	-	-	2
Total expenditures	<u>51,517</u>	<u>45,039</u>	<u>47,708</u>	<u>49,473</u>	<u>49,750</u>	<u>50,085</u>	<u>51,379</u>	<u>58,403</u>	<u>57,969</u>	<u>55,878</u>
Excess of revenues over (under) expenditures	(2,443)	890	(160)	1,984	(123)	1,171	121	(2,957)	(5,085)	(1,602)



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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Other financing sources (uses)</b>										
Proceeds from installment contract	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -
Section 109 loan proceeds	1,412	65	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	40
Insurance recoveries	-	-	-	-	-	-	-	-	-	2
Transfers in	2,348	1,457	1,811	1,686	1,388	2,121	1,145	4,239	2,023	2,946
Transfers from component units	-	-	-	-	-	-	-	-	-	-
Transfers (out)	(1,582)	(1,445)	(1,415)	(1,686)	(5,133)	(1,632)	(1,145)	(1,809)	(1,196)	(1,371)
Total other financing sources (uses)	<u>2,178</u>	<u>77</u>	<u>396</u>	<u>-</u>	<u>(3,745)</u>	<u>489</u>	<u>-</u>	<u>2,430</u>	<u>927</u>	<u>1,617</u>
Net change in fund balances	<u>\$ (265)</u>	<u>\$ 967</u>	<u>\$ 236</u>	<u>\$ 1,984</u>	<u>\$ (3,868)</u>	<u>\$ 1,660</u>	<u>\$ 121</u>	<u>\$ (527)</u>	<u>\$ (4,158)</u>	<u>\$ 15</u>
Debt service as a percentage of noncapital expenditures	2.70%	2.02%	1.86%	1.31%	0.96%	0.96%	0.94%	- %	- %	- %

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

Source: City's Comprehensive Annual Financial Report

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

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<u>Fiscal Year</u>	<u>Property Taxes</u>
2004	\$ 5,619,698
2005	5,669,266
2006	5,824,455
2007	9,305,384
2008	9,218,163
2009	8,695,585
2010	8,401,434
2011	7,303,409
2012	7,087,879
2013	6,121,874

**City of Saginaw, Michigan**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

(Amounts expressed in thousands)

Fiscal Year Ended June 30,	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					
2004	\$ 454,252	\$ 94,800	\$ 44,868	\$ 132,584	\$ 726,504	8.5638	\$ 1,453,008	50.00%
2005	479,561	95,550	45,119	124,302	744,532	8.4944	1,489,064	50.00%
2006	506,316	98,166	49,014	120,159	773,655	8.3717	1,547,310	50.00%
2007	523,100	97,118	48,985	122,749	791,952	14.2130	1,583,904	50.00%
2008	531,883	97,356	48,942	117,554	795,735	14.1233	1,591,470	50.00%
2009	497,613	97,173	47,740	105,909	748,435	14.2588	1,496,870	50.00%
2010	452,724	95,695	47,162	98,106	693,687	14.5381	1,387,374	50.00%
2011	389,861	94,607	32,054	93,643	610,165	15.2508	1,220,330	50.00%
2012	352,600	93,167	30,490	97,508	573,765	14.2290	1,147,530	50.00%
2013	334,664	85,274	29,259	93,911	543,108	14.5637	1,086,216	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

**City of Saginaw, Michigan**  
**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	
2004	5.6106	2.9532	0.0000	8.5638	23.0000	4.0000	2.5427	2.0885	3.0000	7.2022	50.3972
2005	5.5412	2.9532	0.0000	8.4944	25.9500	3.9947	2.0427	2.0876	3.0000	7.6343	53.2037
2006	5.4185	2.9532	0.0000	8.3717	27.9000	3.9947	2.0427	2.0872	3.0000	7.5362	54.9325
2007	5.2598	2.9532	6.0000	14.2130	27.9000	3.9947	2.0427	2.0872	3.0000	7.5265	60.7641
2008	5.1701	2.9532	6.0000	14.1233	27.9000	3.9947	2.0427	2.0695	3.0000	7.5349	60.6651
2009	5.3056	2.9532	6.0000	14.2588	27.9000	3.9947	2.0427	2.1046	3.0000	7.5508	60.8516
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

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.

**City of Saginaw, Michigan**  
**Principal Property Tax Payers**

<u>Taxpayer</u>	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 22,056,695	1	4.06%	\$ 14,805,912	3	2.04%
General Motors LLC	\$ 7,786,793	2	1.43%	\$ 90,340,566	1	12.43%
Charter Communications Inc.	\$ 5,999,600	3	1.10%	\$ 3,830,400	7	0.53%
Linear Motion LLC	\$ 5,649,197	4	1.04%	\$ 7,503,224	5	1.03%
TRW Integrated Chassis Systems	\$ 4,756,400	5	0.88%			
Racer Properties LLC	\$ 4,408,256	6	0.81%			
Hausbeck Pickle Co	\$ 3,607,175	7	0.66%			
Fullerton Tool Inc.	\$ 3,575,265	8	0.66%	\$ 2,873,077	10	0.40%
Means Industries	\$ 3,573,584	9	0.66%	\$ 2,977,649	9	0.41%
Corvus Nodular Interest II LLC	\$ 3,058,849	10	0.56%			
Delphi Automotive Systems				\$ 80,582,135	2	11.09%
Eaton Corporation				\$ 12,370,060	4	1.70%
Machining Enterprises Inc.				\$ 4,462,200	6	0.61%
Riverfront Medical Realty LLC				\$ 3,070,369	8	0.42%
<b>Totals</b>	<b>\$ 64,471,814</b>		<b>11.87%</b>	<b>\$ 222,815,592</b>		<b>30.67%</b>

Source: City of Saginaw Assessor's Office

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

(Amounts expressed in thousands)

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
2004	\$ 5,935,226	\$ 5,339,899	89.97%	\$ 15,280	\$ 5,355,179	90.23%
2005	5,761,018	5,295,856	91.93%	26,599	5,322,455	92.39%
2006	5,734,227	5,187,414	90.46%	546,813	5,734,227	100.00%
2007	9,272,645	8,787,931	94.77%	1,781	8,789,712	94.79%
2008	9,329,357	9,329,357	100.00%	-	9,329,357	100.00%
2009	9,145,982	8,519,765	93.15%	72,887	8,592,652	93.95%
2010	8,944,519	8,869,275	99.16%	68,110	8,937,385	99.92%
2011	8,283,083	8,219,048	99.23%	35,222	8,254,270	99.65%
2012	7,022,671	7,010,636	99.83%	1,716	7,012,352	99.85%
2013	6,901,651	6,861,236	99.41%	9,509	6,870,745	99.55%

Source: City Treasurer's Office

**City of Saginaw, Michigan**  
**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	Section 108 Loans	Energy Efficiency Loan	Revenue Bonds	General Obligation Bonds			
2004	\$ 345,000	\$ 1,112,284	\$ 2,700,000	\$ -	\$ 5,435,000	\$ 55,727,006	\$ 65,319,290	4.18%	\$ 1,106
2005	285,000	543,269	2,245,000	-	4,100,000	51,567,656	58,740,925	3.74%	992
2006	220,000	327,482	1,770,000	-	2,680,000	49,450,766	54,448,248	6.85%	947
2007	150,000	197,769	1,350,000	-	1,165,000	46,329,795	49,192,564	6.33%	874
2008	75,000	137,495	920,000	-	11,100,000	43,983,341	56,215,836	7.73%	1,091
2009	-	65,635	470,000	-	11,100,000	41,895,580	53,531,215	7.36%	1,045
2010	-	30,028	-	-	10,850,000	36,858,387	47,738,415	6.59%	927
2011	-	-	-	-	10,600,000	31,864,706	42,464,706	5.71%	829
2012	-	-	-	100,000	20,870,000	28,170,711	49,140,711	6.66%	968
2013	-	-	-	94,435	19,410,000	24,217,673	43,722,108	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 2013 not yet available

**City of Saginaw, Michigan**  
**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)
2004	\$ 56,072,006	\$ 117,234	\$ -	\$ 55,954,772	7.70%	948
2005	51,852,656	39,241	-	51,813,415	6.96%	875
2006	49,670,766	-	-	49,670,766	6.42%	863
2007	46,479,795	-	-	46,479,795	5.87%	826
2008	44,058,341	-	-	44,058,341	5.54%	855
2009	41,895,580	-	-	41,895,580	5.60%	818
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%	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, Michigan**  
**Direct and Overlapping Governmental Activities Debt**  
**Last Ten Fiscal Years**

Governmental Unit	Debt Outstanding	Estimated % Applicable	Estimated Share of Overlapping Debt
Direct debt - City of Saginaw	\$ 43,627,673.00	100.00%	\$ <u>43,627,673</u>
Indirect debt:			
Saginaw County	564,300	100.00%	564,300
Multi-Authority	6,806,453	100.00%	<u>6,806,453</u>
Total indirect debt			<u>7,370,753</u>
Overlapping debt:			
Saginaw School District	40,664,776	69.56%	28,286,418
Saginaw County	3,207,808	9.57%	306,987
Saginaw ISD	213,620	9.71%	20,743
Delta Community College	<u>-</u>	4.66%	<u>-</u>
Total overlapping debt			<u>28,614,148</u>
Total direct and overlapping debt			<u>\$ 79,612,574</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, Michigan**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(Amounts expressed in thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 72,650	\$ 74,453	\$ 77,366	\$ 79,195	\$ 79,574	\$ 74,844	\$ 69,369	\$ 61,017	\$ 57,377	\$ 54,311
Total net debt applicable to limit	<u>57,139</u>	<u>52,396</u>	<u>49,997</u>	<u>48,028</u>	<u>45,116</u>	<u>56,180</u>	<u>52,141</u>	<u>41,995</u>	<u>32,515</u>	<u>31,588</u>
Legal debt margin	<u>\$ 15,511</u>	<u>\$ 22,057</u>	<u>\$ 27,369</u>	<u>\$ 31,167</u>	<u>\$ 34,458</u>	<u>\$ 18,664</u>	<u>\$ 17,228</u>	<u>\$ 19,022</u>	<u>\$ 24,862</u>	<u>\$ 22,723</u>
Total net debt applicable to the limit as a percentage of debt limit	78.65%	70.37%	64.62%	60.65%	56.70%	75.06%	75.16%	68.83%	56.67%	58.16%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed valuation, December 31, 2012	\$ 543,108
Debt limit (10% of assessed valuation)	\$ 54,311
Debt applicable to limit:	50,998
Less:	
Water revenue supported debt	<u>19,410</u>
Total amount of debt applicable to debt limit:	<u>31,588</u>
Legal Debt Margin	<u>\$ 22,722</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, Michigan**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Water System Revenue Bonds

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2004	\$ 10,242,044	\$ 7,484,399	\$ 2,757,645	\$ 1,260,000	\$ 364,380	\$ 1,624,380	1.70
2005	13,169,793	7,785,202	5,384,591	1,335,000	288,643	1,623,643	3.32
2006	12,835,997	8,460,312	4,375,685	1,420,000	212,228	1,632,228	2.68
2007	12,828,771	9,186,953	3,641,818	1,515,000	143,963	1,658,963	2.20
2008	12,553,474	9,822,603	2,730,871	1,165,000	147,743	1,312,743	2.08
2009	12,359,914	10,236,107	2,123,807	-	506,000	506,000	4.20
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	1,460,000	1,311,305	2,771,305	1.60

Water Park Revenue Bonds

2004	2,759	9	2,750	15,000	600	15,600	0.18
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Note: Details regarding City of Saginaw's outstanding debt can be found in the notes to the financial statements.

(1) Includes interest earnings.

(2) Net of depreciation expense.

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

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Fiscal Year	Population (1)	Personal Income	Per Capita (1) Personal Income	School Enrollment (3)	Unemployment Rate (2)
2004	59,045	\$ 1,563,806,825	\$ 26,485	11,928	14.70%
2005	59,235	1,568,838,975	26,485	11,753	13.50%
2006	57,523	794,737,768	13,816	10,755	12.80%
2007	56,263	777,329,608	13,816	10,427	12.30%
2008	51,518	727,500,472	14,121	10,080	14.80%
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	(4)	(4)	(4)	7,355	16.10%

Data Sources:

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

(2) Michigan Labor Market Information, Data Explorer

(3) Local school districts

(4) Not available

**City of Saginaw, Michigan**  
**Principal Employers**  
**2013 and 2004**

<u>Employer</u>	<u>2013</u>			<u>Employer</u>	<u>2004</u>		
	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>		<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Covenant Medical Center	4,678	1	5.48%	Covenant Medical Center	4,398	1	4.71%
St. Mary's of Michigan	2,714	2	3.18%	St. Mary's of Michigan	2,312	5	2.48%
GM, LLC	2,025	3	2.37%	Motors Liquidation	3,756	2	4.03%
School District City of Saginaw	1,175	4	1.38%	School District City of Saginaw	2,871	3	3.08%
Steering Solutions Services Corp	692	5	0.81%	Delphi Automotive	2,475	4	2.65%
Saginaw County Court House	935	6	1.10%	Saginaw County Court House	979	7	1.05%
US Govt Def Fin & Acct Serv	930	4	1.09%				
State of Michigan	758	8	0.89%	State of Michigan	736	8	0.79%
TRW Integrated Chassis Systems	683	9	0.80%				
City of Saginaw	564	10	0.66%	City of Saginaw	712	9	0.76%
US MN Postal Data	991	11	1.16%	US MN Postal Data	1,339	6	1.44%
				Department of Veterans Affairs	705	10	0.76%
				Eaton Corporation	405	11	0.43%
<b>Totals</b>	<b>16,145</b>		<b>18.93%</b>		<b>19,578</b>		<b>20.98%</b>
<b>Total Employment (2)</b>	<b>85,300</b>			<b>Total Employment (2)</b>	<b>93,300</b>		

Data Sources:

(1) City of Saginaw Income Tax Department

(2) Michigan Labor Market Information, Data Explorer

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	25	29	26	25	25	26	25	26	26	26
Fiscal services	28	28	29	30	32	27	26	27	27	28
Public safety										
Police	126	157	143	155	155	140	142	140	139	136
Fire	77	77	77	69	69	70	72	70	67	58
Highways and streets	28	31	34	33	28	20	21	27	26	19
General services	71	57	54	73	64	52	52	46	46	49
Community services	11	12	13	16	19	18	18	18	18	20
Economic development	2	9	12	11	11	11	10	7	7	11
Parking system	3	2	2	2	2	2	2	1	1	-
Water	55	55	56	65	65	71	68	61	61	61
Sewer	80	79	74	76	80	99	94	83	84	88
Total	<u>506</u>	<u>536</u>	<u>520</u>	<u>555</u>	<u>550</u>	<u>536</u>	<u>530</u>	<u>506</u>	<u>503</u>	<u>497</u>

Source: City of Saginaw Annual Budget

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government</b>										
Elections										
Number of registered voters						40,158	40,224	39,788	40,599	40,211
<b>Public Safety</b>										
Police Department										
Number of citations issued					8,534	11,121	9,947	9,596	6,414	6,970
Number of complaints filed									8,638	7,953
Number of calls for service	33,034	38,251	40,700	41,176	42,640	43,378	44,764	44,245	44,737	57,625
Number of DUI offenses										69
Fire Department										
Number of emergency runs						1,918	1,678	1,835	1,898	2,429
<b>Public Works</b>										
Streets										
Tons of salt used						2,218				
<b>Recreated and Culture</b>										
Park acreage maintained						308	308	308	308	308
Special events						60	61	57	53	53
Shelter rentals						35	61	57	58	15
Block parties						11	16	16	15	16
Street trees planted										177
Street trees trimmed									178	596
Street trees removal									432	417
<b>Community and Economic Development</b>										
Housing units rehabilitated						16	11	14	12	3
Basic needs and 50/50						32	7	9	11	9
<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)	22.0	22.0	22.0	22.0	22.0	22.0	17.0	23.3	20.1	22.9
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	419.7	420.0
Daily average consumption (million gallons)	23.3	22.0	22.1	21.5	21.5	20.3	19.4	19.2	19.5	20.0
Maximum daily treatment (million gallons)	35.0	31.8	32.3	37.4	34.5	29.6	28.1	30.5	31.3	32.3
<b>Cemetery</b>										
Interments							401	342	353	386
Grave sales							303	240	252	145
Foundations set							257	203	243	149
<b>Marina</b>										
Boat launch						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. 6 - 21

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles						69	72	74	74	72
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Vehicles								21	21	19
Public Works										
Streets (miles)										
Major	99	99	99	99	99	99	99	96	96	96
Local	184	184	184	184	184	184	184	182	182	182
State highways	32	32	32	32	32	32	32	36	36	36
Recreation and culture										
Park Areas						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.