



S CITY OF
SAGINAW

Michigan

**Comprehensive Annual
Financial Report**

For the Fiscal Year Ended

June 30, 2020

City of Saginaw, Michigan
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

Prepared by the Department of Fiscal Services

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CITY OF SAGINAW

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December 1, 2020

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, 2020, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

Profile of the Government

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

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

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

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

Economic Conditions and Outlook

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

As the economy in Michigan and nationally has declined in recent years, so has the level of state shared revenue allocated to the City by the state government. During fiscal years 2017 through 2019 the City had seen slight increases in state shared revenue, but it was still significantly lower than it should have been, had even modest increases been made annually. In fiscal year 2020, due to the COVID-19 pandemic, the Constitutional portion of state shared revenue was reduced, and a portion of the Statutory portion was eliminated. The State will be offsetting these losses with the Coronavirus Relief Local Government Grant, which will be realized in fiscal year 2021.

The City has had to direct additional efforts to collections of delinquent funds owed to the City, such as delinquent income taxes and other fee related revenue. The management team is determined to continue to improve processes and efficiencies to manage and collect all sources of revenue that are due to the City. Furthermore, the continuing development of a fee-based service delivery system, where applicable, for the City will be a priority in the upcoming fiscal year as the City will depend more upon service fees as a means to provide the current level of services to the community.

The City of Saginaw has seen a transformation in its economic base. For many years manufacturing associated with the auto industry provided the primary source of employment for the region. The City's economy relied heavily on General Motors and Delphi Automotive Systems, which accounted for approximately a quarter of the City's taxable valuation and City income tax revenue. In the past few years, the City has experienced a shift in the economy from automotive manufacturing to medical services and the health care industry. Three of the top ten major employers, in terms of income tax withholding, are now in the health care industry (Covenant Health Care, Ascension Health Ministry, and the Department of Veterans Affairs - VA Medical Center).

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

constructed a new campus in downtown Saginaw, and classes, with higher than expected enrollment, began in 2019.

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

The City of Saginaw, in cooperation with Saginaw Future, recently participated in the 2020 virtual Michigan Investor Summit, which was hosted by the Michigan Municipal League, Accelerator for America, and the Michigan Urban Core Mayors. The first of its kind event, which took place in October, showcased potential Opportunity Zone projects designed for mixed use development, retail, office, residential, hospitality, and tourism investments. The virtual summit was a unique opportunity to establish connections with participating communities, community stakeholders, developers, and investors to advance inclusive opportunity zone projects. Saginaw will continue to pursue developers to invest in our urban core.

Long-term Financial Planning

The City anticipates that fiscal year 2021 will be another challenging year, especially with the unknown effects related to the COVID-19 pandemic. Though the long-term effects of COVID on many revenue streams are not completely known at this point, the City has received multiple grants as a result of the COVID pandemic. These grants cover emergency protective measures, including PPE, payroll for police officers and firefighters, delinquent sewer and water bills, and steps taken to protect the public and employees.

Other significant issues relate to retirees (healthcare and pension). This situation is not unique to the City of Saginaw but is one that faces most communities across the country. Many cities have been forced to reduce services in recent years to deal with historically accrued liabilities. The City has made several changes in the past few years to impact the long-term liability related to post-employment benefits – both pension and healthcare. Saginaw has eliminated the defined benefit pension plan for new hires and eliminated retiree healthcare for employees hired after 2009. The City also opened a new hybrid defined benefit and contribution retirement plan and was able to re-amortize the necessary contributions for our traditional defined benefit retirement plans. Furthermore, on January 1, 2017, the city transferred retirees into healthcare plans that are comparable to active healthcare plans. Previously, the city had 18 different retirement plans that were cost prohibitive. Through senior management’s diligent work with these retirees to reduce the 18 plans down to two cost effective healthcare options, operational savings has been and will continue to be realized. We continue to evaluate and work toward additional changes.

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

As has been typical for the past several years, the Fiscal Year 2020 budget was developed in a year of financial challenges. Then, in March 2020, the COVID pandemic hit the Great Lakes Bay Region, which led to many unknowns throughout the end of the year. With the various grant sources available, the City will be able to recover most, if not all, of the lost revenue related to this from fiscal year 2020.

Local units of government throughout the country are struggling to find ways to maintain services, particularly those cities that once relied heavily on the manufacturing industry. City administration’s primary goal is to help build our city for the future and to develop it into what we believe it can be

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

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

As our community changes so does the City of Saginaw as an organization. The economy has forced everyone to make adjustments to the way they live. It has been more difficult

than ever to make ends meet. The City of Saginaw is no exception. As you will notice from our expenditures, as well as by observing City operations, the City is not funding parks and recreation activities in the manner in which we would like. Saginaw is largely relying on volunteers and community groups to help improve and maintain our parks, and also to provide recreation services to our youth. That is why community groups are essential to the success of our City, and we do thank each and every one of those organizations.

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

For the past several years the City has been dedicated to developing balanced budgets, establishing and maintaining strategic reserve funds, responsible review of capital improvement plans, and the efficient use of resources. In order to do so, the city has made necessary changes to services and operations to decrease expenses. The goal is to provide the public with the service levels that the city can afford. Expenditures will continue to be reduced through the extensive review of operations, cost containment initiatives, and the strategic use of resources. Revenue will continue to be enhanced as the City seeks new and alternative methods of funding and focuses on the collection of past due receivables. In the coming years, the City will have to continue to implement bold and innovative measures in order to remain operationally and fiscally sound. Current planning takes this

into account and provides a basis from which to focus on change through reforms and related difficult decision making.

Strategic Planning

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

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

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

Economic Development

In five years, Saginaw will be...

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

Neighborhood Revitalization

In five years, Saginaw will have...

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

Arts, Culture, and Recreation

In five years, Saginaw will be...

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

Police and Fire

In five years, Saginaw will have...

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

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

Utility Infrastructure

In five years, Saginaw will have...

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

Image (Brand, Perception)

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

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

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

Core Values:

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

During the strategic planning session, city council and the management team also developed SWOT Analysis for each priority. The entire Strategic Plan can be found on the city’s website at www.saginaw-mi.com.

Financial Information

Budgetary Controls

The City Charter requires the City Council, by resolution, to determine and adopt the budget and make the appropriations for the next fiscal year. It also requires, by resolution, for a tax

levy amount necessary to be raised by taxation at least 30 days prior to the first day of the upcoming fiscal year.

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

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

Internal Controls

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the City assets are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute,

assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the City's internal controls provide reasonable assurance of the proper recording of financial transactions. Because of inherent limitations in any internal accounting control, errors or irregularities nevertheless may occur and not be detected.

Single Audit

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of achievement for Excellence in Financial Reporting to the City of Saginaw for its comprehensive annual financial report for the fiscal year ended June 30, 2019. 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,



Timothy Morales
City Manager



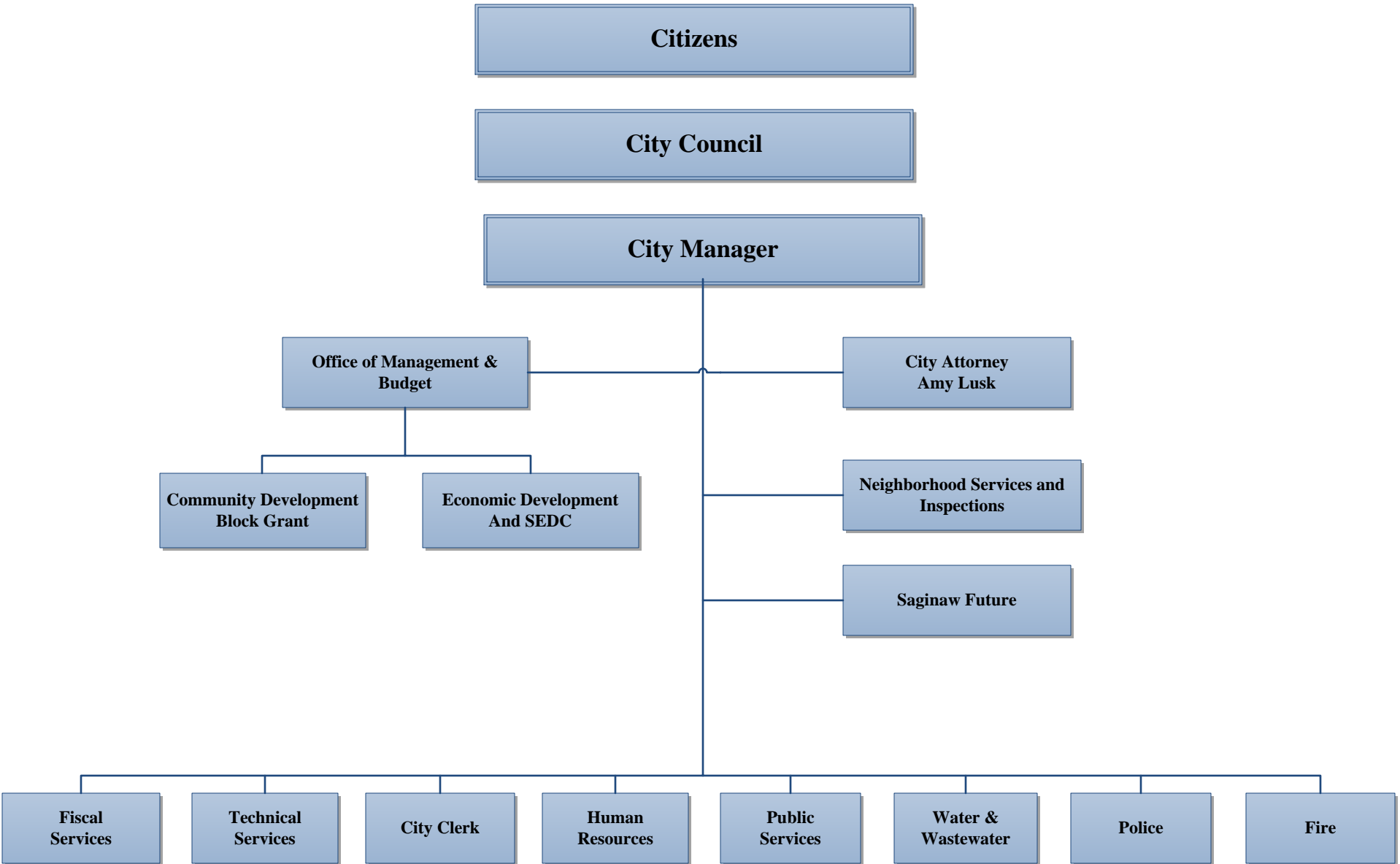
Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Saginaw
Michigan**

CITY OF SAGINAW



- **Health Officer**

City of Saginaw
List of Elected and Appointed Officials
June 30, 2020

City Council

Floyd Kloc – Mayor

Brenda F. Moore – Mayor Pro-Tem

Michael D. Balls – Council Member

Annie E. Boensch – Council Member

Reggie Williams II – Council Member

Bill J. Ostash – Council Member

Autumn L. Scherzer – Council Member

Jamie A. Forbes – Council Member

John Milne – Council Member

Administrative Staff

Tim Morales – City Manager

Lori Brown – Finance Director



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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, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

As described in Note 1 to the financial statements, during the year ended June 30, 2020, the City adopted GASB Statement No. 84 *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

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

Other Supplementary Information

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

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

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

Prior Year Supplementary Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the City of Saginaw's basic financial statements as of and for the year ended June 30, 2019, which are not presented with the accompanying basic financial statements. In our report dated November 26, 2019, we expressed unmodified opinions on the respective basic financial statements of the governmental activities, the business-type activities, the aggregate discretely present component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the City of Saginaw's financial statements as a whole. The 2019 information in the comparative other supplementary schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 information in the comparative supplementary schedules is fairly stated in all material respects in relation to the financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2020 on our consideration of the City of Saginaw's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Saginaw's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Saginaw's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Saginaw, Michigan
December 1, 2020

City of Saginaw
Management's Discussion and Analysis
June 30, 2020

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, 2020. 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the assets and deferred outflows compared to the liabilities and deferred inflows reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, general services, and community and economic development. The business-type activities of the City include the Water and Sewer services and the Boat Launch activities.

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

The government-wide financial statements can be found on pages 3 - 1 through 3 - 3 of this report.

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

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

City of Saginaw
Management's Discussion and Analysis
June 30, 2020

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 eighteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Major Streets and Community Development Fund, all of which are considered to be major funds.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all funds and it is approved by the City Council per the City Charter. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 3 - 4 through 3 - 9 of this report.

Proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer services and its Boat Launch activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally

among the City's various functions. The City of Saginaw uses internal service funds to account for its Information Systems operations, Geographic Information Services, Radio Revolving activities, Motor Pool operations, Public Works Building, and Risk Management program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, Sewer Fund, and Boat Launch Fund, with the Water and Sewer Funds considered to be major funds. Data from the other proprietary funds are combined and presented separately. Individual fund data for the internal service funds are provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 3 - 10 through 3 - 15 of this report.

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

The basic fiduciary fund financial statements can be found on page 3 - 16 through 3 - 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 3 - 20 through 3 - 54 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

City of Saginaw
Management's Discussion and Analysis
June 30, 2020

statements and schedules. Combining and individual fund statements and schedules can be found in section 5 of this report.

The following table shows the revenue and expense components of changes in net position for the year ended June 30, 2020.

Government-wide Financial Analysis

The City of Saginaw has combined net position of (\$255,737,083). Business type activities comprise \$42,580,701 and governmental activities make up (\$298,317,784) 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	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 36,764,751	\$ 31,819,358	\$ 65,457,164	\$ 64,597,745	\$ 102,221,915	\$ 96,417,103
Capital assets	48,345,417	47,095,269	116,096,143	116,560,157	164,441,560	163,655,426
Total assets	85,110,168	78,914,627	181,553,307	181,157,902	266,663,475	260,072,529
Deferred outflows	23,270,568	17,490,324	8,889,002	8,687,127	32,159,570	26,177,451
Total assets and deferred outflows	108,380,736	96,404,951	190,442,309	189,845,029	298,823,045	286,249,980
Current liabilities	7,734,209	6,433,244	3,779,874	8,286,478	11,514,083	14,719,722
Long-term liabilities	398,944,426	357,796,334	144,078,158	130,593,574	543,022,584	488,389,908
Total liabilities	406,678,635	364,229,578	147,858,032	138,880,052	554,536,667	503,109,630
Deferred inflows	19,885	4,237,921	3,576	727,989	23,461	4,965,910
Total liabilities and deferred inflows	406,698,520	368,467,499	147,861,608	139,608,041	554,560,128	508,075,540
Net position:						
Net investment in capital assets	43,667,352	41,636,968	81,044,715	77,898,874	124,712,067	119,535,842
Restricted	3,126,039	3,090,661	-	-	3,126,039	3,090,661
Unrestricted (deficit)	(345,111,175)	(316,790,177)	(38,464,014)	(27,661,886)	(383,575,189)	(344,452,063)
Total net position	\$ (298,317,784)	\$ (272,062,548)	\$ 42,580,701	\$ 50,236,988	\$ (255,737,083)	\$ (221,825,560)

Business-type activities net position decreased \$7,656,287 during the year. Governmental activities net position decreased \$26,255,236 during the year. The primary cause of the decrease in both business-type activities net position and governmental activities net position relates to the increase in the OPEB liability.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for Services	\$ 10,937,162	\$ 11,600,015	\$ 39,224,466	\$ 38,547,408	\$ 50,161,628	\$ 50,147,423
Operating Grants & Contributions	10,913,329	11,869,203	110	-	10,913,439	11,869,203
Capital Grants and Contributions	4,033	28,610	597,872	488,981	601,905	517,591
General Revenues:						
Property Taxes	6,546,788	7,168,847	-	-	6,546,788	7,168,847
Income Taxes	3,782,996	14,119,061	-	-	3,782,996	14,119,061
State Shared Revenue	8,085,913	8,612,657	-	-	8,085,913	8,612,657
Grants not restricted	1,386,127	1,711,068	-	-	1,386,127	1,711,068
Unrestricted invest earnings	685,927	808,561	235,729	336,191	921,656	1,144,752
Misc	249,936	94,120	605,527	98,593	855,463	192,713
Gain on Sale of Cap Assets	61,001	96,918	813	17,327	61814	114,245
Total Revenues	52,653,212	56,109,060	40,664,517	39,488,500	93,317,729	95,597,560
Expenses						
General Government	11,737,879	4,089,203	-	-	11,737,879	4,089,203
Administration	2,944,829	2,762,969	-	-	2,944,829	2,762,969
Public Safety	4,103,612	21,103,925	-	-	4,103,612	21,103,925
Highway Streets	9,091,839	5,315,772	-	-	9,091,839	5,315,772
Other General Services	9,321,965	8,035,619	-	-	9,321,965	8,035,619
Community Services	2,295,835	1,893,775	-	-	2,295,835	1,893,775
Economic Development	2,423,422	2,897,748	-	-	2,423,422	2,897,748
Interest on Long-term Debt:	82,082	245,423	-	-	82,082	245,423
Sewer	-	-	23,405,389	20,824,197	23,405,389	20,824,197
Water	-	-	24,874,838	15,876,340	24,874,838	15,876,340
Boat Launch	-	-	17,562	26,575	17,562	26,575
Total Expenses	78,931,463	46,344,434	48,297,789	36,727,112	127,229,252	83,071,546
Excess or (deficiency)						
before transfers	(26,278,251)	9,764,626	(7,633,272)	2,761,388	(33,911,523)	12,526,014
Transfers	23,015	47,885	(23,015)	(47,885)	-	-
Change in net position	(26,255,236)	9,812,511	(7,656,287)	2,713,503	(33,911,523)	12,526,014
Net position - beginning	(272,062,548)	(281,875,059)	50,236,988	47,523,485	(221,825,560)	(234,351,574)
Total net position	\$ (298,317,784)	\$ (272,062,548)	\$ 42,580,701	\$ 50,236,988	\$ (255,737,083)	\$ (221,825,560)

City of Saginaw
Management's Discussion and Analysis
June 30, 2020

Governmental Activities

General revenues for governmental activities totaled approximately \$30.8 million for the year ended June 30, 2020. This is a decrease from the prior year due to decreases in all areas of general revenues. Property taxes provided \$6.5 million in revenues while income tax generated approximately \$13.8 million from residents and non-residents who live or work in the City respectively. Intergovernmental revenues, in the form of state shared revenues, continue to be of concern. While they provided approximately \$8.1 million, even with the current decrease due to the COVID-19 pandemic, it is uncertain what will happen in the next several years.

Expenses for governmental activities increased by about \$32.6 million due to increases in the OPEB expense, across all facets of the governmental activities, but most notably in the public safety sector.

Business-type Activities

Business-type activities operated by the City include the water and sewer systems and the boat launch. Program revenues from business-type activities were approximately \$39.2 million. Significant items include sewer service - \$19.8 million and water supply - \$19.4 million.

The water and sewer expenses increased by \$11.6 million in fiscal year 2020, relating to the increase in OPEB expense.

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.

COVID-19 Pandemic – The City was impacted in many areas due to the COVID-19 Pandemic. The City had to cease non-essential work in the spring of fiscal year 2020, due to the Governor's Executive Orders. Many operations were affected by lack of workforce, which resulted in reductions in revenues. Additionally, with fewer individuals working city-wide, income tax revenues were reduced. Both state-shared revenues and Act 51 revenues decreased at the end of the fiscal year. The City will receive grant revenues to help recovery from this, beginning in fiscal year 2020-2021. Additional details regarding the impact of the pandemic can be found on pages 3 - 53 and 3 - 54 of this report.

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

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

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

City of Saginaw
Management's Discussion and Analysis
June 30, 2020

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. The income tax revenue decreased in fiscal year 2020 for the first time in five years, due to the increase in unemployment related to the COVID-19 pandemic. For the 2020-2021 budget, the revenue from income taxes remains unchanged from the 2019-2020 budget. This will continue to be monitored and adjusted as the impact from the pandemic becomes known.

State shared revenues – The City of Saginaw receives approximately 23.7% of its general fund revenue from state revenue sharing. The 2019-2020 revenue was lower than prior years as the final statutory payment was eliminated due to the COVID-19 pandemic. This lost revenue will be recovered with the Coronavirus Relief Local Government Grants Program in 2020-2021.

Financial analysis of City funds and budgets

The general fund ended 2019-2020 with a fund balance of approximately \$9.1 million, of which \$245,336 is nonspendable for prepaids and inventory, \$18,148 is restricted for general government, public safety, and economic development, \$148,958 is committed for public safety and general government, and \$813,400 is assigned for community services and general government obligations.

The unassigned fund balance is \$7,864,691 as of June 30, 2020. The unassigned amount represented 22.2% of the June 30, 2020 general fund expenditures and other financing uses. That same number represents 21.7% of the fiscal year 2020-2021 budget (prior to 2020-2021 budget amendments). The net positions of several restricted fund balances for certain activities have been cleared out by the net pension liability and the net OPEB liability.

Several factors, many resulting from the COVID-19 pandemic, affected general fund operating results:

- Property tax revenue decreased \$559,329, due to a one-time revenue of refunded capture in FY2019
- City Income tax revenue decreased \$340,119
- State shared revenue decreased \$526,744
- Grants, donations and contributions decreased \$1,486,890

The general fund budget is amended throughout the year. Revenues were \$1,014,583 under budget while expenditures were \$2,217,569 under budget.

The City's June 30, 2020, \$311 million in unfunded health care liability impacts all funds per the December 31, 2019, measurement. Prior to the 2003-2004 fiscal year, the general fund was the single contributing fund to this liability. After receiving the June 30, 2001 actuary report, other funds were budgeted to contribute. The City has taken many steps to address the unfunded liability and filed a plan with the state to begin funding retiree healthcare, beginning with the fiscal year ending June 30, 2019. The City met its commitment to set aside additional funding in a trust during fiscal year 2020.

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, 2020, amounted to \$164,441,560 (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.

City of Saginaw
Management's Discussion and Analysis
June 30, 2020

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

- Streets trucks and trailers - \$620,118
- Bridge repairs and asphalt roads - \$1,261,247
- Park repairs and improvements - \$857,846
- Sewer and Water storage building- \$1,694,373

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

Long-term debt

At the end of the current fiscal year, the City of Saginaw had total debt outstanding of \$39.6 million in principal and \$12.6 million in interest. The City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) as well as installment contracts and capital leases for equipment.

	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Loans/bonds	\$ 4,615,533	\$ 507,964	\$ 34,952,818	\$ 12,093,804	\$ 39,568,351	\$ 12,601,768
Capital leases	113,892	6,869	-	-	113,892	6,869
Total	\$ 4,729,425	\$ 514,833	\$ 34,952,818	\$ 12,093,804	\$39,682,243	\$ 12,608,637

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

State statutes (Article 7, Section II, Michigan Constitution of 1963) limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the City is \$45,448,000 which is significantly higher than the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found on pages 3 - 36 through 3 - 39 of this report.

Economic factors and next year's budget

The following factors were considered in preparing the City's budget for the 2021 fiscal year:

- The effects of the COVID-19 pandemic on the financial position of the city
- A slight increase in property taxes
- Significant increase to the police pension contribution
- 2% decrease in the non-sworn pension contribution
- 5% increase in retiree healthcare costs
- Continued increase in active healthcare costs
- 2.0% increase in full-time wages, based on collective bargaining agreements
- Lead and copper galvanized line replacement

Contacting the City of Saginaw

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

City of Saginaw
Statement of Net Position
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 29,458,260	\$ 30,037,042	\$ 59,495,302	\$ 1,475,205
Investments	-	5,763,032	5,763,032	-
Receivables, net	4,299,484	6,093,157	10,392,641	1,665,998
Due from other units of government	2,483,009	-	2,483,009	-
Internal balances	(3,527,082)	3,527,082	-	-
Inventories	586,466	1,820,948	2,407,414	-
Prepaid items	331,364	5,302	336,666	-
Investment in Saginaw-Midland Municipal Water Supply Corporation	-	16,087,209	16,087,209	-
Restricted assets				
Cash and cash equivalents	86,843	2,123,392	2,210,235	-
Investments	3,046,407	-	3,046,407	-
Capital assets not being depreciated	18,247,477	8,017,865	26,265,342	-
Capital assets, net of accumulated depreciation	<u>30,097,940</u>	<u>108,078,278</u>	<u>138,176,218</u>	<u>-</u>
Total assets	<u>85,110,168</u>	<u>181,553,307</u>	<u>266,663,475</u>	<u>3,141,203</u>
Deferred outflows of resources				
Deferred amount on bond refunding	-	423,057	423,057	-
Deferred amounts related to the net pension liability	8,748,098	5,835,570	14,583,668	-
Deferred amounts related to the net OPEB liability	<u>14,522,470</u>	<u>2,630,375</u>	<u>17,152,845</u>	<u>-</u>
Total deferred outflows of resources	<u>23,270,568</u>	<u>8,889,002</u>	<u>32,159,570</u>	<u>-</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Statement of Net Position
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Accounts payable	\$ 3,698,102	\$ 1,692,227	\$ 5,390,329	\$ 96,745
Accrued and other liabilities	3,927,338	2,087,647	6,014,985	-
Due to other units of government	108,769	-	108,769	-
Noncurrent liabilities due within one year				
Debt due within one year	2,469,387	3,486,363	5,955,750	-
Claims payable	2,880,005	-	2,880,005	-
Noncurrent liabilities due in more than one year				
Debt due in more than one year	6,229,659	35,720,055	41,949,714	-
Net pension liability	123,770,063	57,465,973	181,236,036	-
Net OPEB liability	<u>263,595,312</u>	<u>47,405,767</u>	<u>311,001,079</u>	
Total liabilities	<u>406,678,635</u>	<u>147,858,032</u>	<u>554,536,667</u>	<u>96,745</u>
Deferred inflows of resources				
Deferred amount related to the net OPEB liability	<u>19,885</u>	<u>3,576</u>	<u>23,461</u>	
Net position				
Net investment in capital assets	43,667,352	81,044,715	124,712,067	-
Restricted for				
Drug forfeiture	75,436	-	75,436	-
Economic development	4,625	-	4,625	-
Culture and recreation	7,725	-	7,725	-
Permanent fund				
Expendable	96,802	-	96,802	-
Nonexpendable	2,941,451	-	2,941,451	-
Unrestricted (deficit)	<u>(345,111,175)</u>	<u>(38,464,014)</u>	<u>(383,575,189)</u>	<u>3,044,458</u>
Total net position	<u>\$ (298,317,784)</u>	<u>\$ 42,580,701</u>	<u>\$ (255,737,083)</u>	<u>\$ 3,044,458</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Statement of Activities
For the Year Ended June 30, 2020

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	
Primary government								
Governmental activities								
General government	\$ 11,737,879	\$ 2,109,580	\$ 6,521	\$ -	\$ (9,621,778)	\$ -	\$ (9,621,778)	\$ -
Administration	2,944,829	2,558,231	-	-	(386,598)	-	(386,598)	-
Public safety	41,033,612	1,597,410	340,571	4,033	(39,091,598)	-	(39,091,598)	-
Highways and streets	9,091,839	63,995	8,149,205	-	(878,639)	-	(878,639)	-
General services	9,321,965	4,133,113	-	-	(5,188,852)	-	(5,188,852)	-
Community services	2,295,835	380,439	238,484	-	(1,676,912)	-	(1,676,912)	-
Economic development	2,423,422	94,394	2,178,548	-	(150,480)	-	(150,480)	-
Interest on long-term debt	82,082				(82,082)		(82,082)	
Total governmental activities	<u>78,931,463</u>	<u>10,937,162</u>	<u>10,913,329</u>	<u>4,033</u>	<u>(57,076,939)</u>		<u>(57,076,939)</u>	
Business-type activities								
Sewer	24,874,838	19,819,133	-	597,872	-	(4,457,833)	(4,457,833)	-
Water	23,405,389	19,377,658	140	-	-	(4,027,621)	(4,027,621)	-
Boat launch	17,562	27,675				10,113	10,113	
Total business-type activities	<u>48,297,789</u>	<u>39,224,466</u>	<u>110</u>	<u>597,872</u>	<u>-</u>	<u>(8,475,341)</u>	<u>(8,475,341)</u>	
Total primary government	<u>\$ 127,229,252</u>	<u>\$ 50,161,628</u>	<u>\$ 10,913,439</u>	<u>\$ 601,905</u>	<u>(57,076,939)</u>	<u>(8,475,341)</u>	<u>(65,552,280)</u>	
Component units	<u>\$ 484,592</u>	<u>\$</u>	<u>\$ 48,502</u>	<u>\$</u>	-		-	<u>(436,090)</u>
General revenues								
Property taxes	-				6,546,788	-	6,546,788	177,486
City income taxes					13,782,996	-	13,782,996	-
State shared revenue					8,085,913	-	-8,085,913	-
Grants not restricted to specific programs					1,386,127	-	1,386,127	-
Investment earnings					685,927	235,729	921,656	68,024
Gain on sale of capital assets					61,001	813	61,814	-
Miscellaneous					249,936	605,527	855,463	-
Transfers					23,015	(23,015)		
Total general revenues and transfers					<u>30,821,703</u>	<u>819,054</u>	<u>31,640,757</u>	<u>245,510</u>
Change in net position					(26,255,236)	(7,656,287)	(33,911,523)	(190,580)
Net position - beginning of year					<u>(272,062,548)</u>	<u>50,236,988</u>	<u>(221,825,560)</u>	<u>3,235,038</u>
Net position - end of year					<u>\$ (298,317,784)</u>	<u>\$ 42,580,701</u>	<u>\$ (255,737,083)</u>	<u>\$ 3,044,458</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Governmental Funds
Balance Sheet
June 30, 2020

	General	Major Streets	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 8,733,624	\$ 2,762,054	\$ -	\$ 5,216,969	\$ 16,712,647
Receivables, net of allowance	1,985,801	193,483	12,509	1,648,333	3,840,126
Due from other units of government	697,517	823,048	696,675	265,769	2,483,009
Due from other funds	626,576	-	-	-	626,576
Inventories	221,252	141,936	-	-	363,188
Prepaid items	24,084	-	-	177,365	201,449
Notes and contracts receivable	-	-	452,428	-	452,428
Restricted assets					
Cash and cash equivalents	-	-	86,843	-	86,843
Investments	304,392	-	-	2,742,015	3,046,407
	<u>304,392</u>	<u>-</u>	<u>-</u>	<u>2,742,015</u>	<u>3,046,407</u>
Total assets	<u>\$ 12,593,246</u>	<u>\$ 3,920,521</u>	<u>\$ 1,248,455</u>	<u>\$ 10,050,451</u>	<u>\$ 27,812,673</u>
Liabilities					
Accounts payable	\$ 484,320	\$ 995,080	\$ 262,109	\$ 1,175,969	\$ 2,917,478
Accrued and other liabilities	882,022	48,055	18,301	654,645	1,603,023
Due to other funds	2,076,485	-	624,996	1,580	2,703,061
Due to other units of government	- 8,769	-	-	100,000	108,769
	<u>- 8,769</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>108,769</u>
Total liabilities	<u>3,451,596</u>	<u>1,043,135</u>	<u>905,406</u>	<u>1,932,194</u>	<u>7,332,331</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Governmental Funds
Balance Sheet
June 30, 2020

	General	Major Streets	Community Development	Nonmajor Governmental Funds	Total Governmental Funds
Deferred inflows of resources					
Accounts receivable	\$ 21,608	\$ -	\$ 12,509	\$ 978,090	\$ 1,012,207
Notes and contracts receivable	-	-	452,034	-	452,034
Grants	29,509		413,683	20,992	464,184
Total deferred inflows of resources	<u>51,117</u>		<u>878,226</u>	<u>999,082</u>	<u>1,928,425</u>
Fund balances					
Non-spendable					
Inventories	221,252	141,936	-	-	363,188
Prepaid items	24,084	-	-	177,365	201,449
Endowments	-	-	-	2,941,451	2,941,451
Restricted for					
General government	13,023	-	-	-	13,023
Roads	-	2,735,450	-	635,205	3,370,655
Public safety	500	-	-	123,249	123,749
Rubbish	-	-	-	1,237,675	1,237,675
Police grants	-	-	-	84,987	84,987
Drug forfeiture	-	-	-	75,436	75,436
Economic development	4,625	-	-	-	4,625
Culture and recreation	-	-	-	7,725	7,725
Clean energy	-	-	-	3,980	3,980
Permanent fund	-	-	-	96,802	96,802
Committed	148,958	-	-	853,646	1,002,604
Assigned	813,400	-	-	902,619	1,716,019
Unassigned (deficit)	7,864,691		(535,177)	(20,965)	7,308,549
Total fund balances (deficit)	<u>9,090,533</u>	<u>2,877,386</u>	<u>(535,177)</u>	<u>7,119,175</u>	<u>18,551,917</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,593,246</u>	<u>\$ 3,920,521</u>	<u>\$ 1,248,455</u>	<u>\$ 10,050,451</u>	<u>\$ 27,812,673</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to the Net Position of Governmental Activities
June 30, 2020

Total fund balances for governmental funds	\$ 18,551,917
Total net position for governmental activities in the statement of net position is different because	
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	29,702,127
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	18,247,477
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	1,928,425
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(67,876)
Compensated absences	(3,684,060)
Deferred outflows (inflows) of resources	
Deferred outflows (inflows) of resources resulting from the net pension liability	8,003,405
Deferred outflows (inflows) of resources resulting from the net OPEB liability	13,977,903
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Long-term debt	(4,717,375)
Net pension liability	(116,540,894)
Net OPEB liability	(254,124,026)
Internal service funds are included as part of governmental activities.	<u>(9,594,807)</u>
Net position of governmental activities	<u>\$ (298,317,784)</u>

City of Saginaw
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2020

	<u>General</u>	<u>Major Streets</u>	<u>Community Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
General operating property taxes	\$ 3,652,184	\$ -	\$ -	\$ 2,878,189	\$ 6,530,373
City income tax	13,782,996	-	-	-	13,782,996
State shared revenues	8,085,913	5,791,005	-	1,600,372	15,477,290
Licenses, permits and fees	2,698,844	26,896	-	4,317,866	7,043,606
Fines, penalties and forfeitures	247,919	-	-	-	247,919
Grants, donations and contributions	3,992,463	757,828	1,778,523	331,663	6,860,477
Interest on loans and investments	508,820	3,774	5,722	160,254	678,570
Rents and privileges	647,810	-	4,741	32,075	684,626
Sale of materials and services	-	27,179	-	-	27,179
Loan repayments	-	-	35,263	-	35,263
Miscellaneous	457,907	66,461	231,480	266,513	1,022,361
	<u>34,074,856</u>	<u>6,673,143</u>	<u>2,055,729</u>	<u>9,586,932</u>	<u>52,390,660</u>
Total revenues					

See Accompanying Notes to the Financial Statements

City of Saginaw
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2020

	<u>General</u>	<u>Major Streets</u>	<u>Community Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Expenditures					
Current					
General government	\$ 4,580,854	\$ -	\$ -	\$ 1,426,115	\$ 6,006,969
Administration	2,712,519	-	-	-	2,712,519
Public safety	20,798,662	-	-	3,172,688	23,971,350
Highways and streets	-	6,719,375	-	1,559,564	8,278,939
General services	3,768,710	-	-	3,864,469	7,633,179
Community services	1,580,750	-	-	241,624	1,822,374
Economic development	-	-	2,257,571	-	2,257,571
Debt service					
Principal retirement	286,641	115,260	-	433,129	835,030
Interest and fiscal charges	33,168	26,835	-	106,705	166,708
Total expenditures	<u>33,761,304</u>	<u>6,861,470</u>	<u>2,257,571</u>	<u>10,804,294</u>	<u>53,684,639</u>
Excess (deficiency) of revenues over expenditures	<u>313,552</u>	<u>(188,327)</u>	<u>(201,842)</u>	<u>(1,217,362)</u>	<u>(1,293,979)</u>
Other financing sources (uses)					
Transfers in	164,146	-	59,204	1,867,296	2,090,646
Transfers out	(1,725,953)	(14,158)	(164,146)	(154,024)	(2,058,281)
Sale of capital assets	-	-	-	37,960	37,960
Issuance of debt	48,180	-	-	-	48,180
Total other financing sources (uses)	<u>(1,513,627)</u>	<u>(14,158)</u>	<u>(104,942)</u>	<u>1,751,232</u>	<u>118,505</u>
Net change in fund balance	(1,200,075)	(202,485)	(306,784)	533,870	(1,175,474)
Fund balance (deficit) - beginning of year	<u>10,290,608</u>	<u>3,079,871</u>	<u>(228,393)</u>	<u>6,585,305</u>	<u>19,727,391</u>
Fund balance (deficit) - end of year	<u>\$ 9,090,533</u>	<u>\$ 2,877,386</u>	<u>\$ (535,177)</u>	<u>\$ 7,119,175</u>	<u>\$ 18,551,917</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balances - Total governmental funds	\$ (1,175,474)
Total change in net position reported for governmental activities in the statement of activities is different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(3,139,614)
Capital outlay	4,510,492
Sale of capital assets (net book value)	(3,715)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Special assessments	(160,718)
Grants	448,012
Notes receivable	(58,987)
Expenses are recorded when incurred in the statement of activities	
Accrued interest	84,626
Compensated absences	(1,020,066)
The statement of net position reports the net pension and OPEB liabilities and deferred outflows and deferred inflows of resources related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the deferred inflows and outflows of resources related to the net pension liability	(4,115,210)
Net change in the deferred inflows and outflows of resources related to the net OPEB liability	13,848,974
Net change in the net pension liability	(158,511)
Net change in the net OPEB liability	(34,945,319)
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Issuance of debt	(48,180)
Repayments of long-term debt	835,030
Internal service funds are also included as governmental activities	(1,156,576)
Change in net position of governmental activities	\$ (26,255,236)

See Accompanying Notes to the Financial Statements

City of Saginaw
Proprietary Funds
Statement of Net Position
June 30, 2020

	Enterprise Funds			Internal Service Funds	
	Sewer	Water	Nonmajor Boat Launch		Total
Assets					
Current assets					
Cash and cash equivalents	\$ 17,676,126	\$ 12,353,467	\$ 7,449	\$ 30,037,042	\$ 12,745,613
Investments	1,346,943	4,416,089	-	5,763,032	-
Receivables					
Customers	3,105,138	2,744,282	-	5,849,420	6,930
Special assessments, current	123,641	119,093	-	242,734	-
Accrued interest and other	-	1,003	-	1,003	-
Due from other funds	2,076,485	-	-	2,076,485	-
Inventories	274,232	1,546,716	-	1,820,948	223,278
Prepaid items	1,873	3,429	-	5,302	129,915
Restricted cash - bond proceeds	-	2,123,392	-	2,123,392	-
Total current assets	<u>24,604,438</u>	<u>23,307,471</u>	<u>7,449</u>	<u>47,919,358</u>	<u>13,105,736</u>
Noncurrent assets					
Investment in Saginaw-Midland Municipal Water Supply Corporation	-	16,087,209	-	16,087,209	-
Capital assets not being depreciated	3,886,249	3,102,724	1,028,892	8,017,865	-
Capital assets, net of accumulated depreciated	<u>45,517,356</u>	<u>62,519,343</u>	<u>41,579</u>	<u>108,078,278</u>	<u>395,813</u>
Total noncurrent assets	<u>49,403,605</u>	<u>81,709,276</u>	<u>1,070,471</u>	<u>132,183,352</u>	<u>395,813</u>
Total assets	<u>74,008,043</u>	<u>105,016,747</u>	<u>1,077,920</u>	<u>180,102,710</u>	<u>13,501,549</u>
Deferred outflows of resources					
Deferred amount on bond refunding	-	423,057	-	423,057	-
Deferred amounts related to net pension liability	3,243,615	2,591,955	-	5,835,570	744,693
Deferred amounts related to net OPEB liability	<u>1,551,816</u>	<u>1,078,559</u>	<u>-</u>	<u>2,630,375</u>	<u>525,396</u>
Total deferred outflows of resources	<u>4,795,431</u>	<u>4,093,571</u>	<u>-</u>	<u>8,889,002</u>	<u>1,270,089</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Proprietary Funds
Statement of Net Position
June 30, 2020

	Enterprise Funds			Internal Service Funds	
	Sewer	Water	Nonmajor Boat Launch		Total
Liabilities					
Current liabilities					
Accounts payable	\$ 812,837	\$ 879,210	\$ 180	\$ 1,692,227	\$ 780,624
Accrued and other liabilities	228,317	1,859,330	-	2,087,647	2,256,439
Current portion of compensated absences	456,036	373,121	-	829,157	-
Current portion of long-term debt	921,322	1,735,884	-	2,657,206	3,013
Current portion of claims payable	-	-	-	-	2,880,005
Total current liabilities	<u>2,418,512</u>	<u>4,847,545</u>	<u>180</u>	<u>7,266,237</u>	<u>5,920,081</u>
Noncurrent liabilities					
Accrued compensated absences	423,885	355,499	-	779,384	285,561
Net pension liability	31,347,989	26,117,984	-	57,465,973	7,229,169
Net OPEB liability	27,970,095	19,435,672	-	47,405,767	9,471,286
Long-term debt net of current portion	6,777,620	28,163,051	-	34,940,671	9,037
Total noncurrent liabilities	<u>66,519,589</u>	<u>74,072,206</u>	<u>-</u>	<u>140,591,795</u>	<u>16,995,053</u>
Total liabilities	<u>68,938,101</u>	<u>78,919,751</u>	<u>180</u>	<u>147,858,032</u>	<u>22,915,134</u>
Deferred inflows of resources					
Deferred amounts related to net OPEB liability	<u>2,110</u>	<u>1,466</u>	<u>-</u>	<u>3,576</u>	<u>714</u>
Net position					
Net investment in capital assets	41,704,663	38,269,581	1,070,471	81,044,715	383,763
Unrestricted (deficit)	<u>(31,841,400)</u>	<u>(8,080,480)</u>	<u>7,269</u>	<u>(39,914,611)</u>	<u>(8,527,973)</u>
Total net position	<u>\$ 9,863,263</u>	<u>\$ 30,189,101</u>	<u>\$ 1,077,740</u>	41,130,104	<u>\$ (8,144,210)</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets and liabilities are reported with business-type activities				<u>1,450,597</u>	
Net position of business-type activities				<u>\$ 42,580,701</u>	

See Accompanying Notes to the Financial Statements

City of Saginaw
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2020

	Enterprise Funds			Internal Service Funds	
	Sewer	Water	Nonmajor Boat Launch		Total
Operating revenue					
User charges	\$ 19,819,133	\$ 19,377,658	\$ 27,675	\$ 39,224,466	\$ 6,862,276
Other revenue	152,406	319,805		472,219	89,825
Total operating revenue	<u>19,971,539</u>	<u>19,697,463</u>	<u>27,683</u>	<u>39,696,685</u>	<u>6,952,101</u>
Operating expenses					
Salaries and benefits	14,345,883	14,306,994	-	28,652,877	3,878,764
Supplies	809,127	947,075	2,660	1,758,862	670,109
Contractual services	4,111,132	3,211,977	8,156	7,331,265	2,307,135
Claims	-	8	-	-	1,505,212
Utilities	92,425	87,142	2,209	181,776	102,112
Repairs and maintenance	357,746	62,796	-	420,542	112,362
Other expenses	1,077,051	948,303	674	2,026,028	65,758
Depreciation	<u>3,524,293</u>	<u>2,018,312</u>	<u>3,863</u>	<u>5,546,468</u>	<u>137,190</u>
Total operating expenses	<u>24,317,657</u>	<u>21,582,599</u>	<u>17,562</u>	<u>45,917,818</u>	<u>8,778,642</u>
Operating income (loss)	<u>(4,346,118)</u>	<u>(1,885,136)</u>	<u>10,121</u>	<u>(6,221,133)</u>	<u>(1,826,541)</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2020

	Enterprise Funds			Internal Service Funds	
	Sewer	Water	Nonmajor Boat Launch		Total
Nonoperating revenue (expenses)					
Federal grant	\$ -	\$ 110	\$ -	\$ 110	\$ -
Gain on sale of investments	63,244	172,485	-	235,729	31,161
Gain on sale of capital assets	-	813	-	813	5,914
Contractual obligations to SMMWSC	-	(223,501)	-	(223,501)	-
Decrease in investment in SMMWSC	-	(2,733)	-	(2,733)	-
Bond issuance costs	-	(500)	-	(500)	-
Amortization	-	136,041	-	136,041	-
Interest expense	(194,456)	(1,319,274)	-	(1,513,730)	-
	<u>(131,212)</u>	<u>(1,236,559)</u>	<u>-</u>	<u>(1,367,771)</u>	<u>37,075</u>
Income (loss) before capital contributions and transfers	(4,477,330)	(3,121,695)	10,121	(7,588,904)	(1,789,466)
Capital contributions	69,644	528,228	-	597,872	-
Transfers in	-	-	24,870	24,870	-
Transfers out	(26,677)	(21,208)	-	(47,885)	(9,350)
	<u>(4,434,363)</u>	<u>(2,614,675)</u>	<u>34,991</u>	<u>(7,014,047)</u>	<u>(1,798,816)</u>
Change in net position	(4,434,363)	(2,614,675)	34,991	(7,014,047)	(1,798,816)
Net position - beginning of year	<u>14,297,626</u>	<u>32,803,776</u>	<u>1,042,749</u>	<u>-</u>	<u>(6,345,394)</u>
Net position - end of year	<u>\$ 9,863,263</u>	<u>\$ 30,189,101</u>	<u>\$ 1,077,740</u>	<u>-</u>	<u>\$ (8,144,210)</u>
				(642,240)	
Change in net position of business-type activities				<u>\$ (7,656,287)</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

See Accompanying Notes to the Financial Statements

City of Saginaw
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

	Enterprise Funds				Internal Service Funds
	Sewer	Water	Nonmajor Boat Launch	Total	
Cash flows from operating activities					
Receipts from customers	\$ 19,802,612	\$ 19,145,290	\$ 27,683	\$ 38,975,585	\$ -
Receipts from interfund users	-	-	-	-	7,018,348
Payments to other funds	(781,094)	-	-	(781,094)	-
Payments to suppliers	(6,355,814)	(5,491,690)	(14,711)	(11,862,215)	(4,940,931)
Payments to employees	(9,733,034)	(7,427,218)	-	(17,160,252)	(2,217,210)
Net cash provided (used) by operating activities	<u>2,932,670</u>	<u>6,226,382</u>	<u>12,972</u>	<u>9,172,024</u>	<u>(139,793)</u>
Cash flows from noncapital financing activities					
Transfer from other funds	-	-	24,870	24,870	-
Transfers to other funds	(26,677)	(21,208)	-	(47,885)	(9,350)
Federal grant	-	110	-	110	-
Net cash provided (used) by noncapital financing activities	<u>(26,677)</u>	<u>(21,098)</u>	<u>24,870</u>	<u>(22,905)</u>	<u>(9,350)</u>
Cash flows from capital and related financing activities					
Capital contributions	69,644	528,228	-	597,872	-
Purchases/construction of capital assets	(3,638,341)	(1,405,108)	(39,005)	(5,082,454)	(20,176)
Principal and interest paid on long-term debt	(2,063,537)	(2,984,774)	-	(5,048,311)	-
Contractual obligations to Saginaw-Midland Municipal Water Supply Corporation	-	(223,501)	-	(223,501)	-
Proceeds from sale of capital assets	-	813	-	813	5,915
Net cash provided (used) by capital and related financing activities	<u>(5,632,234)</u>	<u>(4,084,342)</u>	<u>(39,005)</u>	<u>(9,755,581)</u>	<u>(14,261)</u>
Cash flows from investing activities					
Sale of investments	18,153	-	-	18,153	-
Purchase of investments	-	(126,027)	-	(126,027)	-
Interest received	63,244	173,170	-	236,414	31,161
Net cash provided (used) by investing activities	<u>81,397</u>	<u>47,143</u>	<u>-</u>	<u>128,540</u>	<u>31,161</u>
Net change in cash and cash equivalents	(2,644,844)	2,168,085	(1,163)	(477,922)	(132,243)
Cash and cash equivalents - beginning of year	<u>20,320,970</u>	<u>12,308,774</u>	<u>8,612</u>	<u>32,638,356</u>	<u>12,877,856</u>
Cash and cash equivalents - end of year	<u>\$ 17,676,126</u>	<u>\$ 14,476,859</u>	<u>\$ 7,449</u>	<u>\$ 32,160,434</u>	<u>\$ 12,745,613</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

	Enterprise Funds				Internal Service Funds
	Sewer	Water	Nonmajor Boat Launch	Total	
Reconciliation to the statement of net position					
Cash and cash equivalents	\$ 17,676,126	\$ 12,353,467	\$ 7,449	\$ 30,037,042	\$ 12,745,613
Restricted cash	-	2,123,392		2,123,392	
Cash and cash equivalents	<u>\$ 17,676,126</u>	<u>\$ 14,476,859</u>	<u>\$ 7,449</u>	<u>\$ 32,160,434</u>	<u>\$ 12,745,613</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (4,346,118)	\$ (1,885,136)	\$ 10,121	\$ (6,221,133)	\$ (1,826,541)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	3,524,293	2,018,312	3,863	5,546,468	137,190
Noncash change - net pension liability	746,188	2,753,174	-	3,499,362	39,136
Noncash change - net OPEB liability	4,306,334	4,105,264	-	8,411,598	1,648,932
Changes in assets and liabilities					
Receivables (net)	(168,927)	(552,173)	-	(721,100)	66,247
Due from other funds	(781,094)	-	-	(781,094)	-
Inventories	(274,232)	(131,943)	-	(406,175)	(10,629)
Prepaid items	(54)	(1,887)	-	(1,941)	(63,948)
Deferred outflows	(59,550)	(142,325)	-	(201,875)	(119,193)
Accounts payable	(12,832)	(97,508)	(1,012)	(111,352)	575,650
Accrued and other liabilities	12,850	139,266	-	152,116	(1,084,462)
Deferred inflows	(439,673)	(284,740)	-	(724,413)	(145,323)
Claims payable	-	-	-	-	532,627
Compensated absences	425,485	306,078		731,563	110,521
Net cash provided (used) by operating activities	<u>\$ 2,932,670</u>	<u>\$ 6,226,382</u>	<u>\$ 12,972</u>	<u>\$ 9,172,024</u>	<u>\$ (139,793)</u>

Noncash Investing, Capital, and Financing Activities

During the year ended June 30, 2020, the Water Fund recognized a decrease in the Investment in Saginaw Midland Municipal Water Corporation of \$2,733 that was a noncash item.

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City of Saginaw
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2020

	<u>December 31, 2019</u>	
	<u>OPEB Trust Fund</u>	<u>Custodial Funds</u>
Assets		
Cash and cash equivalents	\$ -	\$ 334,771
Interest in pooled investments	1,001,752	-
Accounts receivable	<u>-</u>	<u>117,090</u>
Total assets	<u>1,001,752</u>	<u>451,861</u>
Liabilities		
Accounts payable	-	218,068
Due to other units of government	<u>-</u>	<u>233,793</u>
Total liabilities	<u>-</u>	<u>451,861</u>
Net position		
Restricted for other employee benefits	<u>1,001,752</u>	<u>-</u>

City of Saginaw
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	For the Year Ended December 31, 2019	
	<u>OPEB Trust Fund</u>	<u>Custodial Funds</u>
Additions		
Contributions		
Employer	\$ 8,666,545	\$ -
Investment earnings		
Change in fair value	29,326	-
Property tax collections	-	17,378,106
Total additions	<u>8,695,871</u>	<u>17,378,106</u>
Deductions		
Benefits	8,666,545	-
Administrative expenses	914	-
Payments of property tax to other governments	-	17,378,106
Total deductions	<u>8,667,459</u>	<u>17,378,106</u>
Change in net position	28,412	-
Net position - beginning of year	973,340	-
Net position - end of year	<u>\$ 1,001,752</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Combining Statement of Net Position
Component Units
June 30, 2020

	TIFA Activities	DDA Activities	Saginaw Economic Development Corporation	Brownfield Activities	Total
Assets					
Cash and cash equivalents	\$ 5,185	\$ 257,980	\$ 1,157,327	\$ 54,713	\$ 1,475,205
Taxes Receivable	-	1,913	-	-	1,913
Notes and contracts receivable	-	-	1,664,085	-	1,664,085
Total assets	<u>5,185</u>	<u>259,893</u>	<u>2,821,412</u>	<u>54,713</u>	<u>3,141,203</u>
Liabilities					
Accounts payable	-	42,693	-	54,052	96,745
Net position					
Unrestricted	<u>\$ 5,185</u>	<u>\$ 217,200</u>	<u>\$ 2,821,412</u>	<u>\$ 661</u>	<u>\$ 3,044,458</u>

See Accompanying Notes to the Financial Statements

City of Saginaw
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Charges for services	Operating grants and contributions	Net (expense) revenue
TIFA Activities	\$ -	\$ -	\$ -	\$ -
DDA Activities	201,903	-	45,502	(156,401)
Saginaw Economic Development Corporation	229,962	-	3,000	(226,962)
Brownfield Activities	52,727	-	-	(52,727)
Total component unit activities	\$ 484,592	\$ -	\$ 48,502	\$ (436,090)

Component Units					
	TIFA Activities	DDA Activities	Saginaw Economic Development Corporation	Brownfield Activities	Total
Net expense	\$ -	\$ (156,401)	\$ (226,962)	\$ (52,727)	\$ (436,090)
General revenues:					
Property taxes	-	124,098	-	53,388	177,486
Unrestricted investment earnings (loss)	-	448	67,589	(13)	68,024
Total general revenues	-	124,546	67,589	53,375	245,510
Change in net position	-	(31,855)	(159,373)	648	(190,580)
Net position, beginning of year	5,185	249,055	2,980,785	13	3,235,038
Net position, end of year	\$ 5,185	\$ 217,200	\$ 2,821,412	\$ 661	\$ 3,044,458

See Accompanying Notes to the Financial Statements

City of Saginaw
Notes to the Financial Statements
June 30, 2020

Note 1 - Summary of Significant Accounting Policies

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

Reporting entity

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

Discretely presented component units

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

Tax Increment Finance Authority (TIFA) – One component units – City Council established TIFA districts pursuant to Act 450 of the public Acts of 1980 for the Saginaw Division project. Property tax revenues received from the “captured” portion of this property are restricted to pay project expenditures or set aside for future development within the district depending on the development plan adopted for the project. The members of the governing Board of the TIFA are appointed by City Council and development agreement of the TIFA district is also approved by City Council. The City has the ability to significantly influence the operations of the TIFA.

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

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

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

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

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

City of Saginaw
Notes to the Financial Statements
June 30, 2020

This joint venture is accounted for in the Water Fund using the equity method. The City reported a decrease in equity of \$2,733 as nonoperating expenses. At June 30, 2020, total outstanding bonded debt and loans of the SMMWSC was \$3,865,000. The City was obligated for \$2,067,326 of this total. During fiscal year 2020, the City paid the Corporation \$223,501 to finance its share of the contractual obligations. The City's equity of \$16,087,209 in the SMMWSC is recorded as an investment within the Noncurrent Assets section on the statement of net position of the Water Fund.

The financial information for the year ended June 30, 2020, for the SMMWSC is as follows:

Total assets and deferred outflows of resources	\$ 36,926,444
Total liabilities and deferred inflows of resources	<u>6,850,356</u>
Net position:	
City of Saginaw	16,087,209
City of Midland	<u>13,988,879</u>
Total net position	<u><u>\$ 30,076,088</u></u>
Total revenues	\$ 4,516,821
Total expenses	<u>4,521,929</u>
Net loss	(5,108)
Net position at beginning of year	<u>30,081,196</u>
Total net position	<u><u>\$ 30,076,088</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 activities) report information on all of the nonfiduciary activities of the primary government and its component

units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

City of Saginaw
Notes to the Financial Statements
June 30, 2020

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following:

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

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

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

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

Other Employee Benefit Trust funds are used to account for assets held in trust for other employee benefits.

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

City of Saginaw
Notes to the Financial Statements
June 30, 2020

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 recognize 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 interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

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

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

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

Capital assets – Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

City of Saginaw
Notes to the Financial Statements
June 30, 2020

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

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

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

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

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. The City reports deferred outflows of resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is earned. This amount will be amortized over the next four years and included in pension expense. Assumption and experience differences relating to the net pension and OPEB liabilities is deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. The City also reports deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension liability and net OPEB liability in the following year. In addition, the City reports

deferred outflows of resources for deferred losses on bond refunding. A deferred loss results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is amortized using the shorter of the life of the refunded or refunding debt.

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are

City of Saginaw
Notes to the Financial Statements
June 30, 2020

reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The City is subject to a legal debt limit equal to 10 percent of the most recent December 31 assessed valuation of property. As of June 30, 2020, the City has the capacity to issue \$38,642,000 of additional debt.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. The City reports deferred inflows of resources as a result of OPEB earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in OPEB expense.

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

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

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

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

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

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

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

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments. The General Fund is the only fund that may report positive unassigned fund balance. In the case of a deficit fund balance, other funds may report a negative unassigned fund balance.

The following are the details of the committed fund balance as of June 30, 2020:

General Fund	
General government	\$ 10,416
Public safety	138,542
Public Employee Healthcare	<u>853,646</u>
Total committed fund balance	<u>\$ 1,002,604</u>

City of Saginaw
Notes to the Financial Statements
June 30, 2020

The following are the details of the assigned fund balance as of June 30, 2020:

General Fund		
Community services	\$	743,400
General government		70,000
Arts and Enrichment Commission		<u>902,619</u>
 Total assigned fund balance	 \$	 <u>1,716,019</u>

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

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

Comparative data

The financial information for the year ended June 30, 2019, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Use of estimates

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

Adoption of new accounting standards

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial

reporting purposes and how those activities should be reported. The focus of the criteria includes the following: (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally will report fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria.

Statement No. 92, *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments.

City of Saginaw
Notes to the Financial Statements
June 30, 2020

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and provides postponement of effective dates for certain GASB Statements. This statement was effective upon issuance in May of 2020.

Upcoming accounting and reporting changes

Statement No. 87, *Leases* is to improve accounting and financial reporting for leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The effective date is for the fiscal year ending June 30, 2022.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

Statement No. 90, *Majority Equity Interests* improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain components. This statement is effective for the year ending June 30, 2021.

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity

in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for the year ending June 30, 2023.

Statement No. 93, *Replacement of Interbank Offered Rates* establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. This statement is effective for the year ending June 30, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the

City of Saginaw
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arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement is effective for the year ending June 30, 2023.

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary information

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

All unencumbered appropriations lapse at the end of the fiscal year unless specific requests to reserve funds for capital items are made by the departments and approved by the City Controller. The subsequent fiscal year's budget is then amended when these expenditures are

recorded. Encumbrances outstanding at June 30 do not lapse but are brought forward to the new fiscal year.

Significant encumbrances were as follows:

General Fund	\$	249,117
Major Streets Fund		224,696
Community Development Fund		143,950
Sewer Fund		255,753
Water Fund		222,877
Nonmajor funds		93,801
Total	\$	1,190,194

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, Arts and Enrichment Commission, Public Employee Healthcare and Economic Development special revenue funds are under formal budgetary control as is required by Michigan Public Act 621. Budgets shown in the financial statements were prepared on the modified accrual basis. This is the same basis used to reflect actual results and consists only of those amounts contained in the formal budget approved by City Council. Special revenue funds are considered to be departments for budgetary purposes. All enterprise and internal service funds are budgeted annually for internal control purposes only. Budgetary information for these funds is not required in the financial statements. Budgetary control for the Capital Projects Fund is on a project basis because most exceed one fiscal year. Any funds not expended during the current fiscal year are carried forward until spent or reallocated. City Council does not formally adopt budgets for the trust and agency funds.

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Excess of expenditures over appropriations

During the year, the City incurred expenditures that were in excess of the amounts budgeted as follows:

	Final Budget	Actual	Budget Variance
Public Employee Healthcare Fund	\$ 18,882	\$ 973,403	\$ 954,521

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, 2019	\$ (8,232,935)
Current year building permit revenue	331,758
Related expenditures	<u>(911,429)</u>
Cumulative shortfall at June 30, 2020	<u><u>\$ (8,812,606)</u></u>

Fund Deficits

The City has an accumulated fund balance or net position deficit in the following funds as of June 30, 2020:

Community Development Fund	\$ 535,177
Justice Victims Grant Fund	20,965
Information Services Fund	3,131,122
GIS Fund	608,846
Motor Pool Fund	7,894,318
Public Works Building Fund	51,285

Note 3 - Deposits and Investments

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

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Restricted Investments	Total
Governmental activities	\$ 29,458,260	\$ -	\$ 86,843	\$ 3,046,407	\$ 32,591,510
Business-type activities	30,037,042	5,763,032	2,123,392	-	37,923,466
Total primary government	59,495,302	5,763,032	2,210,235	3,046,407	70,514,976
Fiduciary funds	334,771	1,001,752	-	-	1,336,523
Component unit	1,475,205	-	-	-	1,475,205
Total	<u>\$ 61,305,278</u>	<u>\$ 6,764,784</u>	<u>\$ 2,210,235</u>	<u>\$ 3,046,407</u>	<u>\$ 73,326,704</u>

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The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 61,701,337	\$ 334,771	\$ 1,475,205	\$ 63,511,313
Investments in securities, mutual funds and similar vehicles	8,809,439	1,001,752	-	9,811,191
Petty cash and cash on hand	4,200	-	-	4,200
	<u>\$ 70,514,976</u>	<u>\$ 1,336,523</u>	<u>\$ 1,475,205</u>	<u>\$ 73,326,704</u>

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

Investment	Carrying Value	Rating	Rating Organization
Primary government			
Money market funds	\$ 3,241,231	N/A	N/A
U.S. government obligations			
FNMA	456,207	AA+	S&P
FHLMC	901,834	AA+	S&P
FHLB	1,742,466	AA+	S&P
FFCB	2,416,092	AA+	S&P
USTNB	51,609	AA+	S&P
	<u>5,568,208</u>		
Total primary government	<u>\$ 8,809,439</u>		

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

rates. The City uses the weighted average maturity method. As of June 30, 2020, maturities of the City's debt securities were as follows:

	Total	Less than 1 year	1 year to 5 years
U.S. government agencies	\$ 5,568,208	\$ 928,568	\$ 4,639,640

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

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

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk. As of year-end, \$61,655,958 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

City of Saginaw
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exposed to custodial credit risk since the securities are held in the counterparty's trust department in the City's name.

Note 4 - Fair Value Measurement

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

The City has the following recurring fair value measurements as of June 30, 2020:

- U.S. government obligations of \$5,568,208 are valued using other inputs, such as interest rates and yield curves, which are observable at commonly quoted intervals (Level 2 inputs).
- The interest in pooled investments of \$1,001,752 is measured at net asset value (NAV) and is invested in MERS Retiree Health Funding Vehicle's MERS Diversified Bond Portfolio. This portfolio has a combination of U.S. and foreign bonds with a focus on stability in the short term, minimizing fluctuations in value. There are no unfunded commitments or redemption restrictions.

Note 5 - Receivables

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

	Governmental Activities	Business-type Activities	Component Units
Primary government			
Income taxes	\$ 1,680,143	\$ -	\$ -
Accounts	1,974,702	6,070,521	-
Accrued interest and other Assessments	53,866	1,003	-
Due within one year	177,666	242,734	-
Notes			
Due within one year	44,188	-	-
Due after one year	408,240	-	1,693,957
Total receivables	4,338,805	6,314,258	1,693,957
Less allowance	(39,321)	(221,101)	(27,959)
Total receivables, net	<u>\$ 4,299,484</u>	<u>\$ 6,093,157</u>	<u>\$ 1,665,998</u>
Intergovernmental	<u>\$ 2,483,009</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6 - Interfund Receivables, Payable, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Fund	\$ 624,996
General Fund	Nonmajor funds	1,580
Sewer Fund	General Fund	<u>2,076,485</u>
		<u>\$ 2,703,061</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.

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Notes to the Financial Statements
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The details for interfund transfers are as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General Fund	Nonmajor funds	\$ 1,666,749
Community Development Fund	General Fund	164,146
Nonmajor funds	Nonmajor funds	163,374
Major Streets Fund	Nonmajor funds	14,158
Sewer Fund	Nonmajor funds	26,677
Water Fund	Nonmajor funds	21,208
General Fund	Community Development Fund	<u>59,204</u>
		<u>\$ 2,115,516</u>

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

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Note 7 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 14,245,703	\$ -	\$ -	\$ 14,245,703
Construction-in-progress	2,990,867	2,860,984	1,850,077	4,001,774
Total capital assets not being depreciated	17,236,570	2,860,984	1,850,077	18,247,477
Capital assets being depreciated				
Land improvements	1,524,686	1,020,104	-	2,544,790
Infrastructure	53,362,084	792,483	-	54,154,567
Buildings, additions and improvements	25,476,335	169,430	-	25,645,765
Machinery and equipment	15,800,422	517,340	25,118	16,292,644
Vehicles	12,791,564	1,020,403	124,204	13,687,763
Total capital assets being depreciated	108,955,091	3,519,760	149,322	112,325,529
Less accumulated depreciation for				
Land improvements	238,402	33,192	-	271,594
Infrastructure	37,013,134	1,545,221	1,397	38,556,958
Buildings, additions and improvements	20,548,020	311,847	-	20,859,867
Machinery and equipment	11,039,571	684,476	25,118	11,698,929
Vehicles	10,257,265	702,068	119,092	10,840,241
Total accumulated depreciation	79,096,392	3,276,804	145,607	82,227,589
Net capital assets being depreciated	29,858,699	242,956	3,715	30,097,940
Governmental activities capital assets, net	<u>\$ 47,095,269</u>	<u>\$ 3,103,940</u>	<u>\$ 1,853,792</u>	<u>\$ 48,345,417</u>

City of Saginaw
Notes to the Financial Statements
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 2,507,939	\$ -	\$ -	\$ 2,507,939
Construction-in-progress	19,946,443	4,014,669	18,451,186	5,509,926
Total capital assets not being depreciated	<u>22,454,382</u>	<u>4,014,669</u>	<u>18,451,186</u>	<u>8,017,865</u>
Capital assets being depreciated				
Buildings, additions and improvements	179,596,869	18,490,191	-	198,087,060
CSO facility	102,666,913	-	-	102,666,913
Machinery and equipment	14,765,701	805,655	-	15,571,356
Vehicle equipment	4,519,142	223,125	38,852	4,703,415
Total capital assets being depreciated	<u>301,548,625</u>	<u>19,518,971</u>	<u>38,852</u>	<u>321,028,744</u>
Less accumulated depreciation for				
Buildings, additions and improvements	107,656,038	2,970,877	-	110,626,915
CSO facility	88,996,442	1,590,285	-	90,586,727
Machinery and equipment	8,892,732	573,428	-	9,466,160
Vehicle equipment	1,897,638	411,878	38,852	2,270,664
Total accumulated depreciation	<u>207,442,850</u>	<u>5,546,468</u>	<u>38,852</u>	<u>212,950,466</u>
Net capital assets being depreciated	<u>94,105,775</u>	<u>13,972,503</u>	<u>-</u>	<u>108,078,278</u>
Business-type capital assets, net	<u>\$ 116,560,157</u>	<u>\$ 17,987,172</u>	<u>\$ 18,451,186</u>	<u>\$ 116,096,143</u>

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

Governmental activities

General government	\$ 58,585
Administration	16,351
Public safety	514,282
Highways and streets	1,788,996
General services	653,168
Community services	108,232
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>137,190</u>
Total governmental activities	<u>3,276,804</u>

Business-type activities

Sewer	3,524,293
Water	2,018,312
Boat Launch	<u>3,863</u>
Total business-type activities	<u>5,546,468</u>
Total primary government	<u>\$ 8,823,272</u>

Construction commitments

The City has active construction projects as of June 30, 2020, consisting of the following:

	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Commitment Remaining</u>
Davenport - Michigan to Niagara - Design	\$ 57,200	\$ 43,401	\$ 13,799
Huron Eastern RR Remington - Design	22,400	11,030	11,370
Bay Street Water Main Replacement	1,214,397	1,196,679	17,718
Mackinaw - Congress to State	1,464,400	1,329,841	134,559
2020 Mill & Resurface	1,009,388	366,326	643,062
Hardin Street Reconstruction	609,233	139,054	470,179
Wastewater Electrical Upgrades	2,468,000	2,441,857	26,143
Demolition of Parking Ramp 1	743,400	154,540	588,860
Demolition of Parking Ramp 1 - Construction Administration	26,288	12,609	13,679
Norman St. Bridge - Engineering Services	115,000	65,705	49,295
Sidewalk Replacement 2019-2020	94,228	77,197	17,031
Mackinaw- Alexander to Hamilton - Design	163,000	156,637	6,363
Traffic Building Repairs - Construction Admin	10,000	1,010	8,990
Norman Street Bridge Rehab	193,489	90,489	103,000
Water/Wastewater Admin Building - Design	50,705	32,424	18,281
ADA Sidewalk Replacement 2019-2020	<u>121,205</u>	<u>111,618</u>	<u>9,587</u>
Total	<u>\$ 8,362,333</u>	<u>\$ 6,230,417</u>	<u>\$ 2,131,916</u>

City of Saginaw
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Note 8 - Long-Term Debt

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

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
Direct borrowings and direct placements									
General obligation bonds									
Capital Improvement Bonds	\$ 3,692,946	2027	3.12%	\$362,500 - \$380,529	\$ 3,004,368	\$ -	\$ 358,790	\$ 2,645,578	\$ 362,500
Energy reduction revolving loan fund	100,000	2027	2.50%	\$6,796 - \$7,921	57,974	-	6,614	51,360	6,796
Notes payable	2,836,424	Varies	3.00 - 3.70%	\$33,000 - \$329,354	<u>2,240,264</u>	-	<u>321,669</u>	<u>1,918,595</u>	<u>334,040</u>
Total bonds and notes payable					<u>5,302,606</u>	<u>-</u>	<u>687,073</u>	<u>4,615,533</u>	<u>703,336</u>
Accrued sick and vacation payable					2,839,034	2,295,120	1,164,533	3,969,621	1,685,257
Capital Leases	461,421	Varies	Varies	\$3,011 - \$66,618	<u>213,669</u>	<u>48,180</u>	<u>147,957</u>	<u>113,892</u>	<u>80,794</u>
Total other long-term obligations					<u>3,052,703</u>	<u>2,343,300</u>	<u>1,312,490</u>	<u>4,083,513</u>	<u>1,766,051</u>
Total governmental activities					<u>\$ 8,355,309</u>	<u>\$ 2,343,300</u>	<u>\$ 1,999,563</u>	<u>\$ 8,699,046</u>	<u>\$ 2,469,387</u>

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

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

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	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities									
Bonds and notes payable									
General obligation bonds									
State of Michigan sewage disposal system bonds	\$ 8,631,362	2020	2.25%	\$145,000 - \$275,000	\$ 4,054,504	\$ -	\$ 1,163,046	\$ 2,891,458	\$ 219,909
State of Michigan wastewater treatment improvement bonds	9,227,726	2028	1.625%	\$290,000 - \$517,813	4,102,726	-	470,000	3,632,726	480,000
Refunding Drake/Douglas sewage general obligation bonds	830,000	2024	2.13%	\$95,000 - \$100,000	390,000	-	100,000	290,000	100,000
Revenue bonds									
2011 water revenue bonds	11,370,000	2032	4.00 - 5.25%	\$510,000 - \$780,000	7,285,000	-	470,000	6,815,000	490,000
2016 water revenue refunding bonds	23,730,000	2036	4.00 - 5.00%	\$890,000 - \$1,710,000	21,450,000	-	1,195,000	20,255,000	1,220,000
Subtotal					<u>37,282,230</u>	<u>-</u>	<u>3,398,046</u>	<u>33,884,184</u>	<u>2,509,909</u>
Bonds and notes payable from direct borrows and direct placements									
General obligation bonds									
Capital Improvement Bonds	1,402,054	2027	3.12%	\$144,471 - \$144,823	1,140,804	-	136,035	1,004,769	137,591
Notes payable	73,149	2026	3.70%	\$9,706 - \$11,635	73,149	-	9,284	63,865	9,706
Subtotal					-1,213,953	-	145,319	1,068,634	147,297
Issuance premiums					-2,807,001	-	161,942	2,645,059	161,942
Total bonds payable					41,303,184	-	3,705,307	37,597,877	2,819,148
Accrued sick and vacation payable					876,978	1,373,644	642,081	1,608,541	829,157
Total business-type activities					<u>\$ 42,180,162</u>	<u>\$ 1,373,644</u>	<u>\$ 4,347,388</u>	<u>\$ 39,206,418</u>	<u>\$ 3,648,305</u>

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The annual requirements to pay principal and interest on long-term obligations outstanding at June 30, 2020, excluding capital leases, accrued sick and vacation/PTO compensatory time payable, workers' compensation claims payable and insurance claims payable are as follows:

Year Ending June 30,	Governmental Activities	
	Bonds and notes payable from Direct borrowings and Direct placements	
	Principal	Interest
2021	\$ 703,336	\$ 143,926
2022	733,175	120,486
2023	745,186	96,349
2024	757,824	71,794
2025	822,964	53,724
2026 - 2027	853,048	21,685
	<u>\$ 4,615,533</u>	<u>\$ 507,964</u>

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

Deferred amount on debt refunding

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

Year Ending June 30,	Business-type Activities			
	Bonds and notes payable from Direct borrowings and Direct placements			
	Bonds		Interest	
	Principal	Interest	Principal	Interest
2021	\$ 2,509,909	\$ 1,398,227	\$ 147,297	\$ 79,265
2022	2,655,000	1,305,499	154,534	67,314
2023	2,710,000	1,234,140	154,891	55,066
2024	2,670,000	1,154,560	155,280	42,807
2025	2,835,000	1,071,820	155,703	30,533
2026 - 2030	12,557,726	3,910,141	300,929	18,260
2031 - 2035	6,681,549	1,539,422	-	-
2036	1,265,000	186,750	-	-
	<u>\$ 33,884,184</u>	<u>\$ 11,800,559</u>	<u>\$ 1,068,634</u>	<u>\$ 293,245</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Deferred amount on refunding	\$ 448,959	\$	\$ 25,902	\$ 423,057	\$ 25,901

Defeased debt

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

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

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Pledged revenues

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$10,570,000 in water system revenue bonds issued in July, 2011. Proceeds from the bonds provided financing for replacing water meters, retrofitting remote water meters, and acquiring automated meter reading equipment. The proceeds also refunded a portion of the 1993 Water Supply System Bonds and paid the costs of issuing the Series 2011 Bonds. The bonds are payable solely from the Net Revenues of the City's Water Supply System and are payable through 2031. The City has covenanted to charge rates which will produce annual Net Revenues sufficient to provide for 110% of annual debt service requirements on all outstanding Bonds for each year and to provide for such other expenditures and funds of the Water Supply System as are required by the Bond Resolution. The total principal and interest remaining to be paid on the bonds is \$8,777,725. Principal and interest paid for the current year and total customer net revenues, net of pension and OPEB expense, were \$797,038 and \$4,520,921, respectively.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$23,730,000 in water system revenue bonds issued in October 2016. Proceeds from the bonds provided financing for replacing a raw water transmission main along Davis Road, replacing finished water transmission mains along Davis Road, abandoning existing water transmission mains along Davis Road, and improvements to the reservoir and pump station in Kochville Township. The proceeds also refunded a portion of the 2008 Water Supply System Bonds and paid the costs of issuing the Series 2016 Bonds. The bonds are payable solely from the Net Revenues of the City's Water Supply System and are payable through 2036. The City has covenanted to charge rates which will produce annual Net Revenues sufficient to provide for 110% of annual debt service requirements on all outstanding Bonds for each year and to provide for such other expenditures and funds of the Water Supply System as are required by the Bond Resolution. The total principal and interest remaining to be paid on the bonds is \$28,186,050. Principal and interest paid for the

current year and total customer net revenues, net of pension and OPEB expense, were \$2,172,250 and \$4,520,921, respectively.

Note 9 - Leases

Capital leases

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

<u>Year ending June 30,</u>	
2021	\$ 85,810
2022	15,970
2023	15,970
2024	<u>3,011</u>
Total minimum lease payments	120,761
Less amount representing interest	<u>(6,869)</u>
Present value of minimum lease payments	<u>\$ 113,892</u>
Asset	
Machinery and equipment	\$ 58,397
Vehicles	327,550
Less accumulated depreciation	<u>(110,372)</u>
Total	<u>\$ 275,575</u>

Operating leases

The City leases various IBM computer equipment under non-cancelable operating leases. Total costs for such leases were \$138,000 for the year ended June 30, 2020.

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

Year ending June 30,		
2021	\$	138,000
2022		138,000
2023		138,000
2024		138,000
	\$	552,000

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 Accounting Standards Codification 450, Contingencies*, the City accrues for loss contingencies when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

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

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

Note 11 - Self-Insurance

General liability

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

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

The changes in the claims liability for the fiscal years ended June 30, 2020 and 2019 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
06/30/2019	\$ 495,386	\$ 376,569	\$ (529,866)	\$ 342,089
06/30/2020	342,089	875,293	(576,314)	641,068

Other types of risk are covered by commercial insurance. There were no insurance settlements that exceeded coverage in the last three years. The ending claims liability is reported as current in the Employee Benefits and Insurance Fund.

Health insurance

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

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

The changes in the claims liability for the fiscal years ended June 30, 2020 and 2019 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
06/30/2019	\$ 886,636	\$ 13,540,043	\$(13,462,953)	\$ 963,726
06/30/2020	963,726	13,047,037	(12,983,335)	1,027,428

The ending claims liability is reported as current in the Employee Benefits and Insurance Fund.

Workers' compensation

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

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

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

The changes in the claims liability for the fiscal years ended June 30, 2020 and 2019 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
06/30/2019	\$ 1,076,316	\$ 106,826	\$ (141,579)	\$ 1,041,563
06/30/2020	1,041,563	1,738,723	(1,568,777)	1,211,509

The ending claims liability is reported as current in the Workers' Compensation Fund

Note 12 - Employee Retirement and Benefit Systems

Retirement systems

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

Defined contribution pension plan

The City of Saginaw Employees Defined Contribution Pension Plan (the "Plan") is a single employer defined contribution pension plan,

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

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

At June 30, 2020, there were 138 general city plan members and 56 public safety plan members. The City is required to contribute 10% of the employees' gross wages and the eligible employee is required to contribute 5% of their gross wages for general city employees. The City is required to contribute 13% of the employees' gross wages and the eligible employee is required to contribute 8% of their gross wages for public safety employees. The contribution requirements of plan members and the City are established and may be amended by the City Council.

Employer contributions to the Plan for the year ended June 30, 2020, amounted to \$704,519 and employee contributions were \$376,547.

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

Hybrid defined contribution and defined benefit pension plan

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

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

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

At June 30, 2020, there were 142 general city plan members and 65 public safety plan members. The City is required to contribute 10% of the employees' gross wages and the eligible employee is required to contribute 5% of their gross wages for general city employees. The City is required to contribute 13% of the employees' gross wages and the eligible employee is required to contribute 8% of their gross wages for public safety employees. The contribution requirements of plan members and the City are established and may be amended by the City Council.

Employer contributions to the Plan for the year ended June 30, 2020, amounted to \$967,031 and employee contributions were \$523,148.

Defined benefit pension plan

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

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Benefits provided – At the December 31, 2019 valuation date, the benefits provided were as follows:

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

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

	<u>POAM Patrol</u>	<u>COAM-Command</u>	<u>Sworn Police Officers</u>
Status	Closed to new hires	Closed to new hires	Open
Benefit Multiplier	2.60% (65% max)	2.60% - 2.75% (74% max)	1.50%
Normal Retirement Age	52	52	60
Vesting	10 years	10 years	6 years
Early Retirement (Unreduced)	20 and out	20 and out	55/25
Early Retirement (Reduced)	-	-	-
Final Average Compensation	3 out of 10	3 out of 10	3 years
COLA for Future Retirees	2.50% (Non-Compound)	2.50% (Non-Compound)	N/A
COLA for Current Retirees	Varies	Varies	N/A
Employee Contributions	11.50%	11.50%	0.00%
RS50% Percentage		60%	N/A

Duty Disability 65% of FAC Minimum.

If a member terminates with at least 18 years of service, deferred benefits commence when member would have attained 20 years of service if the member had not terminated employment

Non-duty Disability Benefit (up to 10 years of service added until total service equals 20 years)
 Non-Duty Disability Eligibility: 5 years

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

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

The contribution requirements of the City are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the City, depending on the MERS contribution program adopted by the City.

Employees covered by benefit terms – At the December 31, 2019 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	837
Inactive employees entitled to but not	
receiving benefits	35
Active employees	<u>236</u>
	<u><u>1,108</u></u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. All defined benefit divisions are closed to new hires. Closed divisions to new employees had annual employer contributions ranging from \$0 to \$3,443,300.

Net pension liability – The employer’s net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an annual

actuarial valuation as of that date. Substantially all funds are used to liquidate this liability.

Actuarial assumptions – The total pension liability in the December 31, 2019 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.5%; 2) Salary increases 3.00%; 3) Investment rate of return of 7.35%, net of investment expense, including inflation.

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

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

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The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real rate of Return
Global equity	60.00%	8.65%	5.19%	2.50%	3.70%
Global fixed income	20.00%	3.76%	0.75%	2.50%	0.30%
Private investments	20.00%	9.06%	1.81%	2.50%	1.25%
	100.00%		7.75%		5.25%

Discount rate – The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Total Pension Liability	
Service cost	\$ 1,627,096
Interest on the total pension liability	25,838,194
Experience differences	533,762
Changes in actuarial assumptions	11,177,822
Benefit payments and refunds	<u>(29,063,798)</u>
Net change in total pension liability	10,113,076
Total pension liability - beginning	<u>336,695,775</u>
Total pension liability - ending (a)	<u>\$ 346,808,851</u>
Plan Fiduciary Net Position	
Employer contributions	\$ 14,626,627
Employee contributions	405,911
Pension plan net investment income (loss)	20,805,544
Benefit payments and refunds	(29,063,798)
Pension plan administrative expense	(357,967)
Other	<u>(250)</u>
Net change in plan fiduciary net position	6,416,067
Plan fiduciary net position - beginning	<u>159,156,748</u>
Plan fiduciary net position - ending (b)	<u>\$ 165,572,815</u>
Net pension liability (a-b)	<u>\$ 181,236,036</u>
Plan fiduciary net position as a percentage of total pension liability	47.74%
Covered payroll	\$ 13,463,854
Net pension liability as a percentage of covered payroll	1346.09%

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Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (6.60%) or 1% higher (8.60%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 213,717,476	\$ 181,236,036	\$ 153,507,921

Pension expense and deferred outflows and inflows of resources related to pensions – For the year ended June 30, 2020, the City recognized pension expense of \$24,873,318. The City reported deferred outflows related to pensions from the following sources:

	Deferred Outflows of Resources	Total to Amortize
Net difference between projected and actual earnings on plan investments	\$ 627,511	\$ 627,511
Experience differences	266,881	266,881
Assumptions changes	5,588,911	5,588,911
Contributions subsequent to the measurement date*	8,100,365	-
Total	\$ 14,583,668	\$ 6,483,303

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2021.

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

	Year ended June 30,		
2021		\$	5,254,294
2022			609,040
2023			2,349,682
2024			(1,729,713)
		\$	6,483,303

Employee benefits

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

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The City paid or accrued premiums, claims and administrative fees to third party administrators for its full-time employees totaling \$4,800,474, a decrease of 1% from the prior fiscal year, as follows:

	<u>06/30/2020</u>	<u>06/30/2019</u>	<u>Change</u>
Health insurance	\$ 4,139,004	\$ 4,149,280	\$ (10,276)
Dental insurance	215,710	259,441	(43,731)
Life insurance	92,270	102,255	(9,985)
Short/long term disability	303,931	267,038	36,893
Vision care	<u>49,559</u>	<u>57,235</u>	<u>(7,676)</u>
Total payments	<u>\$ 4,800,474</u>	<u>\$ 4,835,249</u>	<u>\$ (34,775)</u>

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

Other postemployment benefits

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

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

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

In addition to the health care expenditures for full time employees above, expenditures in the amount of \$9,405,483 were recognized for postemployment health care benefits, a decrease of .2% from the prior fiscal year, as follows:

	<u>No. of Retirees</u>	<u>06/30/2020</u>	<u>06/30/2019</u>
Health insurance	699	\$ 9,364,473	\$ 9,342,677
Dental insurance	89	14,964	18,032
Life insurance	606	25,208	24,002
Vision Insurance	17	<u>838</u>	<u>2,731</u>
Total payments		<u>\$ 9,405,483</u>	<u>\$ 9,387,442</u>

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

Employees covered by benefit terms – At the December 31, 2019 valuation date, the following employees were covered by benefit terms:

Active employees	160
Retirees and covered spouses	<u>1,134</u>
	<u>1,294</u>

The plan is closed to new members.

Contributions – The City has the authority to establish and amend the contribution requirements of the City and plan members. The City establishes rates based on an actuarially determined rate. For the year ended June 30, 2020, the City contributed based on the “pay-as-you-go-method”. Going forward, the City will use the actuarially determined contribution. Plan members are not required to contribute to the plan.

Total OPEB liability – The total OPEB liability was measured as of December 31, 2019. Substantially all funds are used to liquidate this liability.

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Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

Mortality rates were based on the Pub-2010 Mortality Tables for males or females, as appropriate.

Inflation	2.50%
Salary increases	3.00%
Healthcare cost trend rates	8.25% initial, decreasing by .25% each year to an ultimate rate of 4.5%

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period of 2014 to 2018.

Discount rate – The discount rate used to measure the total OPEB liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

The investment policy of the City is determined based on the goals and objectives of the Plan and the risk tolerance of the City. The City's objective in selecting the expected long-term rate of return on assets is to estimate the single rate of return that reflects the historical returns, future expectations for each asset class, and the asset mix of the plan assets. The City is 100% invested in the MERS Diversified Bond Portfolio. It is a diversified portfolio that invests in a combination of U.S. and foreign bonds, seeking to preserve capital and provide income. The fund has a target allocation of 100% bonds and is rebalanced quarterly between the target bond allocation as shown below. This fund has a focus on stability with a short time horizon and aims to minimize fluctuations in value.

Asset Classes	Target Allocation	Real Rate of Return
Global bonds	15%	1.25%
U.S. bonds	85%	0.37%
Expected real rate of return		0.50%
Inflation rate		2.50%
Total investment rate of return		3.00%

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Changes in the net OPEB liability:

Total OPEB Liability

Service cost	\$ 2,344,768
Interest on the total OPEB liability	9,567,170
Experience differences	1,730,792
Changes in actuarial assumptions	41,031,416
Benefit payments and refunds	<u>(8,666,545)</u>
Net change in total OPEB liability	46,007,601
Total OPEB liability - beginning	<u>265,995,230</u>

Total OPEB liability - ending (a) \$ 312,002,831

Plan Fiduciary Net Position

Employer contributions	\$ 9,639,885
OPEB plan net investment income	29,326
Benefit payments and refunds	(8,666,545)
OPEB plan administrative expense	<u>(914)</u>
Net change in plan fiduciary net position	1,001,752

Plan fiduciary net position - beginning -

Plan fiduciary net position - ending (b) \$ 1,001,752

Net OPEB liability (a-b) \$ 311,001,079

Plan fiduciary net position as a percentage of total OPEB liability 0.32%

Covered employee payroll \$ 9,858,048

Net OPEB liability as a percentage of covered payroll 3,154.79%

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using

a discount rate that is 1% lower (2.00%) or 1% higher (4.00%) than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	<u>\$ 371,357,510</u>	<u>\$ 311,001,079</u>	<u>\$ 264,284,263</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower (7.25%) or 1% higher (9.25%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability	<u>\$ 263,609,928</u>	<u>\$ 311,001,079</u>	<u>\$ 371,477,561</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2020 the employer recognized OPEB expense of \$37,705,255. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total	Total to Amortize
Differences in experience	\$ 485,618	\$ -	\$ 485,618	\$ 485,618
Differences in assumptions	11,512,412	-	11,512,412	11,512,412
Net difference between projected and actual earnings on plan investments	-	(23,461)	(23,461)	(23,461)
Contributions subsequent to the measurement date*	<u>5,154,815</u>	<u>-</u>	<u>5,154,815</u>	<u>-</u>
Total	<u>\$ 17,152,845</u>	<u>\$ (23,461)</u>	<u>\$ 17,129,384</u>	<u>\$ 11,974,569</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the total OPEB liability for the year ending 2021.

City of Saginaw
Notes to the Financial Statements
June 30, 2020

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

Year ended, June 30,	
2021	\$ 11,992,165
2022	(5,865)
2023	(5,865)
2024	<u>(5,866)</u>
	<u>\$ 11,974,569</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 City expects such amounts, if any, to be immaterial.

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

Note 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, 2019, levy was assessed at \$379,023,999 and personal property taxable value was assessed at \$67,318,000.

The City of Saginaw's operating tax rate for the fiscal year ended June 30, 2020, was 7.3830 mills (limited to 7.5000 mills). Additionally, the City levied 7.5000 mills for public safety. The City did not levy for debt service.

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

Taxes are due and payable on July 1 at the City Treasurer's Office and become delinquent after 30 days. To all real and personal taxes paid on or after August 1, there is added interest at the rate of 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 land sale.

City of Saginaw
Notes to the Financial Statements
June 30, 2020

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 - Tax Abatements

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

PA 146 (Obsolete Property Rehabilitation Act) provides property tax exemptions for commercial properties that are rehabilitated and meet the requirements of the Act. Properties must meet eligibility requirements including a statement of obsolescence by the local assessor. The property must be located in an established Obsolete Property Rehabilitation District. Exemptions are approved for a term of 1 to 12 years as determined by the City. The City abated \$57,813 related to PA 146 during fiscal year 2020.

PA 147 (Neighborhood Enterprise Zone Act) provides property tax exemptions for properties that provides for the development and rehabilitation for residential housing and meet the requirements of the Act. Properties must be in a designated neighborhood enterprise zone. Exemptions may range from 6 to 17 years dependent on the type of property. The City abated \$279 related to PA 147 during fiscal year 2020.

PA 198 (Industrial Property Tax Abatement) allows abatements to encourage Michigan manufacturers to build new plans, expand existing plans, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement. Once approved the firm pays an Industrial Facilities Tax (IFT), instead of property taxes, which reflects the abatement savings. The exemption covers only the specific project that is the subject of the application. Any buildings and equipment that existed prior to the construction of a new facility are not exempt. Likewise, any structures or equipment added after completion of the project are fully taxable. The IFT on new plant and non-industrial personal property is computed at half the local property mileage rate, resulting in a reduction of property taxes of approximately 50%. For an obsolete plant or machinery that is being replaced or restored, the IFT is frozen at the assessed value of the plant prior to improvement, resulting in a 100% exemption from property tax on the value of the improvements. A speculative building would be eligible for a reduction in property taxes of approximately 50%. Commercial personal property will receive an automatic reduction of 12 mills for local school on their property tax bill. The City abated \$51,592 related to PA 198 during fiscal year 2020.

City of Saginaw
Notes to the Financial Statements
June 30, 2020

PA 328 (Personal Property Tax Relief in Distressed Communities) allows eligible distressed communities to abate taxes on new investments made by eligible commercial businesses that reduce unemployment, promote economic growth, and increase capital investment. Neighborhood Enterprise Zone designation would qualify a community as eligible for the PA 328 exemption. Eligible projects include manufacturing, mining, research and development, wholesale trade, and office operations. Retail businesses and casinos are not eligible. Abatements reduce property taxes by the full millage rate. The law does not specify a maximum or a minimum number of years to be abated. The City abated \$532,841 related to PA 328 during fiscal year 2020.

PA 346 (State Housing Development Authority Act) provides property tax abatements in the form of payments in lieu of taxes for nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, mobile home park corporations, and mobile home park associations. Properties must meet eligibility requirements. The City abated \$230,498 related to PA 346 during fiscal year 2020.

PA 381 (Brownfield Redevelopment Abatement) encourages the purchase and revitalization of properties in which redevelopment or reuse may be complicated by the presence or perception of contamination. Revitalizing and redeveloping these properties protects the environment, reuses existing infrastructure, minimizes urban sprawl and creates economic opportunities. The City abated \$9,642 related to PA 381 during fiscal year 2020.

The City Charter caps the property tax revenue at \$3,828,778. The 2019 real and personal levy totaled \$3,273,574. Therefore, the net effect of the all the tax abatements listed above was \$555,204. As property values increase, the effect of these abatements will decrease.

Note 16 - Endowments

The City has received multiple donor-restricted endowments for cemeteries and parks with an original total value of \$47,000. The City

has interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The City classifies the original value of \$47,000 as non-spendable fund balance. The remaining portion of the donor-restricted endowments that is not classified as non-spendable is classified as restricted for Cemeteries and Parks. At June 30, 2020, the City has \$96,802 that has accumulated through net appreciation and interest and dividend earnings that is available for authorization for expenditure by the City Council for the specified purposes. Any spending is authorized through budgetary appropriation, as outlined in the City Charter. Any expenditures of said fund balance will be in done accordance with the original trust documents.

Note 17 - Economic Development Projects

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

City of Saginaw
Notes to the Financial Statements
June 30, 2020

Note 18 - COVID-19 Pandemic

The impact of COVID pandemic on the City of Saginaw has been significant from the closure of non-essential City operations from March 24, 2020 until July 1, 2020. As a result of the State of Michigan Governor's Executive Orders, the City responded accordingly to the essential nature of all city operations. The City scaled down the work forces in essential areas, staggered work shifts where necessary, and imposed part time shifts where needed in an effort to adapt to the COVID Crisis. In addition, many City employees were given the option to utilize Family Medical Leave Act in response to school closures, and other employees opted for unemployment due to lack of available work resulting from the closure.

Because of the effects on city operations, the City funding sources have been adversely affected for FY 2020. The June 30, 2020 financial statement reflects that the City realized noteworthy reductions in its State Shared Revenues, Income Tax Revenues, Other General Fund Revenues, Act 51 Gas & Weight Tax revenues, as well as in the enterprise funds.

- State shared Revenues: For the General Fund, the City realized an immediate reduction in the Constitutional and the Statutory portions of the State Shared Revenues due to the reduction in the sixth Constitutional payment and the loss of the sixth Statutory payment for the fiscal year. To offset this reduction the City will receive the Coronavirus Relief Local Government Grant (CRLGG), which will exceed the loss of statutory revenue. These funds will not be realized until FY 2021.
- Other General Fund Revenues: In addition to the reduction in the State Shared Revenues, any General Fund revenues that were market-driven or relied heavily on the economy during FY 2020 were reduced and this is reflected on the City's financial statement. For example, fewer revenues were received for permit revenues in the General Fund than was projected. This revenue type included electrical, mechanical, and plumbing permits. This is due to the standstill of the construction market as the state and country shut down due to the virus.
- Income Tax Revenue: As of June 30, 2020, income tax revenue reflected to be consistent with the projected budget. Although many of the filers working at home reside outside the City and there were high unemployment levels due to the COVID crisis, little impact was realized in FY 2020. The true impact to the City's financial picture is yet to be comprehended and will be realized in FY 2021. It is noteworthy that the collection deadline on income tax revenue was changed from April 30 to July 31.
- Act 51 Gas and Weight Taxes: As of June 30, 2020, the Act 51 Gas and Weight Taxes reflected a slight decrease for the fiscal year. As the nature of this revenue type is founded in the sale of gasoline, the impact of the COVID crisis on this revenue type will be directly related to the level of travel and the level of gasoline purchased. Combined with the fact that most people are working at home, the City anticipates a higher reduction in FY 2021.
- Delinquent Water/Sewer Accounts: Per the Executive Order 2020-144 the City of Saginaw discontinued shutoffs and eliminated the penalties on delinquent water/sewer accounts. The June 30, 2020 financial statement will reflect a reduction in revenues for water/sewer accounts. This balance could reach \$2 million. As a result of the CARES Act and Senate Bill 690 (Utility Bill Assistance Program) the City has the ability to recoup revenues to offset the delinquent balances.
- Additional Sick/Vacation Time: At the onset of the COVID pandemic and city hall closure on March 24, 2020, the City Manager provided a 40-hour Emergency Leave Bank (ELB) to all employees, essential and non-essential. In addition, an allocation of 80 hours of Emergency Paid Sick Leave (EPSL) was provided to employees that were affected by COVID or closure of their operations. Furthermore, essential workers

City of Saginaw
Notes to the Financial Statements
June 30, 2020

were also provided with 80 hours of Compensatory Emergency Employee Leave Banks (COMP EELB).

- Grants: In addition to the Coronavirus Relief Local Government Grant mentioned above, the City of Saginaw has received or will be receiving multiple other grants due to the COVID Crisis. The City received the First Responder Hazard Pay Premiums Program, which covered \$1,000 of hazard pay for eligible police officers and firefighters. The City of Saginaw Police Department received a grant award of \$184,048 as part of the Coronavirus Emergency Supplemental Funding Program. The City also has received funding from the Public Safety and Public Health Payroll Reimbursement Program, though the final amount awarded has not yet been determined. Lastly, the City will be applying for reimbursement from the FEMA Public Assistance Program for expenses related to the emergency protective measures necessary to protect public health and safety.

City of Saginaw
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
General operating property taxes	\$ 3,561,029	\$ 3,564,466	\$ 3,652,184	\$ 87,718
City income tax	13,795,000	13,795,000	13,782,996	(12,004)
State shared revenues	8,826,108	8,893,165	8,085,913	(807,252)
Licenses, permits and fees	2,631,866	2,724,862	2,698,844	(26,018)
Fines, penalties and forfeitures	308,400	265,305	247,919	(17,386)
Grants, donations and contributions	3,689,975	3,985,211	3,992,463	7,252
Interest	602,035	572,035	508,820	(63,215)
Rents and privileges	734,502	768,869	647,810	(121,059)
Other revenues	647,562	520,526	457,907	(62,619)
	<u>34,796,477</u>	<u>35,089,439</u>	<u>34,074,856</u>	<u>(1,014,583)</u>
Total revenues				

City of Saginaw
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Expenditures				
General government	\$ 4,759,440	\$ 4,926,577	\$ 4,580,854	\$ (345,723)
Administration	2,968,928	2,982,912	2,712,519	(270,393)
Public safety				
Police department	12,688,553	12,979,980	12,619,459	(360,521)
Fire department	8,341,506	8,981,331	8,499,012	(482,319)
General services	3,932,211	4,260,145	3,768,710	(491,435)
Community services	1,750,182	1,847,928	1,580,750	(267,178)
	<u>34,440,820</u>	<u>35,978,873</u>	<u>33,761,304</u>	<u>(2,217,569)</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>355,657</u>	<u>(889,434)</u>	<u>313,552</u>	<u>1,202,986</u>
Other financing sources (uses)				
Issuance of debt	73,767	-	48,180	48,180
Transfers in	142,967	164,147	164,146	(1)
Transfers out	(572,391)	(1,749,348)	(1,725,953)	(23,395)
	<u>(355,657)</u>	<u>(1,585,201)</u>	<u>(1,513,627)</u>	<u>24,784</u>
Total other financing sources (uses)				
Net change in fund balance	-	(2,474,635)	(1,200,075)	1,274,560
Fund balance - beginning of year	<u>10,290,608</u>	<u>10,290,608</u>	<u>10,290,608</u>	
Fund balance - end of year	<u>\$ 10,290,608</u>	<u>\$ 7,815,973</u>	<u>9,090,533</u>	<u>\$ 1,274,560</u>

City of Saginaw
Required Supplementary Information
Budgetary Comparison Schedule
Major Streets Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 26,896	\$ (18,104)
State revenue sharing	5,999,636	5,679,674	5,791,005	111,331
Other state grants	476,909	672,369	757,828	85,459
Interest income	-	3,110	3,774	664
Other revenue	15,150	58,187	66,461	8,274
Sale of capital assets	1,000	19,632	27,179	7,547
Total revenues	<u>6,537,695</u>	<u>6,477,972</u>	<u>6,673,143</u>	<u>195,171</u>
Expenditures				
Public works				
Routine maintenance of roads and streets	1,911,840	2,366,979	1,906,283	(460,696)
Routine maintenance of bridges	70,192	71,366	45,219	(26,147)
Winter maintenance of roads and streets	638,913	808,509	668,662	(139,847)
Traffic services maintenance	734,126	875,256	735,892	(139,364)
State trunkline maintenance	452,840	461,010	407,615	(53,395)
Administration	936,864	890,575	803,826	(86,749)
Total public works expenditures	<u>4,744,775</u>	<u>5,473,695</u>	<u>4,567,497</u>	<u>(906,198)</u>
Capital outlay	<u>2,473,972</u>	<u>2,674,167</u>	<u>2,151,878</u>	<u>(522,289)</u>
Debt service				
Principal retirement	115,280	115,280	115,260	(20)
Interest and fiscal charges	26,846	26,846	26,835	(11)
Total debt service	<u>142,126</u>	<u>142,126</u>	<u>142,095</u>	<u>(31)</u>
Total expenditures	<u>7,360,873</u>	<u>8,289,988</u>	<u>6,861,470</u>	<u>(1,428,518)</u>
Excess (deficiency) of revenues over expenditures	<u>(823,178)</u>	<u>(1,812,016)</u>	<u>(188,327)</u>	<u>1,623,689</u>

City of Saginaw
Required Supplementary Information
Budgetary Comparison Schedule
Major Streets Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Other financing sources (uses)				
Issuance of debt	\$ 73,767	\$ -	\$ -	\$ -
Transfers out	(333,239)	(333,239)	(14,158)	(319,081)
Total other financing sources (uses)	(259,472)	(333,239)	(14,158)	(319,081)
Net change in fund balance	(1,082,650)	(2,145,255)	(202,485)	1,942,770
Fund balance - beginning of year	3,079,871	3,079,871	3,079,871	
Fund balance - end of year	<u>\$ 1,997,221</u>	<u>\$ 934,616</u>	<u>\$ 2,877,386</u>	<u>\$ 1,942,770</u>

City of Saginaw
Required Supplementary Information
Budgetary Comparison Schedule
Community Development Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Federal grants	\$ 3,977,041	\$ 4,363,158	\$ 1,778,523	\$ (2,584,635)
Interest income	4,000	4,661	5,722	1,061
Loan repayments	30,000	32,633	35,263	2,630
Rental income	5,412	5,412	4,741	(671)
Miscellaneous	1,000	172,500	231,480	58,980
	<u>4,017,453</u>	<u>4,578,364</u>	<u>2,055,729</u>	<u>(2,522,635)</u>
Expenditures				
Current				
Economic development	<u>3,874,486</u>	<u>4,435,397</u>	<u>2,257,571</u>	<u>(2,177,826)</u>
	<u>142,967</u>	<u>142,967</u>	<u>(201,842)</u>	<u>(344,809)</u>
Other financing sources (uses)				
Transfers in	-	59,204	59,204	-
Transfers out	<u>(142,967)</u>	<u>(164,147)</u>	<u>(164,146)</u>	<u>(1)</u>
	<u>(142,967)</u>	<u>(104,943)</u>	<u>(104,942)</u>	<u>(1)</u>
Net change in fund balance	-	38,024	(306,784)	(344,808)
Fund balance - beginning of year (deficit)	<u>(228,393)</u>	<u>(228,393)</u>	<u>(228,393)</u>	<u> </u>
Fund balance - end of year (deficit)	<u><u>\$ (228,393)</u></u>	<u><u>\$ (190,369)</u></u>	<u><u>\$ (535,177)</u></u>	<u><u>\$ (344,808)</u></u>

City of Saginaw
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2020

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 1,627,096	\$ 1,663,289	\$ 1,556,417	\$ 1,663,167	\$ 1,048,864	\$ 575,614
Interest on the total pension liability	25,838,194	25,680,216	25,670,554	25,738,756	19,616,632	11,155,106
Transfer of police/fire liability	-	-	-	81,663,416	105,033,295	-
Other changes	-	16,430	(13)	1	2,042,459	1
Experience differences	533,762	3,638,071	1,694,853	312,010	(1,859,583)	-
Changes in actuarial assumptions	11,177,822	-	-	-	7,774,598	-
Benefit payments and refunds	(29,063,798)	(28,946,607)	(28,762,319)	(28,263,841)	(20,924,135)	(12,034,147)
Net change in total pension liability	10,113,076	2,051,399	159,492	81,113,509	112,732,130	(303,426)
Total pension liability - beginning	336,695,775	334,644,376	334,484,884	253,371,375	140,639,245	140,942,671
Total pension liability - ending (a)	<u>\$ 346,808,851</u>	<u>\$ 336,695,775</u>	<u>\$ 334,644,376</u>	<u>\$ 334,484,884</u>	<u>\$ 253,371,375</u>	<u>\$ 140,639,245</u>
Plan Fiduciary Net Position						
Employer contributions	\$ 14,626,627	\$ 15,067,206	\$ 13,392,466	\$ 24,998,362	\$ 18,787,296	\$ 10,025,340
Employee contributions	405,911	417,958	476,491	566,489	1,679,412	209,067
Pension plan net investment income (loss)	20,805,544	(6,585,645)	21,922,423	18,522,381	(1,354,036)	3,964,552
Benefit payments and refunds	(29,063,798)	(28,946,607)	(28,762,319)	(28,263,841)	(20,924,135)	(12,034,147)
Pension plan administrative expense	(357,967)	(337,481)	(348,525)	(365,433)	(313,371)	(145,308)
Transfer of police/fire assets	-	-	-	32,924,049	60,369,090	-
Other	(250)	-	(250)	(251)	275,770	-
Net change in plan fiduciary net position	6,416,067	(20,384,569)	6,680,286	48,381,756	58,520,026	2,019,504
Plan fiduciary net position - beginning	159,156,748	179,541,317	172,861,031	124,479,275	65,959,249	63,939,745
Plan fiduciary net position - ending (b)	<u>\$ 165,572,815</u>	<u>\$ 159,156,748</u>	<u>\$ 179,541,317</u>	<u>\$ 172,861,031</u>	<u>\$ 124,479,275</u>	<u>\$ 65,959,249</u>
Net pension liability (a-b)	<u>\$ 181,236,036</u>	<u>\$ 177,539,027</u>	<u>\$ 155,103,059</u>	<u>\$ 161,623,853</u>	<u>\$ 128,892,100</u>	<u>\$ 74,679,996</u>
Plan fiduciary net position as a percentage of total pension liability	47.74%	47.27%	53.65%	51.68%	49.13%	46.90%
Covered payroll	\$ 13,463,854	\$ 12,266,069	\$ 11,352,264	\$ 11,109,314	\$ 6,255,078	\$ 4,379,041
Net pension liability as a percentage of covered payroll	1346.09%	1447.40%	1366.27%	1454.85%	2060.60%	1,705.40%

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

City of Saginaw
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions
June 30, 2020

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2015	\$ 11,101,725	\$ 11,101,725	\$ -	\$ 11,692,526	94.95%
6/30/2016	12,905,325	12,905,325	-	12,421,345	103.90%
6/30/2017	11,503,189	12,507,269	(1,004,080)	11,927,122	104.86%
6/30/2018	13,030,383	15,030,383	(2,000,000)	12,686,320	118.48%
6/30/2019	13,000,836	14,068,682	(1,067,846)	13,605,040	103.41%
6/30/2020	14,180,747	15,237,064	(1,056,317)	14,671,802	103.85%

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	15-22 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.5%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	52 to 60
Mortality	RP-2014 Healthy Annuitant Mortality Tables - 50% male and 50% female blend RP-2014 Employee Mortality Tables - 50% male and 50% female blend RP-2014 Juvenile Mortality Tables - 50% male and 50% female blend RP-2014 Disabled Retiree Mortality Tables - 50% male and 50% female blend

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

City of Saginaw
Required Supplementary Information
Other Post Employment Benefits
Schedule of Changes in Total OPEB Liability and Related Ratios

December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 2,344,768	\$ 2,534,106	\$ 3,054,260
Interest on the total OPEB liability	9,567,170	8,947,895	8,136,797
Experience differences	1,730,792	-	3,266,252
Changes in actuarial assumptions	41,031,416	(17,699,012)	3,862,495
Benefit payments and refunds	<u>(8,666,545)</u>	<u>(9,750,762)</u>	<u>(9,860,001)</u>
Net change in total OPEB liability	46,007,601	(15,967,773)	8,459,803
Total OPEB liability - beginning	<u>265,995,230</u>	<u>281,963,003</u>	<u>273,503,200</u>
Total OPEB liability - ending (a)	<u>\$ 312,002,831</u>	<u>\$ 265,995,230</u>	<u>\$ 281,963,003</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 9,639,885	\$ -	\$ -
OPEB plan net investment income (loss)	29,326	-	-
Benefit payments and refunds	(8,666,545)	-	-
OPEB plan administrative expense	<u>(914)</u>		
Net change in plan fiduciary net position	1,001,752	-	-
Plan fiduciary net position - beginning	<u>-</u>		
Plan fiduciary net position - ending (b)	<u>\$ 1,001,752</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability (a-b)	<u>\$ 311,001,079</u>	<u>\$ 265,995,230</u>	<u>\$ 281,963,003</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.32%	- -%	- %
Covered employee payroll	\$ 9,858,048	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	3154.79%_	N/A -	N/A

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available. For 2018 and 2019 contributions were not based on a measure of payroll, therefore per GASB Statement No. 85, covered employee payroll was not presented. Beginning in fiscal year 2020, contributions were calculated in accordance with the requirements of Public Act 202 of 2017 and were based on payroll.

City of Saginaw
Required Supplementary Information
Other Post Employment Benefits
Schedule of Employer Contributions
June 30, 2020

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
6/30/2018	\$ 9,463,741	\$ 9,818,456	\$ (354,715)	N/A	N/A
6/30/2019	9,923,670	10,267,157	(343,487)	N/A	N/A
6/30/2020	17,744,097	9,638,067	8,106,030	10,908,313	88.36%

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available. For fiscal years 2018 and 2019 contributions were not based on a measure of payroll, therefore per GASB Statement No. 85, covered employee payroll was not presented. Beginning in fiscal year 2020, contributions were calculated in accordance with the requirements of Public Act 202 of 2017 and were based on payroll.

Methods and assumptions used to determine contribution rates:

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

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

City of Saginaw
Required Supplementary Information
Other Post Employment Benefits
Schedule of Investment Returns

<u>Plan Year</u> <u>Ending December 31,</u>	<u>Annual</u> <u>Return (1)</u>
2017	0.00%
2018	0.00%
2019	9.41%

Note:

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

City of Saginaw
Other Supplementary Information
General Fund
Balance Sheet
June 30, 2020

(With Comparative Actual Amounts for June 30, 2019)

	2020	2019
Assets		
Cash and cash equivalents	\$ 9,025,920	\$ 8,388,225
Receivables		
Taxes receivable	1,680,143	1,742,667
Customers	91,238	59,346
Special assessments	160,554	166,921
Accrued interest and other	53,866	58,859
Due from other units of government	697,517	1,458,020
Due from other funds	334,280	407,060
Inventories	221,252	198,443
Prepaid items	24,084	20,975
Restricted assets		
Investments	304,392	299,713
Total assets	\$ 12,593,246	\$ 12,800,229
Liabilities		
Accounts payable	\$ 484,320	\$ 366,387
Accrued and other liabilities	882,022	798,883
Due to other funds	2,076,485	1,295,391
Due to other units of government	8,769	21,291
Total liabilities	3,451,596	2,481,952

City of Saginaw
Other Supplementary Information
General Fund
Balance Sheet
June 30, 2020

(With Comparative Actual Amounts for June 30, 2019)

	2020	2019
Deferred inflows of resources		
Accounts receivable	\$ 21,608	\$ 27,669
Grants	29,509	
Total deferred inflows of resources	51,117	27,669
Fund balances		
Non-spendable		
Inventories	221,252	198,443
Prepaid items	24,084	20,975
Restricted for	-	
General government	13,023	8,619
Public safety	500	5,460
Economic development	4,625	4,625
Committed for		
General government	10,416	-
Public safety	138,542	51,040
Public services	-	91,088
Assigned for		
Public safety	-	563,044
Repairs	-	5,539
Public services	-	284,562
Community services	743,400	1,078,408
General government	70,000	785,000
Unassigned	7,864,691	7,193,805
Total fund balances	9,090,533	10,290,608
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,593,246	\$ 12,800,229

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

LOCAL STREETS FUNDS

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

PUBLIC SAFETY MILLAGE FUND

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

RUBBISH COLLECTION FUND

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

CLEAN ENERGY COALITION FUND

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

COMMUNITY POLICING FUND

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

NONMAJOR GOVERNMENTAL FUNDS

(continued)

SPECIAL REVENUE FUNDS

LOCAL LAW ENFORCEMENT

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

POLICE TRAINING FUND

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

POLICE ENHANCING LAW ENFORCEMENT RESPONSE TO VICTIMS (ELERV) FUND

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

YOUTH INITIATIVE GRANT FUND

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

JUSTICE VICTIMS GRANT FUND

This fund accounts for all expenditures and funds received from the Justice Victims Grant.

DRUG FORFEITURE FUND

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

ANDERSEN CENTER OPERATION FUND

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

ARTS AND ENRICHMENT COMMISSION FUND

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

NONMAJOR GOVERNMENTAL FUNDS *(continued)*

SPECIAL REVENUE FUNDS

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.

PUBLIC EMPLOYEE HEALTHCARE FUND

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

CAPITAL PROJECTS FUND

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

PERMANENT FUND

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

City of Saginaw
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
Assets				
Cash and cash equivalents	\$ 558,855	\$ 251,365	\$ 1,337,639	\$ 8,868
Receivables				
Customers	-	-	1,633,780	-
Special assessments	3,366	-	9,602	-
Due from other units of government	222,531	-	-	-
Prepaid items	-	-	174,865	-
Restricted assets				
Investments	-	-	-	-
Total assets	\$ 784,752	\$ 251,365	\$ 3,155,886	\$ 8,868
	-	-	-	

City of Saginaw
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds						
	Police Grants Funds						
	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Justice Victims Grant	Drug Forfeiture
Assets							
Cash and cash equivalents	\$ 54,323	\$ 23,513	\$ -	\$ 831	\$ -	\$ 95,734	\$ 481,206
Receivables							
Customers	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Due from other units of government	-	-	-	-	12,461	30,777	-
Prepaid items	-	-	-	-	-	-	-
Restricted assets							
Investments	-	-	-	-	-	-	-
Total assets	\$ 54,323	\$ 23,513	\$ -	\$ 831	\$ 12,461	\$ 126,511	\$ 481,206

City of Saginaw
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	<u>Special Revenue Funds</u>					Total
	<u>Andersen Center Operation</u>	<u>Arts and Enrichment Commission</u>	<u>Public Employee Healthcare</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Nonmajor Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 9,349	\$ 188,789	\$ 853,646	\$ 1,056,643	\$ 296,208	\$ 5,216,969
Receivables						
Customers	1,555	-	-	-	30	1,635,365
Special assessments	-	-	-	-	-	12,968
Due from other units of government	-	-	-	-	-	265,769
Prepaid items	-	2,500	-	-	-	177,365
Restricted assets						
Investments	-				<u>2,742,015</u>	<u>2,742,015</u>
Total assets	<u>\$ 10,904</u>	<u>\$ 191,289</u>	<u>\$ 853,646</u>	<u>\$ 1,056,643</u>	<u>\$ 3,038,253</u>	<u>\$ 10,050,451</u>

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City of Saginaw
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
Liabilities				
Accounts payable	\$ 136,475	\$ 11,923	\$ 649,571	\$ 4,668
Accrued and other liabilities	13,072	116,193	115,685	220
Due to other funds	-	-	-	-
Due to other units of government	-	-	-	-
Total liabilities	<u>149,547</u>	<u>128,116</u>	<u>765,256</u>	<u>4,888</u>
Deferred inflows of resources				
Accounts receivable	-	-	978,090	-
Grants	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>978,090</u>	<u>-</u>
Fund balances				
Non-spendable				
Prepaid items	-	-	174,865	-
Endowments	-	-	-	-
Restricted	635,205	123,249	1,237,675	3,980
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>635,205</u>	<u>123,249</u>	<u>1,412,540</u>	<u>3,980</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 784,752</u>	<u>\$ 251,365</u>	<u>\$ 3,155,886</u>	<u>\$ 8,868</u>
	-	-	-	

City of Saginaw
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds						
	Police Grants Funds						
	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Justice Victims Grant	Drug Forfeiture
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 298	\$ 26,484	\$ 883
Accrued and other liabilities	-	-	-	-	4,705	-	404,445
Due to other funds	-	-	-	-	1,138	-	442
Due to other units of government	-	-	-	-	-	100,000	-
Total liabilities	-	-	-	-	6,141	126,484	405,770
Deferred inflows of resources							
Accounts receivable	-	-	-	-	-	-	-
Grants	-	-	-	-	-	20,992	-
Total deferred inflows of resources	-	-	-	-	-	20,992	-
Fund balances							
Non-spendable							
Prepaid items	-	-	-	-	-	-	-
Endowments	-	-	-	-	-	-	-
Restricted	54,323	23,513	-	831	6,320	-	75,436
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	(20,965)	-
Total fund balances	54,323	23,513	-	831	6,320	(20,965)	75,436
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,323</u>	<u>\$ 23,513</u>	<u>\$ -</u>	<u>\$ 831</u>	<u>\$ 12,461</u>	<u>\$ 126,511</u>	<u>\$ 481,206</u>
	-	-	-	-		-	

City of Saginaw
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	<u>Special Revenue Funds</u>					Total
	<u>Andersen Center Operation</u>	<u>Arts and Enrichment Commission</u>	<u>Public Employee Healthcare</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Nonmajor Governmental Funds</u>
Liabilities						
Accounts payable	\$ 2,854	\$ 47	\$ -	\$ 342,766	\$ -	\$ 1,175,969
Accrued and other liabilities	325	-	-	-	-	654,645
Due to other funds	-	-	-	-	-	1,580
Due to other units of government	-	-	-	-	-	100,000
Total liabilities	<u>3,179</u>	<u>47</u>	<u>-</u>	<u>342,766</u>	<u>-</u>	<u>1,932,194</u>
Deferred inflows of resources						
Accounts receivable	-	-	-	-	-	978,090
Grants	-	-	-	-	-	20,992
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>999,082</u>
Fund balances						
Non-spendable				-		
Prepaid items	-	2,500	-	-	-	177,365
Endowments	-	-	-	-	2,941,451	2,941,451
Restricted	7,725	-	-	-	96,802	2,265,059
Committed	-	-	853,646	-	-	853,646
Assigned	-	188,742	-	713,877	-	902,619
Unassigned (deficit)	-	-	-	-	-	(20,965)
Total fund balances	<u>7,725</u>	<u>191,242</u>	<u>853,646</u>	<u>713,877</u>	<u>3,038,253</u>	<u>7,119,175</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,904</u>	<u>\$ 191,289</u>	<u>\$ 853,646</u>	<u>\$ 1,056,643</u>	<u>\$ 3,038,253</u>	<u>\$ 10,050,451</u>
	-	-	-	-		

City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
Revenues				
Taxes	\$ -	\$ 2,874,984	\$ 3,205	\$ -
Federal grants	-	-	-	-
State revenue sharing	1,600,372	-	-	-
Other state grants	-	-	-	-
Local contributions	-	-	-	-
Charges for services	-	-	4,260,733	-
Interest income	869	-	104,300	2
Rental income	-	-	-	-
Other revenue	5,994	-	2,591	-
	<u>1,607,235</u>	<u>2,874,984</u>	<u>4,370,829</u>	<u>-</u>
Total revenues	<u>1,607,235</u>	<u>2,874,984</u>	<u>4,370,829</u>	<u>-</u>

City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

Police Grants Funds

	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Justice Victims Grant	Drug Forfeiture
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	-	-	94,030	-	31,050	-
State revenue sharing	-	-	-	-	-	-	-
Other state grants	-	-	8,925	-	-	-	-
Local contributions	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Interest income	-	30	8	34	-	27	2,154
Rental income	-	-	-	-	-	-	-
Other revenue	-	-	-	-	177,883	-	4,239
Total revenues	-	30	8,933	94,064	177,883	31,077	6,393

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City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	<u>Andersen Center Operation</u>	<u>Arts and Enrichment Commission</u>	<u>Public Employee Healthcare</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,878,189
Federal grants	-	-	-	-	-	125,080
State revenue sharing	-	-	-	-	-	1,600,372
Other state grants	-	-	-	-	-	8,925
Local contributions	23,393	174,265	-	-	-	197,658
Charges for services	-	4,964	-	-	52,169	4,317,866
Interest income	5	2,022	2,314	36	48,453	160,254
Rental income	32,075	-	-	-	-	32,075
Other revenue	10,815	31,991	-	33,000	-	266,513
	<u>66,288</u>	<u>213,242</u>	<u>2,314</u>	<u>33,036</u>	<u>100,622</u>	<u>9,586,932</u>
Total revenues						

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City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
Expenditures				
Current				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	2,752,245	-	-
Public works				
Highways and streets	1,559,564	-	-	-
Garbage and rubbish	-	-	3,832,822	31,647
Recreation and culture	-	-	-	-
Debt service				
Principal retirement	-	-	67,725	6,614
Interest and fiscal charges	-	-	17,179	1,387
Total expenditures	<u>1,559,564</u>	<u>2,752,245</u>	<u>3,917,726</u>	<u>39,648</u>
Excess (deficiency) of revenues over expenditures	<u>47,671</u>	<u>122,739</u>	<u>453,103</u>	<u>(39,646)</u>

City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

Police Grants Funds

	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Justice Victims Grant	Drug Forfeiture
Expenditures							
Current							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	18,313	93,233	181,732	52,042	75,123
Public works							
Highways and streets	-	-	-	-	-	-	-
Garbage and rubbish	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>18,313</u>	<u>93,233</u>	<u>181,732</u>	<u>52,042</u>	<u>75,123</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>30</u>	<u>(9,380)</u>	<u>831</u>	<u>(3,849)</u>	<u>(20,965)</u>	<u>(68,730)</u>

City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	<u>Andersen Center Operation</u>	<u>Arts and Enrichment Commission</u>	<u>Public Employee Healthcare</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	
Expenditures						
Current						
General government	\$ -	\$ -	\$ 973,403	\$ 452,712	\$ -	\$ 1,426,115
Public safety	-	-	-	-	-	3,172,688
Public works						
Highways and streets	-	-	-	-	-	1,559,564
Garbage and rubbish	-	-	-	-	-	3,864,469
Recreation and culture	58,567	183,057	-	-	-	241,624
Debt service						
Principal retirement	-	-	-	358,790	-	433,129
Interest and fiscal charges	-	-	-	88,139	-	106,705
	<u>58,567</u>	<u>183,057</u>	<u>973,403</u>	<u>899,641</u>	<u>-</u>	<u>10,804,294</u>
Excess (deficiency) of revenues over expenditures	<u>7,721</u>	<u>30,185</u>	<u>(971,089)</u>	<u>(866,605)</u>	<u>100,622</u>	<u>(1,217,362)</u>

City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Local Street	Public Safety Millage	Rubbish Collection	Clean Energy Coalition
Other financing sources (uses)				
Transfers in	\$ -	\$ -	\$ -	\$ 39,676
Transfers out	(9,347)	-	(144,677)	-
Sale of capital assets	-		32,440	
Total other financing sources and uses	(9,347)		(112,237)	39,676
Net change in fund balance	38,324	122,739	340,866	30
Fund balance - beginning of year	596,881	510	1,071,674	3,950
Fund balance (deficit) - end of year	<u>\$ 635,205</u>	<u>\$ 123,249</u>	<u>\$ 1,412,540</u>	<u>\$ 3,980</u>

City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

Police Grants Funds

	Community Policing	Local Law Enforcement	Police Training	Police ELERV Grant	Youth Initiative Grant	Justice Victims Grant	Drug Forfeiture
Other financing sources (uses)							
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 1,373	\$ -	\$ -
Transfers out	-	-	-	-	-	-	-
Sale of capital assets	-	5,520					
Total other financing sources and uses	-	5,520			1,373		
Net change in fund balance	-	5,550	(9,380)	831	(2,476)	(20,965)	(68,730)
Fund balance - beginning of year	54,323	17,963	9,380	-	8,796	-	144,166
Fund balance (deficit) - end of year	<u>\$ 54,323</u>	<u>\$ 23,513</u>	<u>\$ -</u>	<u>\$ 831</u>	<u>\$ 6,320</u>	<u>\$ (20,965)</u>	<u>\$ 75,436</u>

City of Saginaw
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	Andersen Center Operation	Arts and Enrichment Commission	Public Employee Healthcare	Capital Projects	Permanent Fund	
Other financing sources (uses)						
Transfers in	\$ -	\$ -	\$ 250,000	\$ 1,576,247	\$ -	\$ 1,867,296
Transfers out	-	-	-	-	-	(154,024)
Sale of capital assets	-	-	-	-	-	37,960
Total other financing sources and uses	-	-	250,000	1,576,247	-	1,751,232
Net change in fund balance	7,721	30,185	(721,089)	709,642	100,622	533,870
Fund balance - beginning of year	-4	161,057	1,574,735	4,235	2,937,631	6,585,305
Fund balance (deficit) - end of year	<u>\$ 7,725</u>	<u>\$ 191,242</u>	<u>\$ 853,646</u>	<u>\$ 713,877</u>	<u>\$ 3,038,253</u>	<u>\$ 7,119,175</u>

City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Local Streets Special Revenue Fund
For the Year Ended June 30, 2020

	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
State revenue sharing	\$ 1,572,075	\$ 1,600,372	\$ 28,297
Interest income	562	869	307
Other revenue	3,803	5,994	2,191
Transfers in	319,081		(319,081)
	<u>1,895,521</u>	<u>1,607,235</u>	<u>(288,286)</u>
Expenditures			
Public works			
Routine maintenance of roads and streets	770,481	556,048	(214,433)
Winter maintenance of roads and streets	97,831	95,311	(2,520)
Traffic services maintenance	277,081	197,467	(79,614)
Administration	997,525	710,738	(286,787)
Transfers out	9,347	9,347	
	<u>2,152,265</u>	<u>1,568,911</u>	<u>(583,354)</u>
Excess (deficiency) of revenues over expenditures	(256,744)	38,324	295,068
Fund balance - beginning of year	<u>596,881</u>	<u>596,881</u>	
Fund balance - end of year	<u>\$ 340,137</u>	<u>\$ 635,205</u>	<u>\$ 295,068</u>

City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Public Safety Millage Special Revenue Fund
For the Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
Revenues			
Taxes	\$ 2,793,009	\$ 2,874,984	\$ 81,975
 Expenditures			
Public safety			
Police patrol	1,797,326	1,839,218	41,892
Fire suppression	<u>995,683</u>	<u>913,027</u>	<u>(82,656)</u>
Total public safety expenditures	<u>2,793,009</u>	<u>2,752,245</u>	<u>(40,764)</u>
Excess (deficiency) of revenues over expenditures	-	122,739	122,739
Fund balance - beginning of year	<u>510</u>	<u>510</u>	<u> </u>
Fund balance - end of year	<u>\$ 510</u>	<u>\$ 123,249</u>	<u>\$ 122,739</u>

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City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Rubbish Collection Special Revenue Fund
For the Year Ended June 30, 2020

	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ 3,004	\$ 3,205	\$ 201
Charges for services	3,877,192	4,260,733	383,541
Interest income	75,000	104,300	29,300
Other revenue	-	2,591	2,591
Sale of capital assets	-	32,440	32,440
Total revenues	<u>3,955,196</u>	<u>4,403,269</u>	<u>448,073</u>
Expenditures			
Public works			
Administration	560,291	553,752	(6,539)
Rubbish collection and disposal	2,097,504	1,979,940	(117,564)
Brush collection and disposal	354,827	302,034	(52,793)
Recycling and composting	1,179,583	997,096	(182,487)
Debt service			
Principal retirement	67,725	67,725	-
Interest and fiscal charges	17,180	17,179	(1)
Transfers out	144,677	144,677	
Total public works expenditures	<u>4,421,787</u>	<u>4,062,403</u>	<u>(359,384)</u>
Excess (deficiency) of revenues over expenditures	(466,591)	340,866	807,457
Fund balance - beginning of year	<u>1,071,674</u>	<u>1,071,674</u>	
Fund balance - end of year	<u>\$ 605,083</u>	<u>\$ 1,412,540</u>	<u>\$ 807,457</u>

City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Clean Energy Coalition Special Revenue Fund
For the Year Ended June 30, 2020

	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Interest income	\$ -	\$ 2	\$ 2
Transfers in	40,000	39,676	(324)
Total revenues	<u>40,000</u>	<u>39,678</u>	<u>(322)</u>
Expenditures			
Public works			
Contractual services	31,999	31,647	(352)
Debt service			
Principal retirement	6,614	6,614	-
Interest and fiscal charges	1,387	1,387	
Total expenditures	<u>40,000</u>	<u>39,648</u>	<u>(352)</u>
Excess (deficiency) of revenues over expenditures	-	30	30
Fund balance - beginning of year	<u>3,950</u>	<u>3,950</u>	
Fund balance - end of year	<u>\$ 3,950</u>	<u>\$ 3,980</u>	<u>\$ 30</u>

City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Police Grants Special Revenue Fund
For the Year Ended June 30, 2020

	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Federal grants	\$ 551,093	\$ 125,080	\$ (426,013)
Other state grants	14,000	8,925	(5,075)
Interest income	7	99	92
Other revenue	199,635	177,883	(21,752)
Sale of capital assets	5,520	5,520	-
Transfers in	<u>24,444</u>	<u>1,373</u>	<u>(23,071)</u>
Total revenues	794,699	318,880	(475,819)
Expenditures			
Public safety	<u>852,331</u>	<u>345,320</u>	<u>(507,011)</u>
Excess (deficiency) of revenues over expenditures	(57,632)	(26,440)	31,192
Fund balance - beginning of year	<u>90,462</u>	<u>90,462</u>	<u> </u>
Fund balance - end of year	<u>\$ 32,830</u>	<u>\$ 64,022</u>	<u>\$ 31,192</u>

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City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Drug Forfeiture Special Revenue Fund
For the Year Ended June 30, 2020

	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Interest income	\$ 2,155	\$ 2,154	\$ (1)
Other revenue	<u>4,239</u>	<u>4,239</u>	
Total revenues	6,394	6,393	(1)
Expenditures			
Public safety	<u>87,350</u>	<u>75,123</u>	<u>(12,227)</u>
Excess (deficiency) of revenues over expenditures	(80,956)	(68,730)	12,226
Fund balance - beginning of year	<u>144,166</u>	<u>144,166</u>	
Fund balance - end of year	<u><u>\$ 63,210</u></u>	<u><u>\$ 75,436</u></u>	<u><u>\$ 12,226</u></u>

City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Andersen Center Operation Special Revenue Fund
For the Year Ended June 30, 2020

	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Local contributions	\$ 23,500	\$ 23,393	\$ (107)
Interest income	-	5	5
Rental income	51,520	32,075	(19,445)
Other revenue	13,000	10,815	(2,185)
Total revenues	88,020	66,288	(21,732)
Expenditures			
Recreation and culture	73,502	58,567	(14,935)
Excess (deficiency) of revenues over expenditures	14,518	7,721	(6,797)
Fund balance - beginning of year	4		
Fund balance - end of year	\$ 14,522	\$ 7,725	\$ (6,797)

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City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Arts and Enrichment Commission Special Revenue Fund
For the Year Ended June 30, 2020

	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Local contributions	\$ 152,000	\$ 174,265	\$ 22,265
Charges for services	900	4,964	4,064
Interest income	450	2,022	1,572
Other revenue	38,000	31,991	(6,009)
Total revenues	191,350	213,242	21,892
Expenditures			
Recreation and culture	191,350	183,057	(8,293)
Excess (deficiency) of revenues over expenditures	-	30,185	30,185
Fund balance - beginning of year	161,057	161,057	
Fund balance - end of year	\$ 161,057	\$ 191,242	\$ 30,185

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City of Saginaw
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Public Employee Healthcare Fund
For the Year Ended June 30, 2020

	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Interest income	\$ 18,882	\$ 2,314	\$ (16,568)
Transfers in	<u>250,000</u>	<u>250,000</u>	
Total revenues	268,882	252,314	(16,568)
Expenditures			
Current			
General government	<u>18,882</u>	<u>973,403</u>	<u>954,521</u>
Excess (deficiency) of revenues over expenditures	250,000	(721,089)	(971,089)
Fund balance - beginning of year	<u>1,574,735</u>	<u>1,574,735</u>	
Fund balance - end of year	<u>\$ 1,824,735</u>	<u>\$ 853,646</u>	<u>\$ (971,089)</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 maintaining vehicles and other motorized equipment for use in general City operations. The costs of maintenance and repairs are recovered through rates charged to City operations using the vehicles and equipment.

RADIO FUND

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

EMPLOYEE BENEFITS AND 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. In addition, this fund accounts for employee benefits, withholdings and related insurance claims.

WORKERS' COMPENSATION FUND

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

PUBLIC WORKS BUILDING FUND

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

City of Saginaw
Other Supplementary Information
Internal Service Funds
Combining Statement of Net Position
June 30, 2020

	Information Services	GIS	Motor Pool	Radio
Assets				
Current assets				
Cash and cash equivalents	\$ 977,365	\$ 248,377	\$ 1,398,423	\$ 948,776
Accounts receivable	-	-	-	-
Inventories	-	-	223,278	-
Prepaid items	82,375			
Total current assets	1,059,740	248,377	1,621,701	948,776
Noncurrent assets				
Capital assets, net of accumulated depreciation	153,035	5,900	126,517	69,605
Total assets	1,212,775	254,277	1,748,218	1,018,381
Deferred outflows of resources				
Deferred amount related to net pension liability	189,400	68,130	379,536	12,039
Deferred amount related to total OPEB liability	148,619	24,622	351,733	422
Total deferred outflows of resources	338,019	92,752	731,269	12,461

City of Saginaw
Other Supplementary Information
Internal Service Funds
Combining Statement of Net Position
June 30, 2020

	Employee Benefits and Insurance	Workers' Compensation	Public Works Building	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 4,771,366	\$ 3,879,779	\$ 521,527	\$ 12,745,613
Accounts receivable	6,930	-	-	6,930
Inventories	-	-	-	223,278
Prepaid items	47,540	-	-	129,915
Total current assets	4,825,836	3,879,779	521,527	13,105,736
Noncurrent assets				
Capital assets, net of accumulated depreciation	-	-	40,756	395,813
Total assets	4,825,836	3,879,779	562,283	13,501,549
Deferred outflows of resources				
Deferred amount related to net pension liability	10,407	20,550	64,631	744,693
Deferred amount related to total OPEB liability	-	-	-	525,396
Total deferred outflows of resources	10,407	20,550	64,631	1,270,089

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City of Saginaw
Other Supplementary Information
Internal Service Funds
Combining Statement of Net Position
June 30, 2020

	Information Services	GIS	Motor Pool	Radio
Liabilities				
Accounts payable	\$ 13,850	\$ 1,994	\$ 31,522	\$ 1,266
Accrued and other liabilities	10,966	5,005	24,823	752
Current portion of noncurrent liabilities	<u>3,013</u>			
Total current liabilities	<u>27,829</u>	<u>6,999</u>	<u>56,345</u>	<u>2,018</u>
Noncurrent liabilities				
Compensated absences	103,016	20,144	137,985	1,519
Net pension liability	1,863,444	482,299	3,840,144	117,281
Total OPEB liability	2,678,388	446,399	6,338,853	7,646
Long-term debt net of current portion	<u>9,037</u>			
Total noncurrent liabilities	<u>4,653,885</u>	<u>948,842</u>	<u>10,316,982</u>	<u>126,446</u>
Total liabilities	4,681,714	955,841	10,373,327	128,464
Deferred inflows of resources				
Deferred amount related to total OPEB liability	<u>202</u>	<u>34</u>	<u>478</u>	
Net position				
Net investment in capital assets	140,985	5,900	126,517	69,605
Unrestricted (deficit)	<u>(3,272,107)</u>	<u>(614,746)</u>	<u>(8,020,835)</u>	<u>832,773</u>
Total net position	<u>\$ (3,131,122)</u>	<u>\$ (608,846)</u>	<u>\$ (7,894,318)</u>	<u>\$ 902,378</u>

City of Saginaw
Other Supplementary Information
Internal Service Funds
Combining Statement of Net Position
June 30, 2020

	Employee Benefits and Insurance	Workers' Compensation	Public Works Building	Total
Liabilities				
Accounts payable	\$ 142,562	\$ 559,697	\$ 29,733	\$ 780,624
Accrued and other liabilities	2,209,913	1,537	3,443	2,256,439
Current portion of noncurrent liabilities	<u>1,668,496</u>	<u>1,211,509</u>		<u>2,883,018</u>
Total current liabilities	<u>4,020,971</u>	<u>1,772,743</u>	<u>33,176</u>	<u>5,920,081</u>
Noncurrent liabilities				
Compensated absences	2,379	12,120	8,398	285,561
Net pension liability	96,455	192,921	636,625	7,229,169
Total OPEB liability	-	-	-	9,471,286
Long-term debt net of current portion	<u>-</u>			<u>9,037</u>
Total noncurrent liabilities	<u>98,834</u>	<u>205,041</u>	<u>645,023</u>	<u>16,995,053</u>
Total liabilities	4,119,805	1,977,784	678,199	22,915,134
Deferred inflows of resources				
Deferred amount related to total OPEB liability	<u>-</u>	<u>-</u>		<u>714</u>
Net position				
Net investment in capital assets	-	-	40,756	383,763
Unrestricted (deficit)	<u>716,438</u>	<u>1,922,545</u>	<u>(92,041)</u>	<u>(8,527,973)</u>
Total net position	<u>\$ 716,438</u>	<u>\$ 1,922,545</u>	<u>\$ (51,285)</u>	<u>\$ (8,144,210)</u>

City of Saginaw
Other Supplementary Information
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Balance
For the Year Ended June 30, 2020

	Information Services	GIS	Motor Pool	Radio
Operating revenue				
User charges	\$ 1,529,062	\$ 314,259	\$ 2,402,731	\$ 166,844
Other revenue	2,449	3,250	1,802	33
Total operating revenue	<u>1,531,511</u>	<u>317,509</u>	<u>2,404,533</u>	<u>166,877</u>
Operating expenses				
Salaries and benefits	1,064,085	181,171	2,186,372	54,674
Supplies	181,916	3,026	459,267	5,219
Contractual services	435,611	59,485	350,870	13,307
Claims	-	-	-	-
Utilities	-	-	1,868	-
Repairs and maintenance	7,074	-	89,571	4,420
Other expenses	-	-	1,900	18,032
Depreciation	22,044	1,783	46,393	60,054
Total operating expenses	<u>1,710,730</u>	<u>245,465</u>	<u>3,136,241</u>	<u>155,706</u>
Operating income (loss)	<u>(179,219)</u>	<u>72,044</u>	<u>(731,708)</u>	<u>11,171</u>
Nonoperating revenue (expenses)				
Interest income	1,094	286	1,673	1,246
Proceeds on sale of capital assets	-	-	5,914	-
Total nonoperating revenues (expenses)	<u>1,094</u>	<u>286</u>	<u>7,587</u>	<u>1,246</u>
Income (loss) before transfers out	<u>(178,125)</u>	<u>72,330</u>	<u>(724,121)</u>	<u>12,417</u>
Transfers out	-	-	-	-
Change in net position	<u>(178,125)</u>	<u>72,330</u>	<u>(724,121)</u>	<u>12,417</u>
Net position - beginning of year	<u>(2,952,997)</u>	<u>(681,176)</u>	<u>(7,170,197)</u>	<u>889,961</u>
Net position - end of year	<u>\$ (3,131,122)</u>	<u>\$ (608,846)</u>	<u>\$ (7,894,318)</u>	<u>\$ 902,378</u>
	-	-	-	

City of Saginaw
Other Supplementary Information
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Balance
For the Year Ended June 30, 2020

	Employee Benefits and Insurance	Workers' Compensation	Public Works Building	Total
Operating revenue				
User charges	\$ 1,262,001	\$ 684,908	\$ 502,471	\$ 6,862,276
Other revenue	80,022	2,269		89,825
Total operating revenue	<u>1,342,023</u>	<u>687,177</u>	<u>502,471</u>	<u>6,952,101</u>
Operating expenses				
Salaries and benefits	37,326	60,346	294,790	3,878,764
Supplies	-	-	20,681	670,109
Contractual services	976,763	378,883	92,216	2,307,135
Claims	755,129	750,083	-	1,505,212
Utilities	-	-	100,244	102,112
Repairs and maintenance	-	-	11,297	112,362
Other expenses	12,286	-	33,540	65,758
Depreciation	-		6,916	137,190
Total operating expenses	<u>1,781,504</u>	<u>1,189,312</u>	<u>559,684</u>	<u>8,778,642</u>
Operating income (loss)	<u>(439,481)</u>	<u>(502,135)</u>	<u>(57,213)</u>	<u>(1,826,541)</u>
Nonoperating revenue (expenses)				
Interest income	1,721	24,478	663	31,161
Proceeds on sale of capital assets	-			5,914
Total nonoperating revenues (expenses)	<u>1,721</u>	<u>24,478</u>	<u>663</u>	<u>37,075</u>
Income (loss) before transfers out	<u>(437,760)</u>	<u>(477,657)</u>	<u>(56,550)</u>	<u>(1,789,466)</u>
Transfers out	-		(9,350)	(9,350)
Change in net position	<u>(437,760)</u>	<u>(477,657)</u>	<u>(65,900)</u>	<u>(1,798,816)</u>
Net position - beginning of year	<u>1,154,198</u>	<u>2,400,202</u>	<u>14,615</u>	<u>(6,345,394)</u>
Net position - end of year	<u>\$ 716,438</u>	<u>\$ 1,922,545</u>	<u>\$ (51,285)</u>	<u>\$ (8,144,210)</u>

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City of Saginaw
Other Supplementary Information
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2020

	Information Services	GIS	Motor Pool	Radio	Employee Benefits and Insurance	Workers' Compensation	Public Works Building	Total
Cash flows from operating activities								
Receipts from interfund users	\$ 1,531,511	\$ 317,509	\$ 2,404,533	\$ 166,877	\$ 1,408,270	\$ 687,177	\$ 502,471	\$ 7,018,348
Payments to suppliers	(745,539)	(18,571)	(1,047,427)	(36,837)	(2,428,562)	(392,871)	(271,124)	(4,940,931)
Payments to employees	(523,305)	(238,825)	(1,138,027)	(43,829)	(43,323)	(70,272)	(159,629)	(2,217,210)
Net cash provided (used) by operating activities	262,667	60,113	219,079	86,211	(1,063,615)	224,034	71,718	(139,793)
Cash flows from noncapital financing activities								
Transfers to other funds	-	-	-	-	-	-	(9,350)	(9,350)
Cash flows from capital and related financing activities								
Purchases/construction of capital assets	(10,705)	-	(9,471)	-	-	-	-	(20,176)
Proceeds from sale of capital assets	-	-	5,915	-	-	-	-	5,915
Net cash provided (used) by capital and related financing activities	(10,705)	-	(3,556)	-	-	-	-	(14,261)
Cash flows from investing activities								
Interest received	1,094	286	1,673	1,246	1,721	24,478	663	31,161
Net change in cash and cash equivalents	253,056	60,399	217,196	87,457	(1,061,894)	248,512	63,031	(132,243)
Cash and cash equivalents - beginning of year	724,309	187,978	1,181,227	861,319	5,833,260	3,631,267	458,496	12,877,856
Cash and cash equivalents - end of year	\$ 977,365	\$ 248,377	\$ 1,398,423	\$ 948,776	\$ 4,771,366	\$ 3,879,779	\$ 521,527	\$ 12,745,613
Reconciliation of operating income (loss) to net cash provided (used) by operating activities								
Operating income (loss)	\$ (179,219)	\$ 72,044	\$ (731,708)	\$ 11,171	\$ (439,481)	\$ (502,135)	\$ (57,213)	\$ (1,826,541)
Adjustments to reconcile operating income (loss) to net cash from operating activities								
Depreciation and amortization expense	22,044	1,783	46,393	60,054	-	-	6,916	137,190
Noncash change - net pension liability	159,885	(384,842)	157,524	6,088	(7,604)	(15,196)	123,281	39,136
Noncash change - total OPEB liability	392,635	319,413	929,238	7,646	-	-	-	1,648,932
Changes in assets and liabilities								
Receivables (net)	-	-	-	-	66,247	-	-	66,247
Inventories	-	-	(10,629)	-	-	-	-	(10,629)
Prepaid items	(65,479)	1,862	1,000	-	(1,331)	-	-	(63,948)
Deferred outflows	(55,951)	39,559	(127,028)	3,032	4,303	8,604	8,288	(119,193)
Accounts payable	2,032	1,880	(8,845)	1,236	34,357	557,183	(12,193)	575,650
Accrued and other liabilities	(1,540)	639	1,551	(127)	(1,084,394)	362	(953)	(1,084,462)
Deferred inflows	(42,471)	(2,337)	(100,515)	-	-	-	-	(145,323)
Claims payable	-	-	-	-	362,681	169,946	-	532,627
Compensated absences	30,731	10,112	62,098	(2,889)	1,607	5,270	3,592	110,521
Net cash provided (used) by operating activities	\$ 262,667	\$ 60,113	\$ 219,079	\$ 86,211	\$ (1,063,615)	\$ 224,034	\$ 71,718	\$ (139,793)

FIDUCIARY FUNDS

OPEB TRUST FUND

The OPEB Trust Fund maintains investments in the MERS Retiree Health Funding Vehicle to cover future other postemployment benefit costs.

CUSTODIAL 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.

City of Saginaw
Other Supplementary Information
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2020

	<u>December 31, 2019</u> OPEB Trust Fund	PILOT	Delinquent Tax Collection	Undistributed Tax Collection	Totals
Assets					
Cash and cash equivalents	\$ -	\$ 300,494	\$ 2,073	\$ 32,204	\$ 334,771
Interest in pooled investments	1,001,752	-	-	-	1,001,752
Receivables	-	117,090	-	-	117,090
Total assets	<u>1,001,752</u>	<u>417,584</u>	<u>2,073</u>	<u>32,204</u>	<u>1,453,613</u>
Liabilities					
Accounts payable	-	194,666	-	23,402	218,068
Due to other units of government	-	222,918	2,073	8,802	233,793
Total liabilities	<u>-</u>	<u>417,584</u>	<u>2,073</u>	<u>32,204</u>	<u>451,861</u>
Net position					
Restricted for		-			
Other employee benefits	1,001,752	-	-	-	1,001,752
Individuals, organizations and other governments	-	-	-	-	-
Total net position	<u>\$ 1,001,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,001,752</u>

City of Saginaw
Other Supplementary Information
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	For the Year Ended December 31, 2019 OPEB Trust Fund	PILOT	Delinquent Tax Collection	Undistributed Tax Collection	Total
Additions					
Investment earnings					
Change in fair value	\$ 29,326	\$ -	\$ -	\$ -	\$ 29,326
Property tax collections	-	300,494	2,076	17,075,536	17,378,106
Total additions	29,326	300,494	2,076	17,075,536	17,407,432
Deductions					
Administrative expenses	914	-	-	-	914
Payments of property tax to other governments	-	300,494	2,076	17,075,536	17,378,106
Total deductions	914	300,494	2,076	17,075,536	17,379,020
Change in net position	28,412	-	-	-	28,412
Net position - beginning of year	973,340				973,340
Net position - end of year	<u>\$ 1,001,752</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,001,752</u>

City of Saginaw
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
TIFA Component Units
June 30, 2020

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

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City of Saginaw
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues,
Expenditures and Changes in Fund Balances
TIFA Component Units
For the Year Ended June 30, 2020

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

City of Saginaw
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
DDA Component Units
June 30, 2020

	Commerce Center DDA	Downtown Development Authority 2011	Total	Adjustments	Statement of Net Position
Assets					
Cash and cash equivalents	\$ -	\$ 257,980	\$ 257,980	\$ -	\$ 257,980
Receivables					
Taxes	-	1,913	1,913		1,913
Total assets	<u>\$ -</u>	<u>\$ 259,893</u>	<u>\$ 259,893</u>	-	<u>259,893</u>
Liabilities					
Accounts payable	\$ -	\$ 42,693	\$ 42,693	-	<u>42,693</u>
Fund Balances					
Restricted for DDA projects	-	217,200	217,200	(217,200)	
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 259,893</u>	<u>\$ 259,893</u>		
Net position - unrestricted				<u>\$ 217,200</u>	<u>\$ 217,200</u>

City of Saginaw
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues,
Expenditures and Changes in Fund Balances
DDA Component Units
For the Year Ended June 30, 2020

	Commerce Center DDA	Downtown Development Authority 2011	Total	Adjustments	Statement of Activities
Revenues					
Taxes	\$ -	\$ 124,098	\$ 124,098	\$ -	\$ 124,098
Federal grants	-	19,732	19,732	-	19,732
Other state grants	-	25,770	25,770	-	25,770
Interest income	-	448	448	-	448
Transfers in	-	6,762	6,762	(6,762)	
 Total revenues	 -	 176,810	 176,810	 (6,762)	 170,048
Expenditures					
Current					
Recreation and culture	-	201,903	201,903	-	201,903
Transfers out	6,762		6,762	(6,762)	
 Total expenditures	 6,762	 201,903	 208,665	 (6,762)	 201,903
 Excess (deficiency) of revenues over expenditures	 (6,762)	 (25,093)	 (31,855)	 -	 (31,855)
 Fund balance/net position - beginning of year	 -	 242,293	 249,055	 -	 249,055
 Fund balance/net position - end of year	 \$ -	 \$ 217,200	 \$ 217,200	 \$ -	 \$ 217,200

City of Saginaw
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Saginaw Economic Development Corporation
June 30, 2020

	Saginaw Economic Development Corporation	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 1,157,327	\$ -	\$ 1,157,327
Notes and contracts receivable	1,664,085		1,664,085
Total assets	\$ 2,821,412	-	2,821,412
Deferred inflows of resources			
Contracts	\$ 1,658,696	(1,658,696)	-
Fund balances/net position			
Restricted for specific projects	1,162,716	(1,162,716)	
Total deferred inflows of resources and fund balances	\$ 2,821,412		
Net position - unrestricted		\$ 2,821,412	\$ 2,821,412

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City of Saginaw
Other Supplementary Information
Statement of Activities and Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Saginaw Economic Development Corporation
For the Year Ended June 30, 2020

	Saginaw Economic Development Corporation	Adjustments	Statement of Activities
Revenues			
Interest income	\$ 48,215	\$ 19,374	\$ 67,589
Fees and loan repayments	<u>338,941</u>	<u>(335,941)</u>	<u>3,000</u>
Total revenues	387,156	(316,567)	70,589
Expenditures			
Current			
Community and economic development	<u>48,341</u>	<u>181,621</u>	<u>229,962</u>
Excess (deficiency) of revenues over expenditures	338,815	(498,188)	(159,373)
Fund balance/net position - beginning of year	<u>823,901</u>	<u>2,156,884</u>	<u>2,980,785</u>
Fund balance/net position - end of year	<u>\$ 1,162,716</u>	<u>\$ 1,658,696</u>	<u>\$ 2,821,412</u>

City of Saginaw
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Brownfield Component Unit
June 30, 2020

	Brownfield Authority SRRF	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 54,713	\$ -	\$ 54,713
Fund balances/net position			
Restricted for specific projects	661	(661)	
Total fund balance	\$ 54,713		
Net position - unrestricted		\$ 661	\$ 661
		-	

City of Saginaw
Other Supplementary Information
Statement of Activities and Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Brownfield Component Unit
For the Year Ended June 30, 2020

	Brownfield Authority SRRF	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 53,388	\$ -	\$ 53,388
Interest income	(13)		(13)
Total revenues	<u>53,375</u>		<u>53,375</u>
Expenditures			
Current			
Community and economic development	<u>52,727</u>		<u>52,727</u>
Deficiency of revenues over expenditures	648	-	648
Fund balance/net position - beginning of year	<u>- 13</u>		<u>13</u>
Fund balance/net position - end of year	<u>\$ 661</u>	<u>\$</u>	<u>\$ 661</u>
	-		
		-	
		-	

STATISTICAL SECTION

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

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

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

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

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net investment in capital assets	\$ 43,653,689	\$ 43,056,592	\$ 42,480,896	\$ 41,522,452	\$ 40,458,812	\$ 38,106,561	\$ 39,535,326	\$ 39,958,554	\$ 41,636,968	\$ 43,667,352
Restricted	3,794,989	4,552,729	4,772,251	7,177,028	7,871,497	3,278,435	3,312,310	2,975,993	3,090,661	3,126,039
Unrestricted	<u>(24,064,137)</u>	<u>(38,431,452)</u>	<u>(42,695,487)</u>	<u>(50,040,252)</u>	<u>(147,334,573)</u>	<u>(160,903,354)</u>	<u>(157,782,540)</u>	<u>(324,809,606)</u>	<u>(316,790,177)</u>	<u>(345,111,175)</u>
Total net position	<u>23,384,541</u>	<u>9,177,869</u>	<u>4,557,660</u>	<u>(1,340,772)</u>	<u>(99,004,264)</u>	<u>(119,518,358)</u>	<u>(114,934,904)</u>	<u>(281,875,059)</u>	<u>(272,062,548)</u>	<u>(298,317,784)</u>
Business Type Activities:										
Net investment in capital assets	82,280,202	73,202,779	76,740,286	78,362,788	78,165,624	77,851,628	76,444,510	76,711,180	77,898,874	81,044,715
Unrestricted	<u>24,700,068</u>	<u>40,146,861</u>	<u>39,911,213</u>	<u>37,878,295</u>	<u>(2,697,609)</u>	<u>12,708,301</u>	<u>(4,919,731)</u>	<u>(29,187,695)</u>	<u>(27,661,886)</u>	<u>(38,464,014)</u>
Total net position	<u>106,980,270</u>	<u>113,349,640</u>	<u>116,651,499</u>	<u>116,241,083</u>	<u>75,468,015</u>	<u>90,559,929</u>	<u>71,524,779</u>	<u>47,523,485</u>	<u>50,236,988</u>	<u>42,580,701</u>
Primary government in total:										
Net investment in capital assets	125,933,891	116,259,371	119,221,182	119,885,240	118,624,436	115,958,189	115,979,836	116,669,734	119,535,842	124,712,067
Restricted	3,794,989	4,552,729	4,772,251	7,177,028	7,871,497	3,278,435	3,312,310	2,975,993	3,090,661	3,126,039
Unrestricted	<u>635,931</u>	<u>1,715,409</u>	<u>(2,784,274)</u>	<u>(12,161,957)</u>	<u>(150,032,182)</u>	<u>(148,195,053)</u>	<u>(162,702,271)</u>	<u>(353,997,301)</u>	<u>(344,452,063)</u>	<u>(383,575,189)</u>
Total net position	<u>\$ 130,364,811</u>	<u>\$ 122,527,509</u>	<u>\$ 121,209,159</u>	<u>\$ 114,900,311</u>	<u>\$ (23,536,249)</u>	<u>\$ (28,958,429)</u>	<u>\$ (43,410,125)</u>	<u>\$ (234,351,574)</u>	<u>\$ (221,825,560)</u>	<u>\$ (255,737,083)</u>

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 3,441	\$ 5,321	\$ 4,247	\$ 4,047	\$ 3,058	\$ 7,434	\$ 3,425	\$ 6,274	\$ 4,089	\$ 11,738
Administration	2,590	3,835	2,082	2,785	2,925	2,939	2,334	2,641	2,763	2,945
Public Safety	32,191	31,454	28,578	26,475	25,630	34,732	21,859	25,523	21,104	41,033
Highways and streets	-	-	-	-	5,982	7,748	6,629	6,114	5,316	9,092
General services	16,086	13,006	14,917	13,854	8,392	9,510	9,475	7,413	8,035	9,322
Community services	1,862	1,847	1,588	1,789	1,788	2,536	1,502	1,868	1,894	2,296
Economic development	9,061	10,791	10,063	2,801	3,190	3,156	2,491	2,768	2,898	2,423
Interest on long-term debt	-	-	-	-	-	81	64	164	245	82
Total governmental activities expenses	<u>65,231</u>	<u>66,254</u>	<u>61,477</u>	<u>51,753</u>	<u>50,973</u>	<u>68,136</u>	<u>47,779</u>	<u>52,765</u>	<u>46,344</u>	<u>78,931</u>
Business-type activities:										
Sewer	19,279	19,008	20,260	21,636	20,220	13,549	33,792	20,571	20,824	24,875
Water	13,670	14,566	14,559	15,838	15,747	10,328	25,952	15,819	15,876	23,405
Boat Launch	-	2	-	-	-	28	30	29	27	18
Parking	407	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>33,356</u>	<u>33,574</u>	<u>34,819</u>	<u>37,474</u>	<u>35,967</u>	<u>23,905</u>	<u>59,774</u>	<u>36,419</u>	<u>36,727</u>	<u>48,298</u>
Total primary government expenses	<u>\$ 98,587</u>	<u>\$ 99,828</u>	<u>\$ 96,296</u>	<u>\$ 89,227</u>	<u>\$ 86,940</u>	<u>\$ 92,041</u>	<u>\$ 107,553</u>	<u>\$ 89,184</u>	<u>\$ 83,071</u>	<u>\$ 127,229</u>
	-	-	-	-	-	-	-	-	-	-

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,373	\$ 1,878	\$ 3,240	\$ 3,783	\$ 2,077	\$ 1,867	\$ 1,786	\$ 1,833	\$ 2,118	\$ 2,110
Administration	3,031	2,305	1,233	1,071	2,672	2,739	2,252	2,692	3,719	2,558
Public safety	535	775	785	657	516	544	555	1,181	1,344	1,598
Highways and streets	-	-	-	-	193	291	898	120	104	64
General services	2,010	3,821	3,812	3,630	3,909	3,792	4,094	3,975	3,850	4,133
Community services	824	782	800	671	665	630	793	326	360	380
Economic development	241	941	875	316	340	20	51	35	106	94
Operating grants and contributions	15,943	13,018	14,121	10,307	9,953	10,122	10,145	11,585	11,869	10,913
Capital grants and contributions	-	-	-	66	32	-	103	-	28	-
Total governmental activities program revenues	<u>23,957</u>	<u>23,520</u>	<u>24,866</u>	<u>20,501</u>	<u>20,357</u>	<u>20,005</u>	<u>20,677</u>	<u>21,747</u>	<u>23,498</u>	<u>21,854</u>
Business-type activities:										
Charges for services										
Sewer	21,602	22,474	22,283	20,646	20,864	20,363	20,037	20,742	20,221	19,819
Water	14,991	16,611	15,554	15,440	15,049	15,874	17,750	19,028	18,314	19,377
Boat Launch	-	-	-	-	-	23	23	24	12	28
Parking	278	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	119	-	-	-	-	-	-	-
Capital grants and contributions	995	-	-	-	-	-	1,678	386	489	598
Total business-type activities program revenues	<u>37,866</u>	<u>39,085</u>	<u>37,956</u>	<u>36,086</u>	<u>35,913</u>	<u>36,260</u>	<u>39,488</u>	<u>40,180</u>	<u>39,036</u>	<u>39,822</u>
Total primary government program revenues	<u>\$ 61,823</u>	<u>\$ 62,605</u>	<u>\$ 62,822</u>	<u>\$ 56,587</u>	<u>\$ 56,270</u>	<u>\$ 56,265</u>	<u>\$ 60,165</u>	<u>\$ 61,927</u>	<u>\$ 62,534</u>	<u>\$ 61,676</u>
Net (expense)/revenue										
Governmental activities	\$ (41,274)	\$ (42,734)	\$ (36,611)	\$ (31,252)	\$ (30,616)	\$ (48,131)	\$ (27,102)	\$ (31,018)	\$ (22,846)	\$ (57,077)
Business-type activities	4,510	5,511	3,137	(1,388)	(54)	12,355	(20,286)	3,761	2,309	(8,476)
Total primary government net expense	<u>\$ (36,764)</u>	<u>\$ (37,223)</u>	<u>\$ (33,474)</u>	<u>\$ (32,640)</u>	<u>\$ (30,670)</u>	<u>\$ (35,776)</u>	<u>\$ (47,388)</u>	<u>\$ (27,257)</u>	<u>\$ (20,537)</u>	<u>\$ (65,553)</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 7,757	\$ 7,419	\$ 6,458	\$ 6,767	\$ 6,757	\$ 6,701	\$ 6,510	\$ 6,533	\$ 7,169	\$ 6,547
Income taxes	12,236	12,533	12,257	12,309	12,252	12,625	13,213	13,723	14,119	13,783
Unrestricted grants and contributions	10,661	8,117	7,766	8,089	8,483	8,768	9,309	9,651	10,324	9,472
Unrestricted investment earnings	473	438	347	400	404	516	497	503	808	685
Miscellaneous	27	86	91	55	313	69	84	21	94	250
Gain on disposal of capital assets	256	1	88	46	3	13	3	7	97	61
Transfers	(29)		14	22	141		102	55	48	23
Total governmental activities	<u>31,381</u>	<u>28,594</u>	<u>27,021</u>	<u>27,688</u>	<u>28,353</u>	<u>28,692</u>	<u>29,718</u>	<u>30,493</u>	<u>32,659</u>	<u>30,821</u>
Business -type activities:										
Unrestricted investment earnings	43	10	29	65	55	193	22	50	336	236
Miscellaneous	~	782	150	935	1,019	1,469	1,331	592	116	606
Transfers	28		(14)	(22)	(141)		(102)	(55)	(48)	(23)
Total business-type activities	<u>71</u>	<u>792</u>	<u>165</u>	<u>978</u>	<u>933</u>	<u>1,662</u>	<u>1,251</u>	<u>587</u>	<u>404</u>	<u>819</u>
Total primary government	<u>\$ 31,452</u>	<u>\$ 29,386</u>	<u>\$ 27,186</u>	<u>\$ 28,666</u>	<u>\$ 29,286</u>	<u>\$ 30,354</u>	<u>\$ 30,969</u>	<u>\$ 31,080</u>	<u>\$ 33,063</u>	<u>\$ 31,640</u>
Change in Net Position	-									
Governmental activities	\$ (9,893)	\$ (14,140)	\$ (9,590)	\$ (3,564)	\$ (2,263)	\$ (19,439)	\$ 2,616	\$ (525)	\$ 9,813	\$ (26,256)
Business-type activities	<u>4,581</u>	<u>6,303</u>	<u>3,302</u>	<u>(410)</u>	<u>879</u>	<u>14,017</u>	<u>(19,035)</u>	<u>4,348</u>	<u>2,713</u>	<u>(7,657)</u>
Total primary government	<u>\$ (5,312)</u>	<u>\$ (7,837)</u>	<u>\$ (6,288)</u>	<u>\$ (3,974)</u>	<u>\$ (1,384)</u>	<u>\$ (5,422)</u>	<u>\$ (16,419)</u>	<u>\$ 3,823</u>	<u>\$ 12,526</u>	<u>\$ (33,913)</u>

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

Source: City's Comprehensive Annual Financial Report

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

	2011*	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Non-spendable	\$ 143	\$ 240	\$ 212	\$ 166	\$ 259	\$ 243	\$ 245	\$ 148	\$ 219	\$ 245
Restricted	1	10	10	332	111	15	63	135	19	19
Assigned	1,036	-	-	-	-	-	-	364	2,716	813
Committed	-	-	-	-	-	-	-	66	142	149
Unassigned	2,685	998	46	1,029	1,533	2,294	3,960	6,007	7,194	7,865
Total General Fund	\$ 3,865	\$ 1,248	\$ 268	\$ 1,527	\$ 1,903	\$ 2,552	\$ 4,268	\$ 6,720	\$ 10,290	\$ 9,091
All other governmental funds:										
Non-spendable	\$ 2,974	\$ 2,870	\$ 2,853	\$ 2,981	\$ 2,809	\$ 2,875	\$ 3,082	\$ 3,049	\$ 3,088	\$ 3,260
Restricted	1,338	2,213	2,312	4,011	3,704	4,659	3,651	3,762	4,841	5,715
Committed	-	-	-	-	-	-	1,915	2,204	1,575	853
Assigned	379	286	157	151	134	158	160	164	161	189
Unassigned	(790)	(2,904)	(1,863)	(1,017)	(867)	(1,186)	(325)	(394)	(228)	(556)
Total all other governmental funds	\$ 3,901	\$ 2,465	\$ 3,459	\$ 6,126	\$ 5,780	\$ 6,506	\$ 8,483	\$ 8,785	\$ 9,437	\$ 9,461

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

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

Source: City's Comprehensive Annual Financial Report

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue										
General operating property taxes	\$ 7,303	\$ 7,088	\$ 6,122	\$ 6,442	\$ 6,436	\$ 6,392	\$ 6,480	\$ 6,503	\$ 7,158	\$ 6,530
Special assessments	119	(25)	158	36	-	-	-	-	-	-
City income tax	12,236	12,533	12,257	12,309	12,252	12,625	13,218	13,728	14,123	13,783
State shared revenues	13,682	11,422	11,747	12,456	12,452	12,757	13,706	14,995	15,634	15,477
Licenses, permits, and fees	3,114	5,777	5,498	5,584	4,570	5,415	5,783	6,125	6,184	7,044
Fines, penalties, and forfeitures	518	741	600	550	443	434	398	315	256	248
Grants, donations, and contributions	16,058	11,799	14,871	8,912	8,886	8,351	8,479	8,639	10,286	6,861
Interest on loans and investments	497	475	401	420	404	514	504	504	810	679
Rents and privileges	27	79	93	78	87	86	704	688	680	685
Sale of materials and services	1,676	2,635	2,089	1,554	1,754	1,246	-	-	3	27
Sale of land	-	78	-	-	-	-	-	-	-	-
Loan repayments	90	282	55	53	167	32	34	29	49	35
Miscellaneous	126		385	267	354	479	1,502	908	1,157	1,022
Total revenue	<u>55,446</u>	<u>52,884</u>	<u>54,276</u>	<u>48,661</u>	<u>47,805</u>	<u>48,331</u>	<u>50,808</u>	<u>52,434</u>	<u>56,340</u>	<u>52,391</u>
Expenditures										
General government	4,646	4,589	4,196	3,993	3,118	4,602	4,595	4,675	5,789	5,942
Administration	3,492	2,657	2,699	2,792	3,010	2,652	2,395	2,756	2,698	2,713
Public safety	28,195	27,414	25,493	22,784	23,365	22,463	22,529	22,364	22,648	23,437
Highway and streets	5,931	3,913	3,503	3,476	4,089	4,591	4,425	5,167	5,225	5,312
General services	6,653	6,813	6,965	6,497	7,009	6,766	6,581	6,523	6,617	6,817
Community services	1,763	1,598	1,589	1,753	1,755	1,848	1,758	1,690	1,807	1,694
Economic development	7,213	9,277	10,014	2,698	3,163	2,548	2,609	2,632	2,401	2,258
Capital outlay	510	1,708	1,412	1,496	2,947	4,988	4,185	3,604	5,724	4,510
Debt service										
Principal	-	-	5	6	66	119	151	528	605	835
Interest and other fees	-					42	65	157	138	167
Total expenditures	<u>58,403</u>	<u>57,969</u>	<u>55,878</u>	<u>45,497</u>	<u>48,530</u>	<u>50,619</u>	<u>49,293</u>	<u>50,096</u>	<u>53,652</u>	<u>53,685</u>
Excess of revenues over (under) expenditures	(2,957)	(5,085)	(1,602)	3,164	(725)	(2,288)	1,515	2,338	2,688	(1,294)
	-	2	2	8						

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses)										
Proceeds from installment contract	\$ -	\$ 100.00	\$ -	\$ 695.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of fixed assets	-	-	40	-	-	-	-	4	26	38
Insurance recoveries	-	-	2	-	-	1	-	-	-	-
Transfers in	4,239	2,023	2,946	1,156	1,197	776	894	1,136	1,180	2,091
Transfers (out)	(1,809)	(1,196)	(1,371)	(1,091)	(1,038)	(761)	(778)	(1,069)	(1,132)	(2,058)
Issuance of debt	-	-	-	-	596	3,693	95	345	1,461	48
Total other financing sources (uses)	<u>2,430</u>	<u>927</u>	<u>1,617</u>	<u>760</u>	<u>159</u>	<u>3,709</u>	<u>211</u>	<u>416</u>	<u>1,535</u>	<u>119</u>
Net change in fund balances	<u>\$ (527)</u>	<u>\$ (4,158)</u>	<u>\$ 15</u>	<u>\$ 3,924</u>	<u>\$ (566)</u>	<u>\$ 1,421</u>	<u>\$ 1,726</u>	<u>\$ 2,754</u>	<u>\$ 4,223</u>	<u>\$ (1,175)</u>
Debt service as a percentage of noncapital expenditures	- %	- %	0.01%	0.02%	0.16%	0.35%	0.48%	1.47%	1.55%	2.04%

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

Source: City's Comprehensive Annual Financial Report

City of Saginaw
Revenue By Source
Last Ten Fiscal Years

(Accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Taxes</u>
2011	\$ 7,303,409
2012	7,087,879
2013	6,121,874
2014	6,664,472
2015	6,436,153
2016	6,392,254
2017	6,480,061
2018	6,502,708
2019	7,157,750
2020	6,530,373

City of Saginaw
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	Agriculture					
2011	\$ 389,861	\$ 94,607	\$ 32,054	\$ 116	\$ 93,643	\$ 610,281	15.2508	\$ 1,220,562	50.00%
2012	352,600	93,167	30,490	119	97,508	573,884	14.2290	1,147,768	50.00%
2013	334,664	85,274	29,259	38	93,911	543,146	14.5637	1,086,292	50.00%
2014	318,230	79,682	27,781	40	88,335	514,068	14.8830	1,028,136	50.00%
2015	305,201	77,454	27,295	82	87,578	497,610	14.8830	995,220	50.00%
2016	292,296	78,215	25,238	83	82,509	478,341	14.8830	956,680	50.00%
2017	290,189	82,188	25,435	93	72,434	470,339	14.8830	940,678	50.00%
2018	293,393	77,344	25,641	96	71,811	468,285	14.8830	936,570	50.00%
2019	293,773	74,821	26,000	96	69,196	463,886	14.8830	927,772	50.00%
2020	283,965	77,233	25,866	95	67,318	454,477	14.8830	908,954	50.00%

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

Source: City of Saginaw Assessor's Office
Reference: City of Saginaw 2019
Assessing Division Statistics /Page 1 & 2

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

Fiscal Year (1) (2)	City of Saginaw				Overlapping Rates						Total Direct & Overlapping Rates
	Operating Millage	Rubbish Millage	Police & Fire Millage	Total City Millage	School District	Public Libraries	Delta College	Intermediate School	Saginaw Transit	County	
2011	6.2976	2.9532	6.0000	15.2508	27.9000	3.9947	2.0427	2.0872	3.0000	7.7284	62.0038
2012	6.7290	0.0000	7.5000	14.2290	29.3000	3.9947	2.0427	2.0872	3.0000	8.5192	63.1728
2013	7.0637	0.0000	7.5000	14.5637	29.3000	3.9947	2.0427	2.0872	3.0000	8.5192	63.5075
2014	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.3007	63.6083
2015	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.4468	63.7544
2016	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.7805	64.0881
2017	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.8111	64.1187
2018	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	8.816	64.1236
2019	7.3830	0.0000	7.5000	14.8830	29.3000	3.9947	2.0427	2.0872	3.0000	10.3704	65.6780
2020	7.3830	0.0000	7.5000	14.8830	31.6000	3.9447	2.0427	3.0872	3.0000	9.508	68.0656

Source: City of Saginaw Assessor's Office

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

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

Reference: City of Saginaw 2020

Assessing Division Statistics/Page 68

City of Saginaw
Principal Property Taxpayers

<u>Taxpayer</u>	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 35,948,781	1	7.91%	\$ 18,134,479	1	2.97%
General Motors, LLC	4,315,622	2	0.95%	13,318,000	2	2.18%
Community Hospital Services	4,095,400	3	0.90%			
Charter Communications, II, LP	3,218,200	4	0.71%			
Hausbeck Pickle Company	2,952,946	5	0.65%			
HC II 1015 S Washington Ave LLC	2,747,065	6	0.60%			
Equiland, LLC	2,747,065	7	0.60%			
Roco Bancraft	2,594,445	8	0.57%			
Menard, Inc.	2,331,061	9	0.51%			
Downtown Area Development, LLC	1,808,576	10	0.40%			
TRW Integrated Chassis Systems				7,845,300	3	1.29%
Linear Motion				5,281,040	4	0.87%
Enterprise Automotive Systems				4,671,400	5	0.77%
General Motors Corporation				4,558,793	6	0.75%
Means Industries				4,543,462	7	0.74%
Corvus Nodular Interest II, LLC				3,493,544	8	0.57%
SSP Associates Inc				3,355,099	9	0.55%
CMI Schneible Company				3,272,200	10	0.54%
Totals	\$ 62,759,161		13.81%	\$ 68,473,317		11.22%

Source: City of Saginaw Assessor's Office

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 8,283,083	\$ 8,219,048	99.23%	\$ 12,434	\$ 8,231,482	99.38%
2012	7,022,671	7,010,636	99.83%	10,868	7,021,504	99.98%
2013	6,901,651	6,861,236	99.41%	14,325	6,875,561	99.62%
2014**	6,848,972	6,770,877	98.86%	15,505	6,786,382	99.09%
2015**	6,678,759	6,609,227	98.96%	5,367	6,614,594	99.04%
2016	6,457,334	6,388,770	98.94%	6,060	6,394,830	99.03%
2017	6,348,827	6,281,078	98.93%	8,925	6,290,003	99.07%
2018	6,328,992	6,255,866	98.84%	1,678	6,257,544	98.87%
2019	6,295,484	6,220,040	98.80%	-	6,220,040	98.80%
2020	6,183,308	6,128,211	99.11%	-	6,128,211	99.11%

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

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

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

City of Saginaw
Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business Type Activities					Installment Purchase Contracts	General Obligation Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Installment Purchase Contracts	Energy Efficiency Loan	Capital Leases	Revenue Bonds	Bond Premium	Deferred Bond Refunding Chg	Bond Discount						
2011	\$ -	\$ -	\$ -	\$ -	\$ 10,600,000	\$ -	\$ -	\$ (91,572)	\$ -	\$ 31,864,706	\$ 42,373,134	5.75%	\$ 827	
2012	-	-	100,000	-	20,870,000	-	-	(86,159)	-	28,170,711	49,054,552	6.75%	966	
2013	-	-	94,435	-	19,410,000	-	-	(80,746)	-	24,217,673	43,641,362	5.96%	868	
2014	-	694,872	88,729	-	18,615,000	-	-	(75,333)	-	20,680,307	40,003,575	5.36%	803	
2015	-	1,230,594	82,879	457,007	17,815,000	-	-	(69,920)	-	17,398,415	36,913,975	5.13%	748	
2016	3,692,946	1,117,736	76,881	34,992	16,905,000	-	-	(64,507)	-	16,563,849	38,326,897	5.19%	782	
2017	3,692,946	1,001,119	70,744	90,806	31,870,000	3,130,886	(500,761)	-	-	14,280,310	53,636,050	8.03%	1,102	
2018	3,348,571	1,195,091	63,921	63,942	30,370,000	2,968,944	(474,860)	-	-	11,984,685	49,520,294	N/A	1,025	
2019	3,004,368	2,240,264	57,974	213,669	28,735,000	2,807,001	(448,958)	-	73,149	9,688,034	46,370,501	N/A	964	
2020	2,645,573	1,918,594	51,360	113,892	27,070,000	2,645,059	(423,057)	-	63,865	7,818,954	41,904,240	N/A	N/A	

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

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

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

City of Saginaw
Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Less: Self Supporting	Total	Percentage of Estimate Actual Taxable Value of Property	Per Capita (1)
2011	\$ 31,864,706	\$ -	\$ -	\$ 31,864,706	5.22%	\$ 622
2012	28,170,711	-	-	28,170,711	4.91%	555
2013	24,217,673	-	-	24,217,673	4.46%	481
2014	20,680,307	-	-	20,680,307	4.02%	415
2015	17,398,415	-	-	17,398,415	3.50%	353
2016	20,256,795	-	-	20,256,795	4.23%	414
2017	17,973,256	-	-	17,973,256	3.82%	369
2018	15,333,256	-	-	15,333,256	3.27%	317
2019	12,692,402	-	-	12,692,402	2.74%	264
2020	10,464,527	-	-	10,464,527	2.30%	N/A

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

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

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

City of Saginaw
Direct and Overlapping Governmental Activities Debt

Governmental Unit	Debt Outstanding	Estimated % Applicable	Estimated Share of Overlapping Debt
Direct debt - City of Saginaw	\$ 4,729,425	100.00%	\$ <u>4,729,425</u>
Indirect debt:			
Saginaw County	8,640	100.00%	8,640
Multi-Authority	2,067,325	100.00%	<u>2,067,325</u>
Total indirect debt			<u>2,075,965</u>
Overlapping debt:			
Saginaw School District	43,325,000	66.41%	28,772,133
Saginaw County	123,072,327	8.41%	10,350,383
Saginaw ISD	-	8.96%	-
Delta Community College	-	3.98%	-
Total overlapping debt			<u>39,122,515</u>
Total direct and overlapping debt			<u>\$ 45,927,905</u>

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

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 61,017	\$ 57,377	\$ 54,311	\$ 51,403	\$ 49,753	\$ 47,826	\$ 47,034	\$ 46,829	\$ 46,829	\$ 45,448
Total net debt applicable to limit	<u>13,531</u>	<u>4,444</u>	<u>7,465</u>	<u>7,973</u>	<u>7,157</u>	<u>9,384</u>	<u>7,837</u>	<u>7,054</u>	<u>7,898</u>	<u>6,805</u>
Legal debt margin	<u>\$ 47,486</u>	<u>\$ 52,933</u>	<u>\$ 46,846</u>	<u>\$ 43,430</u>	<u>\$ 42,596</u>	<u>\$ 38,442</u>	<u>\$ 39,197</u>	<u>\$ 39,775</u>	<u>\$ 38,931</u>	<u>\$ 38,642</u>
Total net debt applicable to the limit as a percentage of debt limit	22.18%	7.75%	13.74%	15.51%	14.39%	19.62%	16.66%	15.06%	16.87%	14.97%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed valuation, December 31, 2020	\$ 454,477
Debt limit (10% of assessed valuation)	45,448
Total amount of debt applicable to debt limit:	<u>6,805</u>
Legal Debt Margin	<u>\$ 38,642</u>

Limitations on Borrowing

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

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

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

City of Saginaw
Pledged Revenue Coverage
Last Ten Fiscal Years

Water System Revenue Bonds

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)(3)	Net Available Revenue	Debt Service		Total	Coverage
				Principal (4)	Interest		
2011	\$ 14,956,126	\$ 10,610,636	\$ 4,345,490	\$ 250,000	\$ 481,000	\$ 731,000	5.94
2012	16,683,411	11,190,078	5,493,333	300,000	439,130	739,130	7.43
2013	15,564,405	11,119,751	4,444,654	725,000	878,370	1,603,370	2.77
2014	15,463,059	12,149,854	3,313,205	735,000	855,020	1,590,020	2.08
2015	15,055,952	12,014,333	3,041,619	800,000	820,270	1,620,270	1.88
2016	15,882,547	6,713,747	9,168,800	910,000	799,743	1,709,743	5.36
2017	17,759,149	11,989,067	5,770,082	1,465,000	1,276,229	2,741,229	2.10
2018	19,081,693	12,499,508	6,582,185	1,500,000	1,440,531	2,940,531	2.24
2019	18,377,741	12,774,757	5,602,984	1,635,000	1,382,506	3,017,506	1.86
2020	19,697,463	13,158,815	6,538,648	1,665,000	1,319,080	2,984,080	2.19

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

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

(1) Includes interest earnings.

(2) Net of depreciation expense.

(3) Net of pension expense.

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

City of Saginaw
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita (1) Personal Income	School Enrollment (3)	Unemployment Rate (2)
2011	51,230	\$ 743,859,600	\$ 14,520	8,022	17.10%
2012	50,790	737,470,800	14,520	7,691	15.30%
2013	50,303	727,079,562	14,454	7,355	16.10%
2014	49,844	732,058,828	14,687	7,737	13.90%
2015	49,347	746,472,069	15,127	6,880	10.40%
2016	48,984	719,917,848	14,697	6,356	8.5%
2017	48,677	738,332,736	15,168	6,044	8.3%
2018	48,323	667,630,568	13,816	5,802	8.7%
2019	48,115	804,145,995	16,713	5,401	8.9%
2020	(4)	(4)	(4)	5,216	23.9%

Data Sources:

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

(2) Michigan Labor Market Information, Data Explorer

(3) Michigan School Data.org

(4) Not available

**City of Saginaw
Principal Employers
2020 and 2011**

2020				2011			
<u>Employer</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employer</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Covenant Medical Center	4,810	1	5.55%	Covenant Medical Center	4,560	1	5.05%
Ascension Health Ministry	1,742	2	2.01%	St Marys of Michigan	2,506	2	2.78%
Department of Veterans' Affairs	1,108	3	1.28%	General Motors	2,357	3	2.61%
General Motors	1,022	4	1.18%	School Dist City of Saginaw	1,428	4	1.58%
Saginaw County	886	5	1.02%	Nexteer Automotive Corp	951	5	1.05%
Quality Temporary Services, Inc	806	6	0.93%	Department of Veteran's Affairs	916	6	1.02%
Nexteer Automotive Corporation	805	7	0.93%	Saginaw Count	902	7	1.00%
School Dist City of Saginaw	739	8	0.85%	State of Michigan	736	8	0.82%
State of Michigan	550	9	0.63%	TRW Integrated Chassis Systems	586	9	0.65%
City of Saginaw	521	10	0.60%	City of Saginaw	582	10	0.65%
Meijer Great Lakes LTD Partnershi	500	11	0.58%	United State Postal Service	480	11	0.53%
Totals	<u><u>13,489</u></u>		<u><u>15.56%</u></u>		<u><u>16,004</u></u>		<u><u>17.74%</u></u>
Total Employment (2)	86,682			Total Employment (2)	90,219		

Data Sources:

(1) City of Saginaw Income Tax Department

(2) Michigan Labor Market Information, Data Search/County-December 2018

2020 Data - Income Tax Year Ending 12-31-19

2011 Data - Income Tax Year Ending 12-31-10

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	26	26	26	23	24	31	28	29	30	29
Fiscal services	27	27	28	30	36	29	29	28	29	30
Public safety										
Police	140	139	136	93	89	89	90	90	92	94
Fire	70	67	58	36	53	52	52	52	39	39
Highways and streets	27	26	19	19	18	18	21	23	26	27
General services	46	46	49	56	53	53	59	58	56	59
Community services	18	18	20	20	19	19	20	20	26	26
Economic development	7	7	11	7	7	7	7	7	7	7
Parking system	1	1	-	-	-	-	-	2	2	2
Water	61	61	61	61	61	61	63	64	68	68
Sewer	83	84	88	88	89	88	87	86	88	88
Total	<u>506</u>	<u>503</u>	<u>497</u>	<u>433</u>	<u>448</u>	<u>447</u>	<u>458</u>	<u>460</u>	<u>463</u>	<u>469</u>

Source: City of Saginaw Annual Budget

City of Saginaw
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Elections										
Number of registered voters	39,788	40,599	40,211	38,855	37,134	36,756	36,165	35,482	35,897	36,009
Public Safety										
Police Department										
Number of citations issued	9,596	6,414	6,970	2,582	3,602	3,276	3,691	3,773	3,439	2,433
Number of complaints filed	-	8,638	7,953	7,354	6,715	9,034	8,800	8,689	8,568	8,642
Number of calls for service	44,245	44,737	57,625	52,198	47,729	52,024	49,244	28,300	46,218	47,933
Number of DUI offenses	-	-	69	49	39	59	43	39	26	79
Fire Department										
Number of emergency runs	1,835	1,898	2,429	4,034	4,126	3,154	3,400	4,526	3,819	3,403
Recreated and Culture										
Park acreage maintained	308	308	308	308	308	308	308	308	308	308
Special events	57	53	53	66	72	71	45	44	41	6
Shelter rentals	57	58	15	25	28	33	23	6	5	-
Block parties	16	15	16	9	14	15	8	8	11	1
Street trees planted	-	-	177	43	106	79	72	3	11	10
Street trees trimmed	-	178	596	456	922	270	677	689	1,034	290
Street trees removal	-	432	417	329	679	378	357	341	285	422
Community and Economic Development										
Housing units rehabilitated	14	12	3	4	3	6	19	21	15	18
Basic needs	9	11	9	14	15	23	19	21	12	16
Sewer System										
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)	23.3	20.1	22.9	19.6	21.6	22.9	23.8	23.4	25.8	25.1
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
Water System										
Miles of water mains	419.7	419.7	420.0	411.0	411.0	411.0	411.0	411.0	411.0	411.0
Daily average consumption (million gallons)	19.2	19.5	20.0	18.1	17.0	17.3	17.9	17.3	17.2	17.1
Maximum daily treatment (million gallons)	30.5	31.3	32.3	27.2	23.7	26.3	27.3	25.4	27.1	27.7
Cemetery										
Interments	342	353	386	326	366	337	345	344	309	305
Grave sales	240	252	145	153	266	260	228	248	238	225
Foundations set	203	243	149	199	209	229	225	241	236	259
Marina										
Boat launch	1	1	1	1	1	1	1	1	1	1

Source: Various city departments.

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

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	74	74	72	70	73	62	47	44	43	43
Fire										
Stations	4	4	4	4	4	4	4	3	3	2
Vehicles	21	21	19	18	25	24	22	23	23	19
Public Works										
Streets (miles)										
Major	96	96	96	96	96	96	96	96	96	96
Local	182	182	182	182	182	182	182	183	183	183
State highways	36	36	36	36	36	36	36	36	36	36
Recreation and culture										
Park Areas	45	45	45	45	45	45	45	45	45	45

Source: Various city departments.

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

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