



CHARTER COUNTY OF WAYNE, MICHIGAN
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

ROBERT A. FICANO
COUNTY EXECUTIVE

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

2011

"Managing for the Future"



CHARTER COUNTY OF WAYNE, MICHIGAN
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2011**

**PREPARED BY:
DEPARTMENT OF MANAGEMENT & BUDGET**

CHARTER COUNTY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	I-1
List of Principal County Officials	I-12
Wayne County Commissioners	I-13
Organizational Chart	I-14
Certificate of Achievement for Excellence in Financial Reporting	I-15
II. FINANCIAL SECTION	
Independent Auditor's Report	II-1
Management's Discussion and Analysis (Unaudited)	II-4
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Assets	II-19
Statement of Activities	II-21
<i>Governmental Fund Financial Statements</i>	
Balance Sheet	II-23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	II-25
Statement of Revenues, Expenditures, and Changes in Fund Balances	II-26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	II-28
<i>Proprietary Fund Financial Statements</i>	
Statement of Net Assets	II-29
Statement of Revenues, Expenses, and Changes in Fund Net Assets	II-31
Statement of Cash Flows	II-32
<i>Fiduciary Fund Financial Statements</i>	
Statement of Fiduciary Net Assets	II-33
Statement of Changes in Fiduciary Net Assets	II-34

CHARTER COUNTY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2011

	<u>Page</u>
II. FINANCIAL SECTION, Continued:	
<i>Component Unit Financial Statements</i>	
Statement of Net Assets	II-35
Statement of Activities	II-37
<i>Index - Notes to the Basic Financial Statements</i>	II-38
<i>Notes to the Basic Financial Statements</i>	II-39
Required Supplementary Information (Other than Management's Discussion and Analysis)(Unaudited)	
<i>Budgetary Comparison Schedules – Major Governmental Funds</i>	II-137
<i>Schedules of Funding Progress and Employer Contributions</i>	II-143
<i>Note to Required Supplementary Information</i>	II-146
Other Supplementary Information - Combining and Individual Fund Statements/Schedules	
<i>Non-major Governmental Funds (Special Revenue, Debt Service and Capital Projects Funds)</i>	
Combining Balance Sheet	II-147
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	II-155
Budgetary Comparison Schedules	II-163
<i>Proprietary Funds</i>	
Non-major Enterprise Funds	
Combining Statement of Net Assets	II-182
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	II-183
Combining Statement of Cash Flows	II-184
Internal Service Funds	
Combining Statement of Net Assets	II-185
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	II-187
Combining Statement of Cash Flows	II-189

CHARTER COUNTY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2011

Page

II. FINANCIAL SECTION, Continued:

Fiduciary Funds

Pension (and Other Employee Benefit) Trust Funds	
Combining Statement of Fiduciary Net Assets	II-191
Combining Statement of Changes in Fiduciary Net Assets	II-192
Agency Funds	
Combining Statement of Fiduciary Net Assets	II-193
Combining Statement of Changes in Assets and Liabilities	II-194

Non-major Discretely Presented Component Units

Combining Statement of Net Assets	II-198
Combining Statement of Activities	II-200

III. STATISTICAL SECTION (Unaudited):

Table

Financial Trends

1. Net Assets by Component	III-1
2. Changes in Net Assets	III-2
3. Fund Balances of Governmental Funds	III-4
4. Changes in Fund Balance, Governmental Funds	III-5

Revenue Capacity

5. Taxable Value and Estimated Actual Value of Property	III-7
6. Direct and Overlapping Property Tax Rates	III-8
7. Principal Property Taxpayers	III-9
8. Property Tax Levies and Collections	III-10

CHARTER COUNTY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2011

III. STATISTICAL SECTION (Unaudited, continued):	<u>Page</u>
Table	
<i>Debt Capacity</i>	
9. Ratios of Outstanding Debt by Type	III-11
10. Ratio of Net General Bonded Debt to Taxable Value and Net Bonded Debt Per Capita	III-12
11. Direct and Overlapping Governmental Activities Debt	III-13
12. Legal Debt Margin Information	III-15
13. Pledged – Revenue Coverage	III-16
<i>Demographics and Economic Information</i>	
14. Demographic and Economic Statistics	III-17
15. Principal Employers	III-18
<i>Operating Information</i>	
16. Full-time County Government Employees by Function/Program	III-19
17. Operating Indicators by Function	III-20
18. Capital Asset Statistics by Function	III-21
19. Revenues by Source and Expenses by Type - Pension Trust Funds	III-22
20. Analysis of Funding Progress – Pension Trust Funds	III-23



CHARTER COUNTY OF WAYNE, MICHIGAN COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY

The Introductory Section Contains:

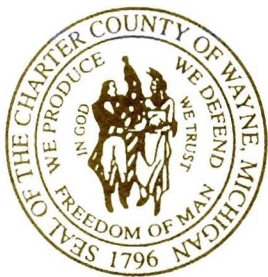
LETTER OF TRANSMITTAL

LIST OF PRINCIPAL COUNTY OFFICIALS

WAYNE COUNTY COMMISSIONERS

ORGANIZATIONAL CHART

**CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING**



Robert A. Ficano County Executive

March 19, 2012

To the Citizens of the Charter County of Wayne, Michigan:

State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended September 30, 2011.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Plante & Moran, PLLC has issued an unqualified ("clean") opinion on the Charter County of Wayne, Michigan's (the County) financial statements for the year ended September 30, 2011. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The County is located in southeastern Michigan, encompassing approximately 623 square miles. It is made up of 34 cities, including the City of Detroit, 9 townships, and 41 public school districts. Its population of approximately 1.8 million makes it the most populous County in the State of Michigan and the 15th most populous County in the nation.

The County was incorporated under Act No. 293, Public Acts of Michigan, 1967, as amended. It is governed by a Chief Executive Officer (County Executive), who is elected on an at-large basis for a four-year term and a County Commission (the Commission) comprised of 15 members elected by district on a partisan basis for two-year terms. The County Executive has administrative and executive powers of the County to supervise, coordinate, direct and control all County functions, operations and facilities. The Commission serves as the legislative branch of the County. It is responsible for establishing policy and approving the County budget. The County also elects the following officials on an at-large basis for four-year terms: County Clerk, Register of Deeds, Prosecuting Attorney, Sheriff and County Treasurer. The County Clerk and the Register of Deeds are responsible for the general recording of official records. The Prosecuting Attorney and Sheriff are responsible for providing quality criminal justice services to all people of the County. The Treasurer is responsible for the receipt, custody, and investment of all County funds and the collection of taxes.

In 1996, the State of Michigan passed along primary funding responsibility for the Third Circuit and Probate Courts to Wayne County, although both are legally separate entities and are reported as discrete component units.

DEPARTMENT OF MANAGEMENT AND BUDGET
500 GRISWOLD • DETROIT, MICHIGAN 48226 • (313) 224-7766 • www.waynecounty.com



The Courts are responsible for judicial proceedings within the County. There are three separate divisions of Third Circuit Court: civil, criminal, and family court. The civil division is assigned 14 judges for the resolution of general civil cases. The criminal division is assigned 28 judges and has sole jurisdiction over felonies and high misdemeanors. The family court division (19 judges) has responsibility for hearing both domestic relations and juvenile cases. Probate Court has eight judges who have jurisdiction in all matters related to settlement of estates, trusts and appointment of trustees.

The annual budget serves as the foundation for the County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the Budget and Planning Division in the Department of Management and Budget on or before March 1st of each year. The Budget and Planning Division uses these requests as the starting point for developing a proposed budget. The County Executive submits the proposed operating budget to the Commission for review prior to June 1st. After public hearings to obtain citizen input, the Commission legally enacts the budget through the passage of the appropriations ordinance. The appropriated budget for the General Fund is adopted by function (e.g., general government, public safety, public works, etc). Amendments to appropriations that change the County's appropriations ordinance require the approval of the Commission. Certain transfers within line items that do not affect aggregate departmental appropriations may be made without the Commission's approval.

Local Economy

Recent economic data shows that the State of Michigan ended 2011 strong. The State's December jobless rate of 9.3 percent fell 1.8 percentage points from December 2010, tying with West Virginia for the fourth largest decline among the 50 United States. Michigan also added 66,500 jobs last year according to a Bureau of Labor Statistics, more than all but five other states: California, Texas, New York and Ohio. The primary reason for the resurgence was in manufacturing led by Chrysler, Ford and General Motors. It was not just the auto industry. Job growth was much broader based. Almost every employment category in the state posted job gains. Only government, leisure and hospitality services lost jobs last year.

For the County, the economic outlook continues to be guarded. Cost pressures, particularly in the healthcare and pension area continue to challenge County finances. The state of the economy plays a significant role in the County's ability to provide core services and the mix of other services sought by its stakeholders. For example, there is an increased demand for public health services while at the same time human resources available to fund those services are shrinking. Fewer customers are seeking land development or building permit services, making it difficult to maintain services for these fee based programs. The real estate market slump affects the County's general purpose revenue which is expected to decline in Fiscal years 2011-12 and 2012-13. General purpose revenue is relied upon to fund local discretionary services as well as fund the County's share of costs for services that are provided in partnership with the State.

Despite economic challenges and the unease of the most recent Federal Bureau Investigation, progress in other areas of the County continues to improve. The North American International Auto Show (NAIAS) continues to provide a huge annual economic boost to this region, benefiting hotels, restaurants, exhibit companies, and retail throughout the metro area. Short term improvements were made, approximately \$3 million during 2009 and the Auto Show kicked off with the annual black tie Charity Preview on January 15, 2010 and January 14, 2011 as usual. It is one of the last, biggest and longest parts of NAIAS.

After a spectacular nine day run, NAIAS 2012 is in the books. Attendance of 101,141 topped last year's final day numbers of 98,106, bringing total attendance of the 2012 show to 770,932 the highest since 2005. Other highlights include:

- 5,196 media from 61 countries attended the Press Preview
- 22,788 auto suppliers, designers, engineers, and enthusiasts, attended the Industry Preview representing 28 countries, and more than 2,000 companies
- 12,000 people attended the Charity Preview raising \$3 million for children's charities and
- 770,932 car enthusiasts attended Public Show (compared to 735,370 in 2011)

An economic development strategy for the 21st century now includes the planned Aerotropolis, an aviation linked urban area consisting of an airport surrounded by tens of thousands of acres of light industrial space, office space, upscale retail mix, business-class hotel accommodations, restaurants, entertainment, recreation, golf courses, and single and multiple-family housing. One of the County's greatest assets is the combination of Detroit Metropolitan Airport and Willow Run Airport (the Airports) and the fact that there is ample land between the two airports for business attraction. This means that the Airports are uniquely positioned to serve as the catalyst for major economic activity providing employment, shopping, entertainment, and business meeting destinations. The creation of an Aerotropolis provides a region with the ability to attract corporations that rely on time and location-sensitive manufacturing, e-commerce fulfillment, and telecommunications, in addition to serving air-travel intensive professionals by providing convenient access to air travel transport to national and international destinations.

In December 2010, the Michigan legislature passed the Next Michigan Development Act (NMDA) with overwhelming bipartisan support. The legislation is designed to provide regional economic development entities and projects like the Aerotropolis with the tools to attract businesses engaged in trade and multi-modal commerce. Support was received from other government partners, from labor leaders and groups, businesses, nonprofits, trade associations, and citizens. The Act moved to the desk of outgoing Governor Jennifer Granholm who signed the bill into law before the end of her term. The Aerotropolis partners are also planning to engage Michigan's newly elected governor, Rick Snyder, to ensure that his administration feels ownership in the goals of this legislation and the Aerotropolis initiative. This process is well underway with the Michigan Strategic Fund Board voting in February to recognize the Aerotropolis as the State's first Next Michigan Development Corporation.

Once a Next Michigan Development Corporation has been established, the Corporation becomes eligible to apply for and create renaissance zones for businesses that are deemed an eligible Next Michigan Business. The legislation allows for the creation of up to 10 new renaissance zones up to 200 acres each per Corporation with a maximum of 25 businesses statewide that can receive a zone if they meet the definition of an eligible Next Michigan Business.

In practice, local governments and counties that are members of a certified Next Michigan Development Corporation can request a renaissance zone designation for a new business to the Corporation's board and, if approved, the zone and the corresponding business will be sent to the Michigan Strategic Fund Board for consideration and approval. Any application not acted upon within 49 days translates into deemed approval of the zone for the business.

An 'anti-poaching' provision will protect local interests and ensure that companies are NOT eligible for incentives if they simply relocate within Michigan. Incentives will only be available to new companies coming into Michigan, or to existing Michigan companies that are materially expanding their operations within the state.

During fiscal year 2011 the Aerotropolis Authority (the Authority), officially became the operating arm of the Aerotropolis. This means that a true partnership has been created with our local communities, Washtenaw County, and the business community. All have become full fledged partners in the activities and direction of the Aerotropolis partnership. As a start, the Authority decided to review, re-evaluate and renew the direction and focus of planning, marketing and promotion efforts relating to the Aerotropolis, both on a national and

international scale. A study has just been completed that sets a new vision for moving the Aerotropolis to the next level of understanding, both in the eyes of the public and private sector.

Also in 2011, new efforts have been pursued that look at the southeast Michigan region as a national and global logistics HUB. Studies have been initiated by the Regional Chamber of Commerce, and the Southeast Michigan Council of Governments, which analyzed market opportunities for logistics growth within the southeast Michigan communities. The Aerotropolis has gained national recognition in just the few short time of its existence. John Kasarda, Distinguished Professor of Strategy and Entrepreneurship and Director of the Kenan Institute of Private Enterprise at the University of North Carolina's Kenan-Flagler Business School, published a book in 2011 which profiled Detroit/ Wayne County as one of the leading new global Aerotropolis initiatives. This book dedicated a chapter to the County's efforts to be competitive on a global basis. Furthermore, interest continues to grow not only from the development community but also from other communities throughout the State, Lansing and Traverse City, to name a few, who are now attempting to emulate what the County has created in southeast Michigan.

Property tax is the County's largest revenue source, representing fifty-four percent of total General Fund revenue. However, lower home values means reduced assessments therefore, County property tax collections declined by 8% this year. Revenue sharing, representing 10% is the next largest source. Funding for the State Revenue Sharing program consists of the following dedicated tax revenues:

- Constitutional - 15% of the 4% gross collections of the state sales tax;
- Statutory - 21.3% of the 4% gross collections of the state sales

Under the State Revenue Sharing Act, counties receive revenue generated by sales tax. Of the total amount of sales tax available for distribution to local governments, counties receive 25.06% of the 21.3%. Payments are apportioned among the 83 counties on a per capita basis, and are distributed each February, April, June, August, October, and December. Wayne County received the \$50 million in revenue sharing for fiscal year 2011, which is slightly more than the \$48.5 million the State of Michigan budgeted.

The 2010 Census was conducted on April 1, 2010. The actual population count was released by the Michigan census March 21, 2011. According to the census Detroit has experienced a 25% decline in the number of residents since 2000. The statistics show that the population fell to 713,777 from 951,270. The total Fiscal 2011 revenue sharing payment each local unit will receive will be based on the actual 2010 Census population count. However, the October 2010 through April 2011 payments were based on the 2000 Census population count; and the June and August 2011 payments were adjusted so that the total amount each local unit receives for Fiscal 2011 (October 2010 to September 2011) is based on the actual 2010 Census population count. As the County's population has declined since 2000, it is expected that the amount of revenue sharing will continue to be adjusted downward.

Managing for Results

Reining in the accumulated deficit is critical. Although fiscal year 2011 shows the County ended the year with a modest operating surplus of \$9 million, there is much more to be done. The accumulated unassigned deficit for 2011 was \$128 million compared to the restated deficit for 2010 of \$140 million. The prior year deficit for 2010 was restated from \$116 million to \$140 million for potential refunds of personal and property tax appeals that are pending as of the end of the fiscal year. Such an adjustment was offset by cost cutting measures and deficit elimination strategies that improved the deficits of many of the funds, as the accumulated deficits of governmental funds other than the General Fund were reduced from \$135 million in 2010 to \$60 million in 2011.

During calendar year 2011, the lawsuit between the County and the Court came to a conclusion which resulted in the elimination of a “double count” of the accumulated unassigned deficit for the Court. Previously, the deficit was accounted for in the Court Fund and the General Fund. With the settlement agreement, the County agreed to roll in the accumulated deficit into the General Fund.

Managing for Results (MFR) is a comprehensive and integrated management system that focuses on achieving results for the customer and makes it possible for departments to demonstrate accountability to the taxpayers of Wayne County. In 2009, the County began its budgeting for results efforts by requiring forecasts as part of the budgeting process. This process allowed the County to better align resources with need. When fully implemented it will help to identify efficiencies, which will ultimately allow for resources to be relocated to other areas. Although the process has not been completed, the County hopes that other elected officials will come online with MFR in FY 2012. Once it is fully adopted, the plan will be sent out to every County employee and made available on the website.

Long-Term Financial Planning

Faced with downward pressures on property values, increasing expenditures, shifting demographics, as well as a host of other complex challenges, the County needs a new approach to planning. Traditional County planning is not well suited to address such challenges due to its inherent tactical and short-term nature. This makes long-term financial planning an indispensable complement to traditional budgeting and an invaluable piece of the County’s overall strategic planning framework. It provides a more comprehensive financial perspective that is not available through other County planning processes. The Department of Management and Budget’s Strategic Business Plan identifies the development and implementation of a formal long-term financial plan as Strategic Result #1. In the short-term, the County continues to focus on the following seven issues discussed more fully below:

- Establish Reserves at Appropriate Levels
- Ensure Long-Term Financial Sustainability; Deliver Services in a Cost-Effective and Efficient Manner
- Ensure Operating Revenues are Sustainable and Consider Community-wide and Individual Benefits (taxes versus user charges)
- Meet Social Equity Objectives through Specific Programs
- Manage the County’s Capital Assets to Maximize Long-term Community Benefit
- Recognize that Funding from Senior Governments is a Crucial Element of Financial Sustainability
- Use Debt Financing where Appropriate

With that goal in mind, the County entered into a consulting services contract with Government Finance Officers Association (GFOA) to assist in implementing the Long Term Financial Plan (LTFP). To date, County staff and other stakeholders have been interviewed to get their perspectives on strategic financial issues facing the County. A summary of these issues has been completed and compiled in a report. This report will form the centerpiece for prioritizing the issues for further study. Long-term planning is a mutable, iterative process and it must be perceived as such. It must be understood that a plan's importance lies not in its ability to predict with perfect foresight the future, but rather in establishing a secure and logical position from which to confront that future. Although the County missed its deadline for completion in fiscal year 2011 it is anticipated that the LTFP will be substantially completed for the County’s major funds for use in the 2013-14 budget process. In the short-term, as revenue growth is projected to be lower than expenditure growth in several funds, including the General Fund, certain corrective measures will be taken or have been taken, as described below.

The General Fund has an accumulated unassigned deficit of \$128 million at September 30, 2011, which falls below the policy guidelines set by the GFOA and the fund balance policy (between 5 and 15% of expenditures) issued by the Department of Management and Budget. The deficiency is due, in part, to increased health care

costs, cuts in State revenue sharing and cost overruns in other General Fund supported services. The County spends approximately 75% of its General Fund, General Purpose budget on Criminal Justice which includes the Sheriff, The Third Circuit Court, the Prosecutor and the Department of Children and Family Services. The Third Circuit Court in the past was the single biggest challenge facing the financial stability of the County. As stated above, the County and the Court reached a settlement agreement in October 2011. This agreement not only helped to improve the accumulated unassigned deficit in the General Fund but changed the County's outlook from Wall Street from negative to stable. While the County has done a better job than what it gets credit for it is not out of the woods yet. It will continue to be a long road to recovery. However, over the last six years the County has instituted a number of major cost-cutting measures to address declining revenues and increasing expenditures, including a 14% reduction in executive and appointee salaries, a hiring freeze, a reduction of 1360 positions through a combination of attrition and layoffs since 2008, reducing staffing in most County departments without reducing county services and departmental budget cuts that total more than \$40 million from county executive operations. Other cost saving measures include:

- Implementation of a new health plan with increased cost sharing for both active and retired employees, saving approximately \$24 million annually;
- Closed the County's defined benefit health plan and established a Retiree Health Care Trust with fixed contributions to fund and administer retiree health care costs for new hires after mid 2008. Contributions to the trust commenced in 2011. The plan redesign and establishment of the trust resulted in substantial savings to the County. Once the County uses the trust to fully fund the other post-employment benefits cost, the County's unfunded actuarial liability will be reduced from \$1.5 billion to under \$0.9 billion;
- Instituted an early retirement incentive program for eligible employees and offered buyout incentives for employees that were not eligible;
- Put into practice performance management and budgeting principles to better align County goals and objectives and to streamline operations;
- Reorganized County operations resulting in the elimination of two executive departments;
- Invested in cutting edge technology including E-Government, VOIP phone systems, and a state-of-the-art data center in order to improve workflow and optimize efficiency, savings for the phone system alone is estimated at \$500,000 annually.

The County will continue to restructure its operations during the next five years to strengthen its financial position and ensure long-term sustainability. The goal is to build a self-sustaining government, with a sound infrastructure, providing its citizens with an excellent quality of life.

Ensure Long-Term Financial Sustainability

Recognizing that the County can only count on the revenues over which it has control and that state shared revenues may diminish in the future, the financial requirements for the County's operating and capital needs will be determined on a multi-year basis. Management will identify the funding gap between revenues and expenditures and include in the annual budget process a detailed one-year budget, a three-year budget forecast, and an annual update of the 10-year projection, including identification of the long-term funding gap and the County's progress in addressing that gap. The County will need to raise sufficient revenue to meet long-term operating and financial requirements, recognizing that inflation increases the cost of both operating and capital programs. Additionally, the County will annually identify and provide for capital from current funding, annual debt servicing costs, and for changes to operating costs arising from new/replaced infrastructure. Finally, the plan for the replacement of infrastructure through the use of life cycle costing and the development of replacement reserves will be examined.

Deliver Services in a Cost-Effective and Efficient Manner

As part of the LTFP, the County envisions undertaking regular service level reviews giving consideration to its demographic profile and other relevant factors. A review of the County's programs on a regular, rotating basis,

through the use of value-for-money audits, will need to occur to ensure services are delivered in a cost-effective and efficient manner.

Consistent with National Advisory Council on State and Local Budgeting (NACSLB) principles, the County is beginning its transition to performance-based management. Rather than reporting performance results, performance-based management is focused on linking performance measurement to strategic planning and using the results as a lever for cultural change. By creating learning environments in which performance measures are regularly reviewed and discussed, the County can improve the timing of learning and decision-making, improve performance, and facilitate broader cultural change.

Ensure Operating Revenues are Sustainable and Consider Community-wide and Individual Benefits (taxes versus user charges)

The County will look critically at all the services it provides on an annual basis. No longer will the County be able to finance services or programs that are not self-sustaining. Financing for these services will depend on the ongoing, sustainable revenue sources. This will be accomplished by aligning source and application of revenue after considering community-wide and individual benefits and by targeting proportions of program costs to be raised through user charges based on reviews of benefits received. User charges at rates that will yield the target proportions will be established and those rates will be increased at the same (or greater) rate as increases in program operating costs. The County will strive to increase user fees as a percentage of overall funding by identifying new areas where user fees can be implemented ensuring that both operating and capital costs are considered when establishing user fees (full program costing). Programs, which are driven entirely by individual benefit, should be fully self-supporting through user fees. User fees should cover all operating and capital costs. New programs will only be implemented if fully financed from user fees and program reserves.

The County completed Phase I of the County-wide fee study in 2011. It has been determined that the County subsidizes approximately \$11 million annually to individuals and other governments when providing a service. The summary of the study along with a Fee policy was submitted to the Wayne County Commission in August 2011. The County anticipates beginning Phase II in fiscal year 2012.

Meet Social Equity Objectives through Specific Programs

Financial planning policies should be applied on the basis of their benefit to the community as a whole. Following the course of this objective, in 2005, the County Executive, Robert Ficano, announced an initiative to spur economic development activities throughout the County. The County entered into an intergovernmental agreement with the State's Land Bank Fast Track Authority to create a five-member Land Bank Authority, which includes the County Treasurer, one County Commissioner who resides in the City of Detroit, and three additional board members named by the County Executive. The County's Land Bank "banks" tax-reverted properties and helps redevelop the properties. As part of the Land Bank Program, a TURBO (Transforming Underdeveloped Residential and Business Opportunities) Program was established. (TURBO) in its simplest form will grant tax relief for new construction and rehabilitation of residential, retail and other commercial activity. The County, in partnership with the local communities will target areas and underdeveloped parcels of land in need of economic revitalization. Investors will enter into development agreements with the County that describe the development plan, the amount of eligible expenses to be reimbursed along with the intended completion date of the project. Eligible expenses may include infrastructure costs (sewerage, sidewalks, etc.), demolition costs, environmental remediation and soft costs such as title, survey fees and permits. The advantage of this initiative for the County is an increase in the tax base of the County and other local municipalities and taxing entities, including school districts. At the same time, investors receive one year of free property taxes. Up to 50% of property taxes will be used to refund eligible expenses and the tax benefit coincides with the land thus benefiting the developer and the purchaser. In addition, the flexibility of the initiative may be tailored on a case-by-case basis to fit project needs. In just a few short years, TURBO has generated more than \$500 million in new investment and over 2,000 new jobs for the County. While some other governmental entities doubted the

legality of the TURBO program, the Michigan Attorney General put an end to all doubt by issuing an opinion in December 2010 concluding that TURBO is legal.

In fiscal year 2010-2011, the TURBO Program helped serve as a catalyst for the investment of over \$60 million and the creation of more than 1,900 jobs, all within Wayne County. The most obvious benefit will be the increased tax base in local municipalities (resulting in, among other things, additional funds to pay for necessary resources such as police and firefighters). The Wayne County Land Bank Corporation has the following projects under TURBO for Fiscal 2011-12.

- **19055 Farmington Road, LLC – Bigg Burger Restaurant:** This development included the renovation and expansion of a vacant and dilapidated commercial structure, to be converted into a Bigg Burger restaurant.
- **2010 Dearborn Investment, LLC - The Henry:** The hotel, formerly known as the Ritz Carlton Hotel, was on the brink of closing its doors. This structure has been rehabilitated and beautifully restored as part of the Marriott Hotel Autograph Collection. This 308 room, full service, luxury hotel is a prominent fixture in the community.
- **Blue Line Food Service Distribution, Inc. – Food Service Distribution Center:** Blue Line is a nationwide food distributor and restaurant equipment provider. The TURBO program has enabled Blue Line to expand its current Michigan operations and bring 80 jobs from its Novi facility to a new facility in Canton Township on Haggerty Road. Blue Line has made a significant investment into an existing building to convert it into an updated and more versatile “3 temperature” building.
- **Fallone Bros, LLC - Cantoro Italian Market:** The Fallon Brothers LLC was able to complete the construction of a 37,000 square foot bakery and retail store, which is now renowned in the area for their Italian deli and bakery goods.
- **General Electric Company - GE Belleville:** Due in part to the TURBO program, General Electric chose Wayne County as the location for its new \$100 million Advanced Manufacturing and Software Technology Center (AMSTC) in Van Buren Township, right in the middle of the Aerotropolis region.
- **Marble & Granite Works, LLC – Industrial Property:** Marble & Granite Works is a manufacturer of cut stone products. Marble and Granite has commenced the expansion and renovation of a 45,000 square foot industrial property, putting it back into productive use as a warehouse and sales office.
- **Midwest Creative Investments, Inc - Medical Building:** This development included the rehabilitation of a medical office building to bring it to first class condition.
- **MJR Group, LLC - MJR Westland Theaters:** This TURBO project consisted of the demolition of the vacant and blighted former Showcase Theater and the construction of a modern 65,000-square-foot theater with 16 screens. With an estimated 800,000 visitors to the theater each year, it will provide a substantial economic boost for the restaurants and retail shops in the area.
- **Proto Manufacturing, Inc - Light Industrial Building:** Proto Manufacturing chose Wayne County for their new facility, transferring operations from Ypsilanti to Taylor. The developer purchased an 18,800 square foot light industrial building and is rehabilitating it for the design and development of High Tech devices.
- **Roberts Hotels Detroit, LLC - Roberts Hotel, formerly known as The Omni:** In collaboration with the Detroit Economic Growth Corporation, the Wayne County Land Bank assisted the developer to

renovate and reopen the formerly vacant Omni Hotel as a combined boutique hotel and senior housing complex. The renovations include new banquet facilities and the creation of 54 senior housing units.

Grand/Sakwa Lincoln Park, LLC. - Lincoln Park Shopping Center Redevelopment: The developer intends to make a significant investment to redevelop the Lincoln Park Shopping Center, which contains 300,000 square feet of retail space and two stand-alone restaurants.

Manage the County's Capital Assets to Maximize Long-term Community Benefit

The County must maintain its required infrastructure in a 'state of good repair' by implementing life cycle costing to provide for the future rehabilitation/replacement of assets. In order to accomplish this, regular reviews of remaining life and condition of assets will have to occur to determine required annual reserve contributions sufficient to ensure that 90 percent of approved infrastructure rehabilitation/replacement schedules can be met at the required time. Assets and facilities should be regularly reviewed and rationalized based on service demand and service level benchmarks. Facilities that do not achieve approved revenue/cost targets should be considered for closure.

In December 2010, the County sold \$200 million recovery zone economic development bonds for the purpose of building a consolidated jail facility. Wayne County operates the largest jail system in the State of Michigan, which includes three major facilities with an average daily population of about 2,600 people. The facilities house pretrial felons, as well as sentenced felons and misdemeanants. The Old Wayne County Jail (Division II) built in 1929, is the oldest. The Andrew C. Baird Detention Facility (Division I) was built in 1982.

The William Dickerson Detention Facility also known as Division III was opened in 1991. The jail has 804 beds and employs direct supervision. It provides laundry and food services to the entire Wayne County jail system. The Dickerson facility occupies 16.7 acres and is approximately 500,000 square feet in size. The consolidated facility will be approximately 640,000 square feet and will have 2,000 beds. It is expected that the consolidation will save the County's General Fund \$26 million.

The County will dispose of capital assets, which are not required for long-term community purposes. Finally, a capital-funding plan will be implemented to address the County's infrastructure renewal requirements.

Recognize that Funding from Senior Governments is a Crucial Element of Financial Sustainability

The County must seek additional sustainable revenues from the federal and state governments and senior government funding sufficient to bridge the funding gap between net required program costs and affordable tax and user charge rates/revenues.

The County will participate in grant/subsidy programs only if programs/projects to be supported are required or can be justified independently of the provisions of the grant/subsidy. In keeping with this principle, the County eliminated or reduced any grant programs that was supported more than its required subsidy.

Use Debt Financing where Appropriate

Debt financing should only be considered for:

- Programs and facilities which are self-supporting
- Projects where the cost of deferring expenditures exceeds debt servicing costs, and
- New, non-recurring infrastructure requirements.

In addition, the County will be continuously looking at its existing debt to take advantage of lower interest rates and other opportunities.

Under Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions (OPEB), public agencies across the country will have to begin reporting and recording a liability for future OPEB obligations. As noted previously, the County implemented this standard in fiscal year 2008. This standard required the County to calculate its OPEB liability, establish the Annual Required Contribution (ARC) and record a difference between the ARC and current year payments for OPEB benefits. The County is in the process of establishing a Trust Fund, and as discussed earlier, intends to prefund approximately 75% of its actuarial accrued liability of \$839 million, using a funded rate of 8.0%. The County is considering issuing OPEB bonds in the future. The actuarial accrued liability as of September 30, 2011, using an unfunded rate of 4% is approximately \$1.5 billion.

In addition to the OPEB debt undertaking, the County is also considering a long-term, managed program of debt financing to address the County's current infrastructure deficiency and to reduce further deterioration of the County's infrastructure in 2011. For debt charges declining due to retirement of debt, the County will apply savings to accelerate achievement of full life cycle costing for County infrastructure. Finally, the County will continuously review its debt and fund balance policies and other tools towards attainment of improved bond ratings from the bond rating agencies.

Maintain Reserves and Reserve Funds at Appropriate Levels

The accumulation of adequate reserves and reserve fund balances is critical to the County's long-term financial sustainability primarily for three reasons. First, certain liabilities, although incurred in the current period, are not paid until future periods, as is the case with workers' compensation and retiree health obligations. Reserves are necessary to fund these future payments. Without these reserves, a significant unfunded liability could accumulate, negatively impacting operations in the year of the payment. Second, reserves and reserve fund contributions are necessary to provide for the repair and replacement of resources that are being consumed in current operations. For example, as mentioned above, as County infrastructure wears out or is "consumed" in the current year, the County should contribute to replacement reserves or reserve funds so that funds are available when needed in the future for replacement. Over the next few years, the County will be giving highest priority to restoring and maintaining the County's infrastructure. To conduct essential business and deliver expected services, the County must devote resources to its roads, parks and other facilities. An infrastructure reserve will be created to address this top priority and ensure future project funding. Of course, funds could be borrowed for future requirements but this alternative is more expensive, leaving the County vulnerable to future interest rate fluctuations and shifting the burden of funding to the future, rather than the present. Finally, the existence of adequate reserves and reserve funds can provide a buffer or "safety net" against significant negative financial developments.

The County is currently in a period of prolonged financial restraint that has been created by successive years of funding cutbacks and shifting of financial responsibilities by the State of Michigan. As a result, the strategy of contributing to reserves and reserve funds is one of the few reliable ways to ensure that future requirements for service will be met or that additional negative developments will not curtail the County's ability to deliver services needed by its residents. Reserves are used as a financial yardstick to determine a County's credit worthiness and credit rating. A strong bond rating position allows flexibility to the County in capital financing and becomes a part of a positive cycle. A stronger reserve and reserve fund position contributes to a stronger credit position, which in turn allows the County to issue long-term debt at a lower cost. The lower cost contributes to a lower debt burden per capita. In addition, and perhaps more importantly, stronger reserve balances also mean that there will be less reliance on long-term debt funding for future projects, further reducing our debt burden.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded a Certificate for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2010. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR, containing the elements required by Generally Accepted Accounting Principles. The Certificate of Achievement is a prestigious national award recognizing conformation with the highest standards for preparation of state and local government financial reports.

A certificate of Achievement is valid for a period of one year only. The County received the Certificate of Achievement for its 2010 CAFR. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

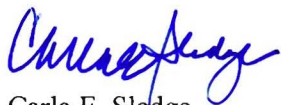
In addition, for the seventeenth year in a row, the County received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2010. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. Every year the County submits its budget document to the GFOA to determine its continued eligibility for the Distinguished Budget Presentation Award.

The County also received the GFOA's Award for Outstanding Achievement in Popular Financial Reporting for the year ended September 30, 2010. The popular annual financial report (PAFR) is a condensed version of the CAFR, available to all residents of the County. The PAFR highlights County services and provides summarized financial information.

In addition to the GFOA awards, the County received awards from the National Association of Counties (NACo) annual achievement award program. This program is a non-competitive award program that recognizes innovative county government initiatives. Each application is judged on its own merits and not against other applications received. Awards are given in 21 different categories including children and youth, criminal justice, county administration, environmental protection, information technology, health, to name a few. For the third year in a row, the County received this national recognition. Of the twenty-three applications submitted to NACo, nineteen awards were received.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Department of Management and Budget. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to express our appreciation to the County Executive, and his staff, for their leadership and continued support of the policies of this Department.

Respectively submitted,

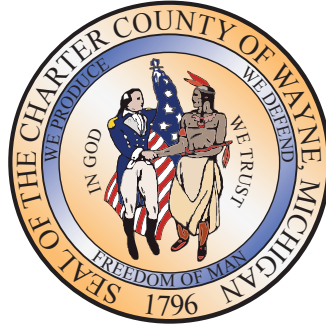


Carla E. Sledge
Chief Financial Officer



Lyn Roberts
Director of Financial Reporting

LIST OF PRINCIPAL COUNTY OFFICIALS



COUNTY EXECUTIVE

Robert A. Ficano

DEPUTY COUNTY EXECUTIVE

Jeffrey Collins

CHIEF OPERATING OFFICER

Timothy L. Nasso

CHIEF OF STAFF

Matthew A. Schenk

CHIEF FINANCIAL OFFICER

Carla E. Sledge, CPA, CGFM

DEPARTMENT HEADS

Children and Family Services

Tadarial Sturdivant

Health and Human Services

Edith Killins

Economic Development Growth Engine

Raymond Byers

Management and Budget

Carla E. Sledge, CPA, CGFM

Personnel/Human Resources

Vacant

Department of Public Services

Lavonda Jackson/Hassan A. Saab

Homeland Security/Emergency Management

James P. Buford

Senior Citizens and Veterans Affairs

Kevin F. Kelley

Corporation Counsel

Zenna Faraj Elhasan

Technology

Vacant

WAYNE COUNTY COMMISSION

Gary Woronchak
Chairman, 13th District

Alisha R. Bell, **Vice Chair 8th District**
Laura Cox, **Vice Chair Pro Tempore 10th District**

Timothy P. Killeen
1st District

Burton Leland
7th District

Bernard Parker
2nd District

Diane Webb
9th District

Martha G. Scott
3rd District

Kevin McNamara
11th District

Jewel C. Ware
4th District

Joan Gebhardt
12th District

Ilona Varga
5th District

Joseph Palamara
14th District

Irma Clark-Coleman
6th District

Raymond Basham
15th District

OTHER WAYNE COUNTY ELECTED OFFICIALS

Circuit Court
Virgil C. Smith
Chief Judge

Probate Court
Milton L. Mack, Jr.
Chief Judge

Lita M. Popke
Chief Judge Pro Tempore

Freddie G. Burton, Jr.
Chief Judge Pro Tempore

County Clerk
Cathy M. Garrett

Register of Deeds
Bernard J. Youngblood

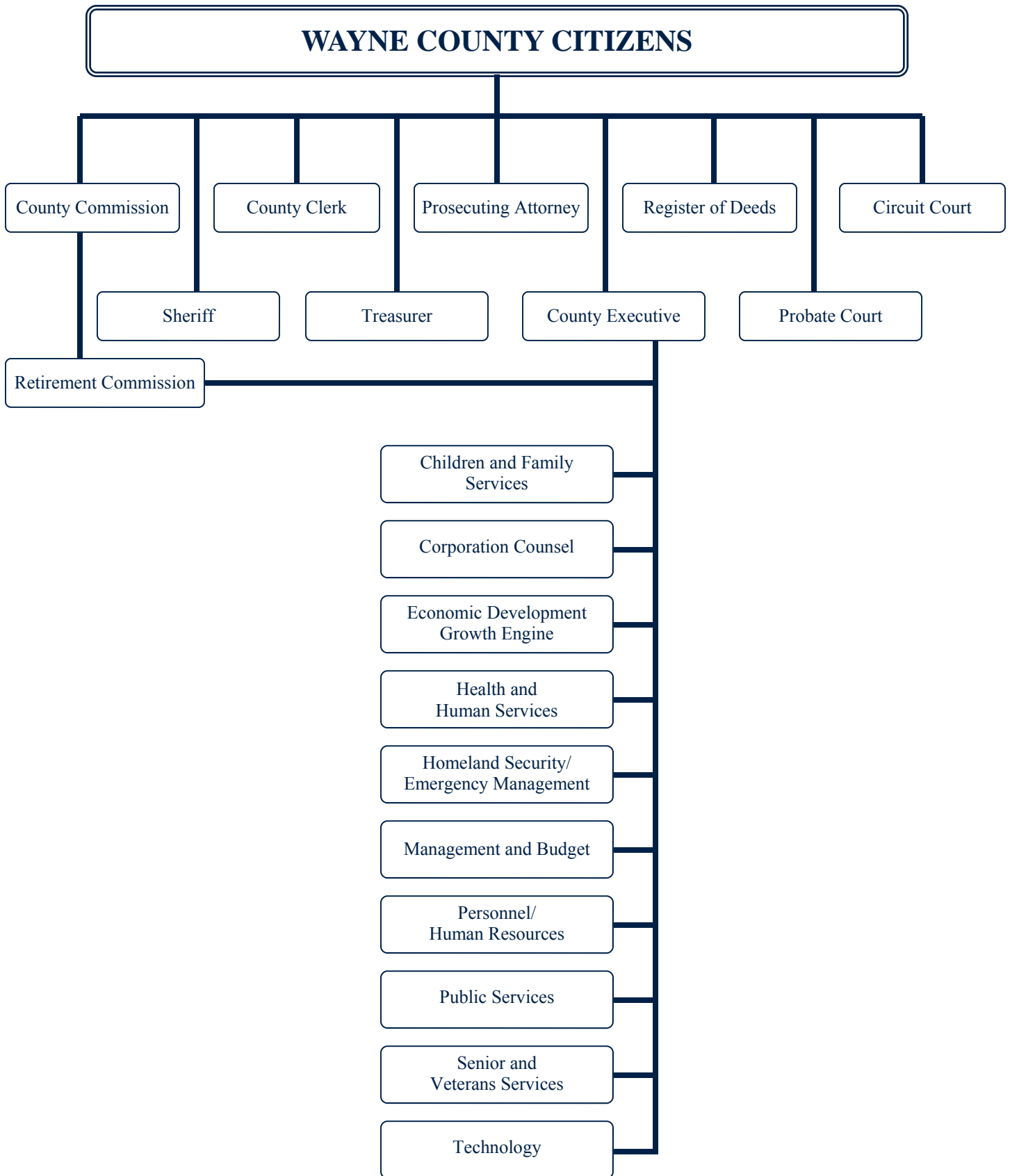
Prosecuting Attorney
Kym L. Worthy

Sheriff
Benny N. Napoleon

Treasurer
Raymond J. Wojtowicz

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Director
Robert J. Grden



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Charter County of Wayne
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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



Linda C. Sanison

President

Jeffrey R. Enner

Executive Director

This page intentionally left blank.



CHARTER COUNTY OF WAYNE, MICHIGAN COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

The Financial Section Contains:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

**OTHER SUPPLEMENTARY INFORMATION - COMBINING
AND INDIVIDUAL FUND STATEMENTS/SCHEDULES**



Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To The Wayne County Commission
and the County Executive
Charter County of Wayne, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter County of Wayne, Michigan (the "County") as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of the Mental Health Fund, a major governmental fund, which represents 5.94 and 36.91 percent of the assets and revenue, respectively, of the governmental activities. We also did not audit the financial statements of the following entities, which represent the following percentages of total aggregate discretely presented component unit assets and revenue:

	Percent of Assets	Percent of Revenue
Wayne County-Detroit Community Development Entity, Inc.	0.02%	0.07%
Greater Wayne County Economic Development Corporation	0.01%	0.03%
Health Choice of Michigan	0.34%	3.93%
Regional Jobs and Economic Growth	0.02%	0.02%
Development Corporation of Wayne County	0.00%	0.01%

We also did not audit the financial statements of the Pension Trust Funds, which represent 72.95 and 11.94 percent of the assets and revenue, respectively, of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Mental Health Fund, Wayne County-Detroit Community Development Entity, Inc., Greater Wayne County Economic Development Corporation, Health Choice of Michigan, Wayne County Regional Jobs and Economic Growth, Development Corporation of Wayne County, and the Pension Trust Funds are based on the reports of the other auditors.

To The Wayne County Commission
and the County Executive
Charter County of Wayne, Michigan

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the following entities were not audited in accordance with *Government Auditing Standards*:

- Wayne County Employees' Retirement System Defined Benefit Plan
- Wayne County Employees' Retirement System Defined Contribution Plan
- Wayne County Circuit Court Commissioners Bailiffs' Retirement System
- Wayne County Regional Jobs and Economic Growth Foundation
- Development Corporation of Wayne County
- Wayne County - Detroit CDE, Inc.
- Detroit - Wayne County Stadium Authority

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter County of Wayne, Michigan as of September 30, 2011 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 19, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To The Wayne County Commission
and the County Executive
Charter County of Wayne, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The management's discussion and analysis, retirement system schedules of funding progress and schedules of employer contributions, and the major fund budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements, but are supplemental information required by the Governmental Accounting Standards Board. The introductory section, other supplementary information, and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The major fund budgetary comparison schedules and the other supplementary information, as identified in the table of contents, have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. We have applied certain limited procedures to the management's discussion and analysis and retirement system schedules of funding progress and schedules of employer contributions, which consisted principally of inquiries of management regarding the methods of measurement and the presentation of the required supplemental information. However, we did not audit the information and express no opinion on it. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As described in Note 18, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the year. Fund balance classifications in the financial statements have been changed to reflect the new classifications under GASB Statement No. 54. Additionally, the beginning of year fund balance in the General Fund and Special Revenue Funds have been adjusted by \$2,198,000 as a result of changes in governmental fund type definitions under GASB Statement No. 54.

The County recorded an additional adjustment to beginning of year fund balance in the General Fund for the cumulative personal and real property tax refunds related to property tax revenue reported through September 30, 2010. This change in accounting is described in Note 18 and resulted in a reduction of General Fund fund balance of \$23.6 million as of September 30, 2010.

The net asset presentation in the Delinquent Tax Fund has been restated from a previously issued version of this Comprehensive Annual Financial Report. As described in Note 23, the restatement corrects the classification of restricted and unrestricted net assets in the Delinquent Tax Fund. The previously issued auditor's report should not be relied upon, as it has been replaced by this auditor's report on the reissued financial statements.

Plante & Moran, PLLC

March 19, 2012

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CHARTER COUNTY OF WAYNE, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

As management of the Charter County of Wayne, Michigan (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages I-1 to I-11 of this report. All amounts, unless otherwise indicated, are expressed in millions of dollars.

FINANCIAL HIGHLIGHTS

Government-Wide Highlights:

- The assets of the County exceeded its liabilities at September 30, 2011, by \$1.3 billion (net assets). The entire net asset balance is either restricted for specific purposes or related to the County's investment in capital assets and is not available for spending.
- The County's total net assets decreased by \$68.6 million (5.0 percent) for the fiscal year ended September 30, 2011. Net assets of governmental activities decreased by \$53.8 million (5.2 percent), while net assets of the business-type activities decreased by \$14.7 million (4.2 percent). At September 30, 2011, the County's governmental funds reported combined ending fund balances of \$254.1 million, an increase of \$196.6 million in comparison to the prior year.
- At the end of the year, the General Fund had an unreserved, unassigned fund deficit of \$128.0 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements. The *government-wide financial statements* provide a broad view of the County's operations in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and

charges (business-type activities). The governmental activities of the County include the legislative, judicial, general government, public safety, public works, highways, streets and bridges, health and welfare, recreation and cultural, community and economic development and non-departmental operations. The business-type activities of the County include the operations of the sewage disposal systems, jail commissary, parking lots, the wetlands mitigation project and the copy center.

The government-wide financial statements include not only the County itself (known as the primary government), but also sixteen legally separate organizations for which the County has financial accountability or other financial interest. These entities operate as governmental entities similar to the governmental activities described above except for the Wayne County Airport Authority, which operates like the business-type activities. The County's discretely presented component units are presented in two categories, major and non-major. This separation is determined by the relative size of the entities' assets, liabilities, revenues and expenses in relation to the total of all component units. The two discretely presented major component units are the Wayne County Airport Authority and Third Circuit Court.

There are twelve discretely presented non-major component units that are combined into a single column for reporting in the fund financial statements. These non-major component units include:

- Detroit-Wayne County Stadium Authority
- Chapter 8 Drainage District
- Chapter 20 Drainage District
- Chapter 21 Drainage District
- Probate Court
- Economic Development Corporation of Wayne County
- Wayne County-Detroit CDE, Inc.
- Greater Wayne County Economic Development Corporation
- Brownfield Redevelopment Authority
- HealthChoice of Michigan
- Wayne Regional Jobs and Economic Growth Foundation
- Wayne County Land Bank Corporation

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 II-19 to II-22 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

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

During the fiscal year, the County implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In accordance with the Statement, the County restated the beginning of the year fund balance of the General Fund to account for the following activities: The Library Fund, Pinnacle Aeropark, Nuisance Abatement, Budget Stabilization, and two programs reported in Community Corrections.

The County maintains 28 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, Roads, Mental Health, Health, Juvenile Justice and Abuse/Neglect, and Building Authority Construction, all of which are considered to be major funds. Data from the other 22 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental funds financial statements can be found on pages II-23 to II-28 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements, with the exception of the Delinquent Tax Revolving Fund, which is reported as a governmental activity in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Delinquent Tax Revolving Fund, the Downriver Sewage Disposal System, the Rouge Valley Sewage Disposal System, the Combined Sewer Overflow (CSO) Basins, and the Northeast Sewage Disposal System, as well as the operations for several other self sustaining activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Department of Technology costs, Department of Environment administrative costs, risk management services (self insurance), health insurance, long-term disability, equipment lease financing, and building and grounds maintenance. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included as *governmental activities* in the government-wide financial statements.

As of October 1, 2010, the County records the costs for internal services provided by Management and Budget, Corporation Counsel, and Personnel/Human Resources in the general fund; the costs were previously reported in internal service funds. The change in reporting for these services more accurately serve as general government activities of the County.

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 operations of the County's nine enterprise funds, three of which are considered to be major funds of the County. Major funds include the operations of the Delinquent Tax Revolving Fund, the Downriver Sewage Disposal System and the Rouge Valley Sewage Disposal System. Data from the six non-major enterprise funds are combined into a single aggregated presentation.

The proprietary fund basic financial statements can be found on pages II-29 to II-32.

Individual fund data for the internal service funds is provided in the form of combining statements and can be found on pages II-186 to II-191.

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 statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages II-33 to II-34 and pages II-192 to II-198 of this report.

Notes to the basic 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 II-39 to II-133 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules. Required supplementary information can be found on pages II-134 to II-142 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, and internal service funds are presented immediately following the required supplementary information, and begin on page II-143.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1.3 billion at September 30, 2011.

Charter County of Wayne, Michigan
Net Assets - Primary Government
As of September 30 (in thousands)

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2011	2010	2011	2010	2011	2010
Current assets	\$ 469,178	\$ 423,453	\$ 50,853	\$ 43,345	\$ 520,031	\$ 466,798
Capital assets, net	1,131,525	1,132,388	336,727	341,158	1,468,252	1,473,546
Other non-current assets	612,158	193,116	168,104	193,265	780,262	386,381
Total assets	2,212,861	1,748,957	555,684	577,768	2,768,545	2,326,725
Current liabilities	474,265	360,038	38,970	37,034	513,235	397,072
Non-current liabilities	757,124	329,985	184,749	194,047	941,873	524,032
Total liabilities	1,231,389	690,023	223,719	231,081	1,455,108	921,104
Net assets:						
Invested in capital assets, net of related debt	935,810	950,521	168,370	167,770	1,104,180	1,118,291
Restricted	523,918	257,459	152,559	172,408	676,477	429,867
Unrestricted	(478,256)	(149,046)	11,036	6,509	(467,220)	(142,537)
Total net assets	\$ 981,472	\$ 1,058,934	\$ 331,965	\$ 346,687	\$ 1,313,437	\$ 1,405,621

By far the largest portion of the County's net assets for Governmental Activities and Business-type Activities combined (\$1.1 billion or 84 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. There was a decrease of \$14.1 million in net assets invested in capital assets, net of related debt, which was primarily due to depreciation on County capital assets of \$78.8 million offset by capital asset additions of \$105.8 million. In addition, there was an increase in capital related debt of \$13.8 million (net of unexpended proceeds).

An additional portion of the County's net assets (\$676.5 million, or 51.5 percent) represents resources that are subject to external restrictions on how they may be used. Restricted net assets reported in connection with the County's governmental activities increased \$266.4 million (103.5 percent) compared to prior year. Amounts restricted for capital projects increased by \$193 million due to a bond issuance for the new County jail. Amounts restricted for delinquent tax administration increased by \$48.8 million in connection with the timing of collection of delinquent taxes and repayment of notes. Health and welfare restricted assets increased \$33.3 million, a majority of which is related to funding of a risk reserve in the Mental Health Fund. Restricted net assets for business-type activities decreased by \$20.0 million (11.5 percent) due to a reduction in the amount restricted for repayment of debt.

Unrestricted net assets have a deficit balance of (\$478.3 million) and are not available to meet ongoing obligations to citizens and creditors. Overall, net assets decreased by \$92.2 million, however unrestricted net assets decreased by \$324.7 million primarily due to the increase in restricted net assets for governmental activities discussed above. See discussion on the change in net assets below.

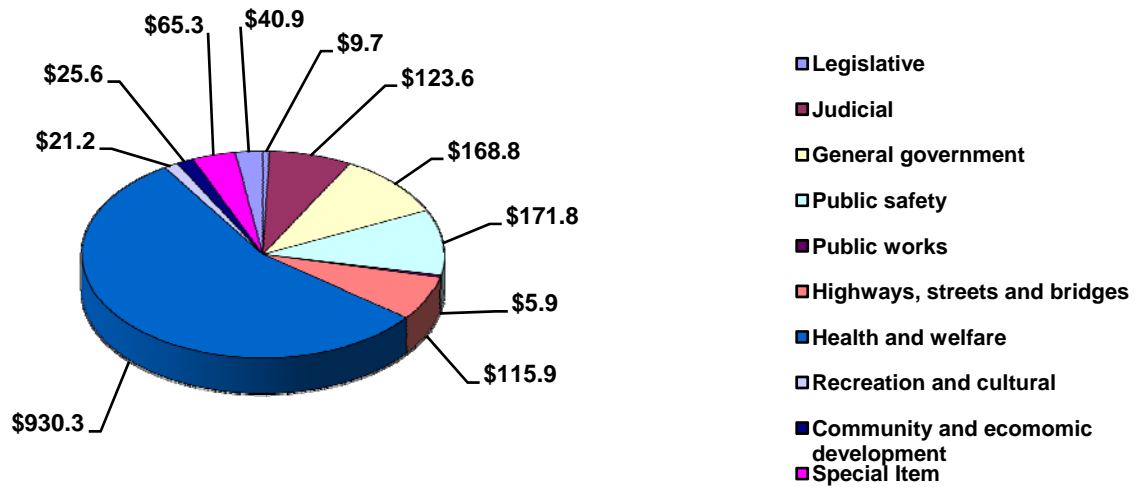
Charter County of Wayne, Michigan
Change in Net Assets - Primary Government
For the Year Ended September 30 (in thousands)

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 234,808	\$ 191,308	\$ 88,108	\$ 76,846	\$ 322,916	\$ 268,154
Operating grants and contributions	934,242	926,294	5,330	13,154	939,572	939,448
Capital grants and contributions	20,935	20,762	-	-	20,935	20,762
General revenues:						
Property taxes	323,986	349,385	-	-	323,986	349,385
Sales taxes	55,052	43,966	-	-	55,052	43,966
Excise taxes	7,112	6,522	-	-	7,112	6,522
Airport parking taxes	9,203	9,333	-	-	9,203	9,333
Investment earnings	21,175	20,875	428	305	21,603	21,180
Other revenue and amortization of bond issuance costs	13,036	9,969	-	-	13,036	9,969
Gain on reduction in note payable	-	-	-	-	-	-
Transfers in (out)	-	(100)	-	100	-	-
Interfund chargeback recovery	5,387	-	108	-	5,495	-
Special item	(65,326)	-	-	-	(65,326)	-
Total revenues	1,559,610	1,578,314	93,974	90,405	1,653,584	1,668,719
Expenses:						
Legislative	9,707	9,736	-	-	9,707	9,736
Judicial	123,555	126,507	-	-	123,555	126,507
General government	168,753	133,484	-	-	168,753	133,484
Public safety	171,762	165,646	-	-	171,762	165,646
Public works	5,896	6,021	-	-	5,896	6,021
Highways, streets and bridges	115,882	129,005	-	-	115,882	129,005
Health and welfare	930,262	944,892	-	-	930,262	944,892
Recreation and cultural	21,198	23,005	-	-	21,198	23,005
Community and economic development	25,578	27,105	-	-	25,578	27,105
Interest on long-term debt	40,864	21,610	-	-	40,864	21,610
Sewage Disposal Systems	-	-	106,191	93,217	106,191	93,217
Jail Commissary	-	-	2,510	2,224	2,510	2,224
Parking Lots	-	-	15	71	15	71
Wetlands Mitigation	-	-	-	-	-	-
Copy Center	-	-	(20)	660	(20)	660
Total expenses	1,613,457	1,587,011	108,696	96,172	1,722,153	1,683,183
Change in net assets	(53,847)	(8,697)	(14,722)	(5,767)	(68,569)	(14,464)
Net assets at October 1, restated	1,035,319	1,067,631	346,687	352,454	1,382,006	1,420,085
Net assets at September 30	\$ 981,472	\$ 1,058,934	\$ 331,965	\$ 346,687	\$ 1,313,437	\$ 1,405,621

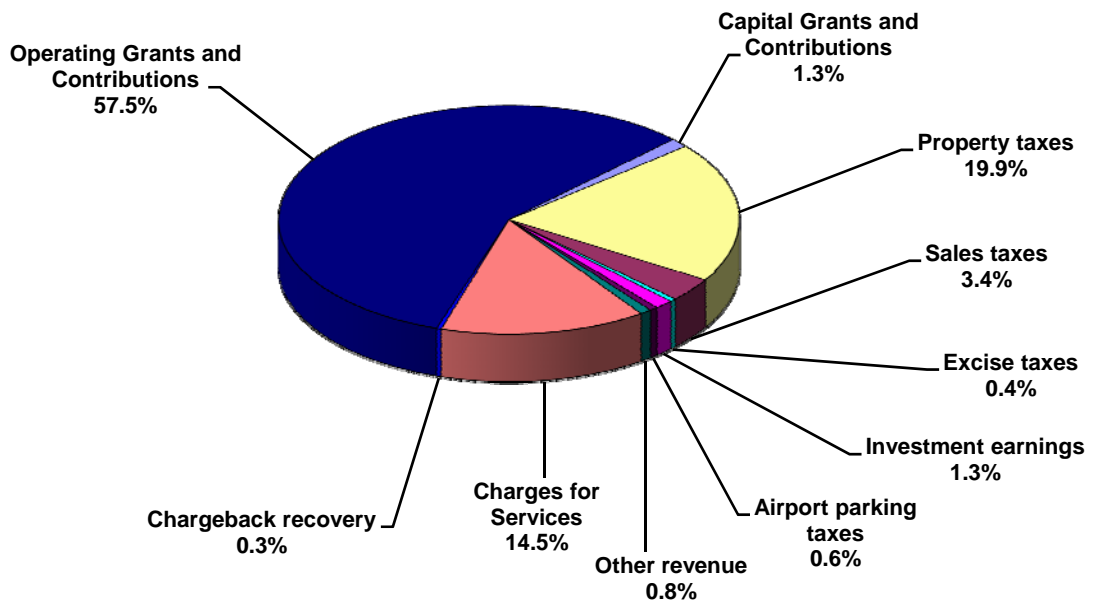
Governmental activities. Governmental activities decreased the County's net assets by \$77.5 million. Key fluctuations from the prior year are as follows:

- *Charges for Services* increased by \$43.5 million, predominantly due an increase in interest income collected from communities for 2008 and 2009 delinquent taxes (\$26.9 million), as well as auction proceeds from surplus property owned by the County Treasurer (\$8.1 million).
- *Property Taxes* decreased \$25.4 million due to a decline in the taxable value of real and personal property of nearly 8 percent.
- *Sales Tax* - Sales tax revenue increased \$11.1 million, attributable to the reinstatement of state revenue sharing. See additional discussion below under General Fund fluctuations.
- *Interfund chargeback Recovery* relates to the amounts reimbursed to County departments during the fiscal year for the long-term liabilities previously charged and reported by the Central Services fund (internal service fund). Such activities are now reported in the General Fund.
- *Special Item* relates to the Third Circuit Court settlement agreement, whereby the General Fund assumes the accumulated deficits of the Court. The terms of the agreements were implemented in the current fiscal year.
- *General Government* expenses increased \$35.3 million, due to an increase in other post-employment benefits (\$14.5 million).
- *Highways, Streets and Bridges* expenses decreased \$13.1 million, of which \$9.8 million was salary and related fringe reductions, and a \$2.8 million decrease in road construction contracts.
- *Interest on long-term debt* increased \$19.3 million due to interest on debt issued during the fiscal year for the construction of the new jail facility (\$14.8 million). Additionally, new delinquent tax notes were issued during the year resulting in an increase in interest expense of \$3.8 million.

Summary of Expenses - Governmental Activities



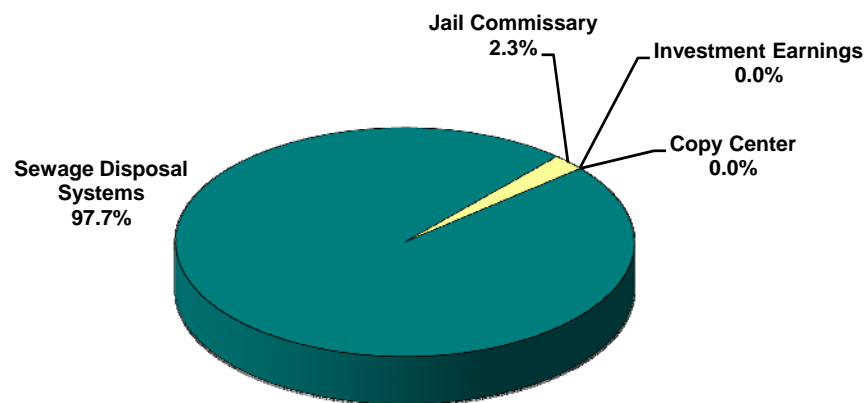
Revenue by Source - Governmental Activities



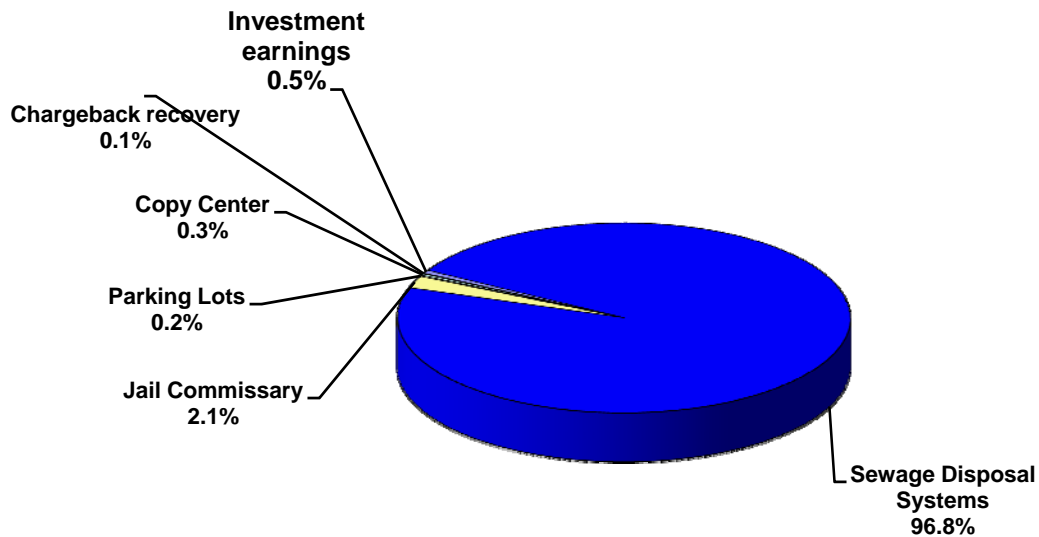
Business-type activities. The business-type activities decreased the County's net assets by \$14.7 million for the year. This decrease resulted primarily from the following:

- *Depreciation expense* of \$15.8 million not recovered through sewage disposal rates.
- *Federal grants* decreased by \$7.8 million related to American Recovery and Reinvestment Act (ARRA) funding received in fiscal year 2010. Such grants were not received in 2011.
- Offset to the aforementioned decreases to net assets include: (1) *Sewage disposal charges* in the Northeast Sewage Disposal System that increased in fiscal year 2011 to recoup losses in fiscal year 2010 (\$3 million); and (2) *Charges for services* increased due to costs passed on to Rouge Valley Communities and increased sewage flow volumes of over 12% from the prior year (\$7.2 million).

Summary of Expenses - Business-type Activities



Revenue by Source - Business-type Activities



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$254.1 million, an increase of \$196.6 million in comparison with the prior year. Nonspendable fund balances totaled \$66.2 million, committed fund balances totaled \$9.2 million, and assigned fund balances totaled \$21.1 million, with unassigned fund deficits totaling \$146.7 million. The remainder of fund balance is restricted (1) to pay debt service (\$8.9 million); (2) to pay for capital projects and improvements, (\$195.3 million); (3) for inpatient hospitalization services (\$9.9 million); (4) for Mental Health risk financing (\$35.9 million); and (5) for roads and special revenue fund purposes (\$54.2 million).

The General Fund is the chief operating fund of the County. At the end of the fiscal year total fund balance amounted to an accumulated deficit of \$81.9 million, of which \$128.0 million is the unassigned deficit (an decrease of \$12 million in the unassigned deficit).

The fund balance of the General Fund decreased by \$34 million over the prior year. Significant fluctuations from the prior year are discussed below.

- Property taxes decreased \$29.4 million due to a decline in the taxable value of real and personal property of nearly 8 percent. Property tax revenue was also adjusted in the current year due to the establishment of a liability reserve for potential tax refunds in future periods as a result of pending appeals on assessed property tax values.
- Sales tax revenue increased \$11.1 million which is attributable to revenue sharing payments from the State of Michigan. The distribution to Wayne County was \$50 million in fiscal year 2011 compared to \$39 million in fiscal year 2010.
- Charges for services revenue increased by \$44.9 million. Approximately \$26 million is due to the transfer of the Departments of Corporation Counsel, Management and Budget, and Personnel/Human Resources from the Central Services Fund into the General Fund. Other increases include: (1) \$2.3 million as a result of GASB 54 reclassifications, (2) \$2 million in board of prisoner state revenues; (3) \$1.6 million in local grants for mental health services to county jail inmates; and (4) \$1 million in Health and Human Services administrative chargebacks.
- Judicial expenses decreased \$3.0 million due to a \$14.4 million reduction in General Fund appropriations and grants to the Circuit Court and Friend of the Court Funds for Court, combined with a \$1.7 million decrease in indigent attorney fees. These reductions were offset with a deficit elimination transfers to the Third Circuit Court of \$12 million.
- General Government expenditures increased \$26.0 million, which relates to the transfer of the departments of Management and Budget, Corporation Counsel, and Personnel/Human Resources into the General Fund (\$26 million). In the prior year, the charges for services revenue was offset against expenditures. In the current year, they are included and eliminated in revenue. Public Safety expenditures decreased \$5.4 million mainly as a result of personnel and related fringe

items. Retirement fringes decreased \$7.7 million but were partially offset by a \$3.2 million increase in expenditures for overtime.

- Health and Welfare expenditures increased \$3.4 million due to an increase in chargebacks from the Department of Technology of \$1.1 million, an increase in expenditures for the Adult Benefit Waiver and Indigent care programs of \$7.8 million, offset by a reduction in personnel and fringe reductions and a reduction in expenditures for Prisoner Health.
- Transfers to other funds decreased by \$12.6 million due primarily to reduced funding to the Child Care Fund of \$12.7 million.
- Transfers in increased by \$12.6 million as a result of the retained earnings surplus from the Delinquent Tax Revolving program.
- The Roads' fund balance increased by a net \$14.3 million due primarily from a reduction in personnel, fringe benefits and retirement costs of totaling \$9.7 million and contractual services of \$3.4 million. In addition, capital outlay expenditures decreased by \$2.3 million.
- The Mental Health fund balance increased by \$27.1 million due to increased Medicaid revenue from the State of Michigan.
- The Health fund balance decreased by \$1.9 million due to decreases in general fund appropriations of nearly \$1.1 million.
- The Juvenile Justice fund deficit decreased by \$5.1 million in accordance with the deficit elimination plan from fiscal year 2009.

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

Unrestricted net assets for the two major sewage disposal systems at the end of the year amounted to the following:

- *Downriver System.* \$13.5 million; net assets decreased by \$10.5 million from the prior year as the result of depreciation expense of \$13.4 million which was partially offset by a \$1.1 million increase in charges for services revenue.
- *Rouge Valley System.* (\$890,000) unrestricted net assets; net assets decreased by \$2.7 million from the prior year due to a reduction in grant revenue from the federal government of \$7.8 million offset by an increase in sewage disposal charges to communities.

Unrestricted net assets for the Delinquent Tax Revolving Fund amounted to \$3.9 million; net assets increased by \$35.4 million as a result of fines and forfeiture revenue in excess of operating expenses of \$52.2 million. The increase in the reserve is due to the increase in the amount of delinquent tax notes issued by \$130 million.

General Fund Budgetary Highlights

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. During the year,

there were several significant changes from the original to the final amended budget. The changes are as follows:

- Revenue sharing payments from the State are higher than anticipated by \$1.53 million.
- Revenue for the Adult Benefit Waiver (ABW) decreased by \$2.02 million lower than projected due to fewer individuals enrolled in the State controlled program.
- Public Safety's revenues from the Board of Prisoner Collections for housing federal and state law enforcement agencies' prisoners increased by \$1.92 million.
- The budget for property tax revenue was decreased by \$14.1 million.
- The Prosecuting Attorney's budget increased by \$500,000 for grants received from the State of Michigan.
- The budget for local grants from Mental Health increased by \$2.6 million.
- The Alternative Work Force charges for services budget increased by \$1.4 million as a result of the transfer of Alternative Work Force to the General Fund.
- The budget for Health and Welfare airport parking tax revenue for jail medical was decreased by \$3.13 million.

In addition, there were several significant differences between the final amended budget and actual results. The changes are as follows:

- State sales tax revenue was \$1.2 million more than expected.
- Public Safety expenditures are over budget by \$11 million, which includes overages in Sheriff and Jail operations. Security for the Third Circuit Court was unbudgeted, but is required as part of the litigation with the Third Circuit Court. Actual salaries and fringe benefits for the County Jail exceeded the budgeted amount by \$8.4 million as staff reductions did not occur during the year as initially planned.
- General Government expenditures are under budget by \$20.1 million. Amounts approved under the deficit elimination plan are budgeted in General Government and the amounts are allocated County-wide and not exclusive to General Government activities.
- Homeland Security paid off a capital lease for a simulcast radio communications system, which caused the expenditures to be greater than the budget by \$2.0 million.
- Expenditures in Health and Welfare are under budget by \$2.1 million due to decreased expenditures for indigent health care, as well as Jail Health services, Health and Community programs and the County libraries. The favorable budget variances are offset by unfavorable variances in Health and Community Services administration, Cooperative Extension Services and the Medical Examiner.
- Settlements of lawsuits against the County are \$1.85 million under budget.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2011 amounted to \$1.5 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. The change in the County's gross investment in capital assets for the current fiscal year was negligible. The decrease caused by depreciation in governmental and business-type activities was offset by capital acquisitions and improvements.

Major capital asset additions for governmental activities, \$62.4 million, during the fiscal year ended September 30, 2011 included the following:

- Numerous road construction projects, including widening and expansion projects for existing roads and bridges; construction and land acquisition costs for the current fiscal year amounted to \$24.3 million. In addition, heavy equipment, machinery and vehicles for the use of the Department of Public Services were purchased totaling \$244,000.
- Improvements to the Guardian Building, the County's administrative headquarters, and 511 Woodward building amounted to approximately \$1.8 million.
- Approximately \$3.5 million in improvements to other County-owned buildings.
- \$2.6 million for parks improvement projects.
- Construction of the Wayne County Consolidated Jail complex incurred expenditures of \$25.1 million, of which \$14 million was used to purchase the land to construct the facility.

Major acquisitions for business-type activities of \$11.4 million, included various infrastructure additions and improvements for the Downriver (\$3 million) and Rouge Valley (\$8.4 million) Sewage Disposal Systems.

Charter County of Wayne, Michigan Capital Assets, Net - Government-wide Financial Statements As of September 30 (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land and improvements	\$ 550,809	\$ 536,837	\$ 6,380	\$ 6,417	\$ 557,189	\$ 543,254
Buildings and improvements	139,377	147,618	7,322	8,058	146,699	155,676
Machinery, equipment and vehicles	39,605	26,274	512	592	40,117	26,866
Infrastructure	364,882	384,361	279,960	294,811	644,842	679,172
Construction in progress	36,852	37,298	42,553	31,280	79,405	68,578
Total	<u>\$ 1,131,525</u>	<u>\$ 1,132,388</u>	<u>\$ 336,727</u>	<u>\$ 341,158</u>	<u>\$ 1,468,252</u>	<u>\$ 1,473,546</u>

Additional information on the County's capital assets can be found in Note 8 on pages II-76 to II-83 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt and notes outstanding of \$936.4 million. Of this amount, \$542.2 million comprised debt backed by the full faith and credit of the County. The remainder of the County's debt, \$394.1 million represented bonds secured solely by specified revenue sources (i.e., revenue bonds).

During the current fiscal year, the County's total bonded debt increased by a net \$410.6 million (78.1 percent). Debt for governmental activities made up most of the increase (\$418.6 million), due to the

timing of issuance of delinquent tax anticipation notes. Typically, notes are issued each fiscal year in June or July to purchase the delinquent taxes of participating local communities. However, in fiscal year 2010 delinquent tax anticipation notes were not issued until October through December of 2010 (fiscal year 2011). Please refer to Note 9 for additional information. In addition, governmental activities debt was issued for the construction of the new consolidated Jail complex totaling \$200 million, offset by payments on bonded debt of \$19.0 million. Business-type activities debt decreased overall by \$8.0 million (4.1 percent) as a result of issuance of new debt of \$11.3 million net of debt payments and amortization of \$1.3 million.

Charter County of Wayne, Michigan
Outstanding Bonded Debt as of September 30
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds (backed by the County):	\$ 392,006	\$ 201,730	\$ 152,239	\$ 161,868	\$ 544,245	\$ 363,598
Deferred loss on refunding	(4,095)	(4,660)	(876)	(1,083)	(4,971)	(5,743)
Bond discount	(413)	(530)	-	-	(413)	(530)
Bond premium	<u>2,426</u>	<u>2,648</u>	<u>939</u>	<u>998</u>	<u>3,365</u>	<u>3,646</u>
Total general obligation bonds, net of bond discount and loss on refunding	<u>389,924</u>	<u>199,188</u>	<u>152,302</u>	<u>161,783</u>	<u>542,226</u>	<u>360,971</u>
Revenue bonds and notes (backed by specific tax and fee revenues)	358,900	131,060	35,272	33,771	394,172	164,831
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>(43)</u>	<u>(57)</u>	<u>(43)</u>	<u>(57)</u>
Total revenue bonds, net of loss on refunding	<u>358,900</u>	<u>131,060</u>	<u>35,229</u>	<u>33,714</u>	<u>394,129</u>	<u>164,774</u>
Total bonds and notes payable, net of bond discounts and loss on refundings	<u>\$ 748,824</u>	<u>\$ 330,248</u>	<u>\$ 187,531</u>	<u>\$ 195,497</u>	<u>\$ 936,355</u>	<u>\$ 525,745</u>

The County currently has a “BBB+” rating from Standard & Poor's, a "Baa2" rating from Moody's Investors Service and a “BBB+” rating from Fitch Ratings for uninsured debt issues. Each of these ratings carries a stable outlook.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The County's current debt obligation (debt carrying the County's Limited Tax General Obligation) is approximately \$1.1 million, which is significantly less than the County's \$0.6 billion legal debt limit. Included in this number are tax notes and certain component unit obligations.

Additional information on the County's long-term debt can be found in Note 12 on pages II-91 to II-117 of this report.

Economic Factors, Next Year's Budget, and Unemployment Rates

- The County's 2011 Equalization Report indicates that the total State Equalized Valuation for the County declined to \$46.4 billion, a decrease of 8.3 percent over the prior year. Additionally, the total taxable valuation of the County, which serves as the basis for current and future tax levies, declined \$3.0 billion, 6.4 percent.
- The County projects balanced operations for the General Fund for the next fiscal year. The budget totals \$2.1 billion which represents almost no growth from fiscal year 2010-2011. The budget adopted includes personnel reductions, program eliminations, fee increases, and cost avoidances across the entire County. It also focuses on structural changes that will moderate the negative impact on services and workforce reductions. Some of the items considered in the adopted budget include:
 - Continuation of the 10% salary reduction implemented two years ago for all elected officials and employees, including Third Circuit Court and AFSCME Non-Supervisory employees, who have solidified agreements with the County regarding wage concessions during the current fiscal year;
 - Settlement agreement established between the County and the Third Circuit Court, which indicated that the County assumes the accumulated deficit of the Court and the Court will receive a fixed appropriation of approximately \$65 million annually for five years to cover the costs for the Court;
 - Additional employee and retiree health care cost sharing as mandated by the State of Michigan;
 - Elimination of payments to the State where the County is no longer obligated to do so;
 - Enhanced revenues through modernization of fees to reflect current economic costs; and
 - Ten percent reduction in general fund general purpose expenditures from elected officials and departments.
- The average annual unemployment rate for Wayne County, according to the Michigan Department of Labor and Economic Growth, at December 2011 decreased to 10.8 percent, compared to the January 2011 rate of 12.7 percent.

The consumer price index for all urban customers (CPI-U) for the Detroit metropolitan area showed an increase of 3.5 percent from 206.384 in December of 2010 to 213.505 in December of 2011.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Charter County of Wayne, Michigan, Department of Management and Budget, Financial Reporting Division, 500 Griswold, 20th Floor, Detroit, Michigan 48226.

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS

As of September 30, 2011
(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Current assets:				
Equity in pooled cash and investments (Note 4)	\$ 36,774	10,933	\$ 47,707	\$ 16,058
Other cash and investments (Note 4)	545	50	595	120,224
Due from component units (Note 10)	2,961	54	3,015	-
Due from primary government (Note 10)	-	-	-	3,181
Receivables:				
Current property taxes	73,677	-	73,677	-
Delinquent property taxes	21,581	-	21,581	-
Accounts	13,552	279	13,831	15,648
Special assessments	-	-	-	3,451
Due from other governmental units (Note 10)	75,068	18,174	93,242	22,409
Less allowance for uncollectible accounts	(1,362)	(149)	(1,511)	(780)
Inventory	7,463	-	7,463	138
Prepayments and deposits	27,525	136	27,661	2,234
Restricted assets:				
Equity in pooled cash and investments (Notes 4 and 5)	83,209	21,376	104,585	-
Other cash and investments (Notes 4 and 5)	72,998	-	72,998	-
Delinquent property taxes	50,741	-	50,741	-
Accounts receivable	-	-	-	10,218
Due from component units (Notes 5 and 10)	4,446	-	4,446	-
Total current assets	469,178	50,853	520,031	192,781
Non-current assets:				
Restricted assets:				
Equity in pooled cash and investments (Notes 4 and 5)	237,330	16,008	253,338	251
Other cash and investments (Notes 4 and 5)	-	4,405	4,405	393,411
Delinquent property taxes	367,033	-	367,033	-
Accounts receivable (Notes 4 and 5)	-	13,196	13,196	-
Bond principal due from municipalities (Notes 4 and 5)	-	133,741	133,741	-
Capital assets (Note 8)				
Non-depreciable	585,867	47,863	633,730	292,750
Depreciable, net	545,658	288,864	834,522	1,922,721
Bond issuance costs, net of amortization	4,961	754	5,715	22,677
Long-term receivable from component unit (Note 10)	1,969	-	1,969	-
Long-term receivable from primary government (Note 10)	-	-	-	87,214
Long-term receivables (Note 7)	865	-	865	-
Special assessments receivable	-	-	-	4,994
Other assets	-	-	-	1,768
Total non-current assets	1,743,683	504,831	2,248,514	2,725,786
Total assets	\$ 2,212,861	555,684	\$ 2,768,545	\$ 2,918,567

See accompanying notes to the basic financial statements.

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS

As of September 30, 2011
(in thousands)

	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
			Total
LIABILITIES:			
Current liabilities:			
Negative equity in pooled cash	\$ -	-	\$ -
Accounts and contracts payable	39,205	799	40,004
Accrued wages and benefits	9,528	92	9,620
Due to fiduciary funds (Note 10)	-	-	-
Due to component units (Note 10)	3,181	-	3,181
Due to primary government (Note 10)	-	-	-
Due to other governmental units (Note 10)	31,446	-	31,446
Current portion of long-term obligations (Note 12)	49,270	314	49,584
Accrued interest	9,499	-	9,499
Unearned revenue	37,973	-	37,973
Other liabilities	87,215	16,389	103,604
Payable from restricted assets:			
Accounts payable	92	-	92
Other liabilities	662	-	662
Current portion of notes payable (Note 12)	204,055	-	204,055
Current portion of long-term obligations (Note 12)	-	20,512	20,512
Accrued interest	2,139	864	3,003
Total current liabilities	474,265	38,970	513,235
Non-current liabilities:			
Due to primary government (Note 10)	-	-	-
Non-current portion of long-term obligations (Note 12)	519,610	1,602	521,212
Payable to component unit (Note 10)	87,214	-	87,214
Other liabilities (Note 12)	-	-	-
Payable from restricted assets:			
Accounts payable	-	4,930	4,930
Notes Payable (Note 12)	150,300	-	150,300
Bonds payable from restricted assets (Note 12)	-	167,018	167,018
Other liabilities	-	11,199	11,199
Total non-current liabilities	757,124	184,749	941,873
Total liabilities	1,231,389	223,719	1,455,108
NET ASSETS:			
Invested in capital assets, net of related debt	935,810	168,370	1,104,180
Restricted net assets:			
Health and welfare	66,925	-	66,925
Delinquent tax administration	216,733	-	216,733
Roads	26,432	-	26,432
Debt service	2,592	152,559	155,151
Capital projects	193,003	-	193,003
Veterans programs	4,459	-	4,459
Public Safety	8,141	-	8,141
Recreation and culture	6	-	6
Economic development	5,627	-	5,627
Drug enforcement	-	-	-
Airport operations	-	-	-
Unrestricted net assets	(478,256)	11,036	(467,220)
Total net assets	981,472	331,965	1,313,437
Total liabilities and net assets	\$ 2,212,861	555,684	\$ 2,768,545

(Concluded)

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2011
(in thousands)

	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Primary government:					
Governmental activities:					
Legislative	\$ 9,707	2,243	-	-	\$ (7,464)
Judicial	123,555	20,350	17,456	-	(85,749)
General government	168,753	128,693	6,117	639	(33,304)
Public safety	171,762	36,136	30,874	-	(104,752)
Public works	5,896	5,190	-	-	(706)
Highways, streets and bridges	115,882	5,278	82,231	20,296	(8,077)
Health and welfare	930,262	33,781	779,685	-	(116,796)
Recreation and cultural	21,198	2,672	634	-	(17,892)
Community and economic development	25,578	465	17,245	-	(7,868)
Interest on long-term debt	40,864	-	-	-	(40,864)
Total governmental activities	1,613,457	234,808	934,242	20,935	(423,472)
Business-type activities:					
Sewage Disposal Systems	106,191	85,276	5,131	-	(15,784)
Jail Commissary	2,510	2,806	-	-	296
Parking Lots	15	25	-	-	10
Wetlands Mitigation	-	-	-	-	-
Copy Center	(20)	1	199	-	220
Total business-type activities	108,696	88,108	5,330	-	(15,258)
Total primary government	\$ 1,722,153	322,916	939,572	20,935	\$ (438,730)
Component units:					
Airport Authority	\$ 455,275	373,295	1,326	17,751	\$ (62,903)
Circuit Court	117,187	5,135	109,405	9	(2,638)
Probate Court	10,689	774	8,323	-	(1,592)
Stadium Authority	3,855	4,147	-	-	292
Drainage Districts	10,071	5,089	689	-	(4,293)
Economic Development Corporation	578	424	-	-	(154)
Wayne County - Detroit CDE, Inc.	174	95	-	-	(79)
Greater Wayne County Economic Development Corp.	403	-	150	-	(253)
Brownfield Redevelopment Authority	1,530	-	1,636	-	106
HealthChoice of Michigan	20,782	21,842	-	-	1,060
Regional Jobs and Economic Growth Foundation	136	-	110	-	(26)
Development Corporation of Wayne County	85	-	29	-	(56)
Wayne County Land Bank Corporation	3,834	222	3,880	-	268
Total component units	\$ 624,599	411,023	125,548	17,760	\$ (70,268)

See accompanying notes to the basic financial statements.

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF ACTIVITIES, CONTINUED

For the Year Ended September 30, 2011
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net expense from previous page	\$ (423,472)	(15,258)	\$ (438,730)	\$ (70,268)
General revenues:				
Taxes:				
Property	323,986	-	323,986	-
Sales	55,052	-	55,052	-
Excise	7,112	-	7,112	-
Airport parking	9,203	-	9,203	-
Investment earnings	21,175	428	21,603	3,147
Other revenue	13,036	-	13,036	627
Gain on reduction in note payable	-	-	-	-
Transfers of capital assets	-	-	-	-
Transfers in (out)	-	-	-	-
Interfund chargeback recovery (note 18)	5,387	108	5,495	-
Special item	(65,326)	-	(65,326)	65,326
Total general revenues and special item	<u>369,625</u>	<u>536</u>	<u>370,161</u>	<u>69,100</u>
Change in net assets	(53,847)	(14,722)	(68,569)	(1,168)
Net assets at October 1, 2010 (Note 18)	<u>1,035,319</u>	<u>346,687</u>	<u>1,382,006</u>	<u>529,632</u>
Net assets at September 30, 2011	<u>\$ 981,472</u>	<u>331,965</u>	<u>\$ 1,313,437</u>	<u>\$ 528,464</u>

(Concluded)

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

BALANCE SHEET

GOVERNMENTAL FUNDS

As of September 30, 2011

(in thousands)

	<u>General Fund</u>	<u>Roads</u>	<u>Mental Health</u>	<u>Health</u>
ASSETS:				
Equity in pooled cash and investments (Note 4)	\$ -	32,559	75,538	-
Other cash and investments (Note 4)	166	2	12	1
Due from other funds (Note 10)	15,000	-	-	-
Due from component units (Note 10)	2,741	89	-	-
Receivables:				
Current property taxes	73,677	-	-	-
Delinquent property taxes	21,580	-	-	-
Accounts	782	7,059	554	1,863
Due from other governmental units (Note 10)	19,362	17,771	4,505	1,270
Less allowance for uncollectible accounts	(329)	(206)	-	-
Supplies inventory, at cost	997	6,180	-	133
Prepayments and deposits	740	7,730	17,123	-
Long-term receivables (Note 7)	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-
Restricted assets:				
Equity in pooled cash and investments (Notes 4 and 5)	-	-	33,707	-
Due from component units (Notes 5 and 10)	-	-	-	-
Total assets	<u>\$ 134,716</u>	<u>71,184</u>	<u>131,439</u>	<u>3,267</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Negative equity in pooled cash (note 4)	\$ 113,132	-	-	2,994
Accounts and contracts payable	3,976	941	8,996	470
Due to other funds (Note 10)	269	-	-	-
Due to component units (Note 10)	-	-	-	-
Due to other governmental units (Note 10)	1,774	4,437	24,336	243
Accrued wages and benefits	6,059	1,104	315	285
Deposits	-	16,255	-	-
Other liabilities	35,947	321	-	751
Deferred revenue	55,440	1,785	38,458	310
Total liabilities	<u>216,597</u>	<u>24,843</u>	<u>72,105</u>	<u>5,053</u>
Fund balances:				
Nonspendable	33,184	13,910	17,123	133
Restricted for inpatient hospitalization	9,888	-	-	-
Restricted for risk financing	-	-	35,979	-
Restricted for debt service funds	-	-	-	-
Restricted for capital projects funds	-	-	-	-
Restricted for capital improvements	-	2,373	-	-
Restricted	-	30,058	-	-
Committed	3,000	-	6,232	-
Assigned	-	-	-	-
Unassigned	(127,953)	-	-	(1,919)
Total fund balances	<u>(81,881)</u>	<u>46,341</u>	<u>59,334</u>	<u>(1,786)</u>
Total liabilities and fund balances	<u>\$ 134,716</u>	<u>71,184</u>	<u>131,439</u>	<u>3,267</u>

Juvenile Justice and Abuse/Neglect	Wayne County Building Authority Construction	Total Major Funds	Non-major Governmental Funds	Total Governmental Funds
-	-	108,097	58,433	\$ 166,530
1	-	182	358	540
-	-	15,000	380	15,380
-	-	2,830	8	2,838
-	-	73,677	-	73,677
-	-	21,580	-	21,580
1,141	-	11,399	2,053	13,452
23,837	-	66,745	8,228	74,973
-	-	(535)	(441)	(976)
152	-	7,462	-	7,462
1,044	-	26,637	683	27,320
-	-	-	865	865
-	-	-	(386)	(386)
-	177,336	211,043	26,286	237,329
-	-	-	4,446	4,446
<u>26,175</u>	<u>177,336</u>	<u>544,117</u>	<u>100,913</u>	<u>\$ 645,030</u>
14,188	-	130,314	10,559	\$ 140,873
14,096	-	28,479	6,284	34,763
-	110	379	1	380
-	-	-	3,181	3,181
-	-	30,790	656	31,446
701	-	8,464	568	9,032
-	-	16,255	-	16,255
6,868	6,043	49,930	6,143	56,073
381	-	96,374	2,599	98,973
<u>36,234</u>	<u>6,153</u>	<u>360,985</u>	<u>29,991</u>	<u>390,976</u>
1,196	-	65,546	683	66,229
-	-	9,888	-	9,888
-	-	35,979	-	35,979
-	-	-	8,851	8,851
-	-	-	21,711	21,711
-	171,183	173,556	-	173,556
-	-	30,058	24,163	54,221
-	-	9,232	-	9,232
-	-	-	21,062	21,062
(11,255)	-	(141,127)	(5,548)	(146,675)
<u>(10,059)</u>	<u>171,183</u>	<u>183,132</u>	<u>70,922</u>	<u>254,054</u>
<u>26,175</u>	<u>177,336</u>	<u>544,117</u>	<u>100,913</u>	<u>\$ 645,030</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
As of September 30, 2011
(in thousands)

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Total fund balances - total governmental funds		\$	254,054
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Governmental capital assets	2,610,214		
Less accumulated depreciation	<u>(1,519,130)</u>		1,091,084
Internal service funds are used by management to charge the costs of certain activities, such as personnel, central services, information technology and insurance costs to individual funds. The assets and liabilities of certain internal service funds are recorded as governmental activities in the Statement of Net Assets.			5,870
The assets and liabilities of the Delinquent Tax Revolving fund, an enterprise fund, are recorded as governmental activities in the Statement of Net Assets.			220,709
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the governmental funds.			61,084
Long-term receivables due from component units are recorded as governmental activities on the Statement of Net Assets.			2,093
Other assets used in governmental activities are not financial resource and therefore are not reported in the governmental fund			
Bond costs	6,763		
Less accumulated amortization	<u>(1,803)</u>		4,960
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds			
Governmental long term debt payable	(392,006)		
Governmental capital leases and note payable	(4,545)		
Premium	(2,426)		
Discount	413		
Deferred loss on refunding	4,095		
Accrued interest payable	(9,499)		
Compensated absences	(25,041)		
Claims, litigation and assessments	(5,566)		
Payable to component unit	(87,213)		
Net pension obligation	(24,545)		
Other long-term obligations	<u>(112,049)</u>		(658,382)
Net assets of governmental activities		\$	<u><u>981,472</u></u>

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2011
(in thousands)

	<u>General Fund</u>	<u>Roads</u>	<u>Mental Health</u>	<u>Health</u>
REVENUES:				
Taxes:				
Property	\$ 305,876	-	-	-
Sales	55,052	-	-	-
Excise	-	-	-	-
Licenses and permits	529	-	-	-
Federal grants	9,860	3,117	9,466	8,435
State grants and contracts	57,562	80,369	589,371	3,083
Local grants and contracts	2,043	2,758	-	91
Charges for services	125,333	3,883	532	3,985
Interest and rents	2,463	363	361	-
Other	8,093	26	-	-
Total revenues	<u>566,811</u>	<u>90,516</u>	<u>599,730</u>	<u>15,594</u>
EXPENDITURES:				
Current operations:				
Legislative	8,805	-	-	-
Judicial	101,027	-	-	-
General government	122,481	-	-	-
Public safety	129,280	-	-	-
Public works	708	-	-	-
Highways, streets, and bridges	-	64,029	-	-
Health and welfare	86,698	-	589,507	19,831
Recreational and cultural	3,462	-	-	-
Community and economic development	2,823	-	-	-
Capital outlay	2,359	6,460	-	31
Debt service	4,193	836	-	-
Total expenditures	<u>461,836</u>	<u>71,325</u>	<u>589,507</u>	<u>19,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>104,975</u>	<u>19,191</u>	<u>10,223</u>	<u>(4,268)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in (Note 10)	16,987	-	16,507	2,056
Transfers out (Note 10)	(115,571)	(6,621)	-	-
Interfund chargeback recovery (Note 18)	2,695	585	324	266
Bond and note issuances	-	1,000	-	-
Bond premium	-	-	-	-
Bond discount	-	-	-	-
Proceeds from sale of capital assets	24	107	-	-
Total other financing sources (uses):	<u>(95,865)</u>	<u>(4,929)</u>	<u>16,831</u>	<u>2,322</u>
Net change before special item	9,110	14,262	27,054	(1,946)
Special item (Note 19)	<u>(43,057)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(33,947)</u>	<u>14,262</u>	<u>27,054</u>	<u>(1,946)</u>
Fund balances at October 1, 2010, restated (Note 18)	<u>(47,934)</u>	<u>32,079</u>	<u>32,280</u>	<u>160</u>
Fund balances at September 30, 2011	<u><u>\$ (81,881)</u></u>	<u><u>46,341</u></u>	<u><u>59,334</u></u>	<u><u>(1,786)</u></u>

See accompanying notes to the basic financial statements.

Juvenile Justice and Abuse/Neglect	Wayne County Building Authority Construction	Total Major Funds	Non-major Governmental Funds	Total Governmental Funds
-	-	305,876	15,811	\$ 321,687
-	-	55,052	-	55,052
-	-	-	7,112	7,112
-	-	529	73	602
6,053	-	36,931	70,357	107,288
87,030	-	817,415	4,797	822,212
9,516	-	14,408	1,928	16,336
11,102	-	144,835	10,252	155,087
-	924	4,111	16,429	20,540
1	-	8,120	545	8,665
<u>113,702</u>	<u>924</u>	<u>1,387,277</u>	<u>127,304</u>	<u>1,514,581</u>
-	-	8,805	-	8,805
-	-	101,027	1,749	102,776
-	-	122,481	14,580	137,061
-	-	129,280	13,036	142,316
-	-	708	-	708
-	-	64,029	-	64,029
187,834	-	883,870	53,132	937,002
-	-	3,462	18,874	22,336
-	9	2,832	552	3,384
-	25,109	33,959	10,274	44,233
-	1,519	6,548	37,280	43,828
<u>187,834</u>	<u>26,637</u>	<u>1,357,001</u>	<u>149,477</u>	<u>1,506,478</u>
<u>(74,132)</u>	<u>(25,713)</u>	<u>30,276</u>	<u>(22,173)</u>	<u>8,103</u>
78,834	-	114,384	30,704	145,088
-	(4,687)	(126,879)	(3,549)	(130,428)
357	-	4,227	556	4,783
-	200,000	201,000	9,026	210,026
-	-	-	-	-
-	-	-	-	-
-	-	131	2,001	2,132
<u>79,191</u>	<u>195,313</u>	<u>192,863</u>	<u>38,738</u>	<u>231,601</u>
5,059	169,600	223,139	16,565	239,704
-	-	(43,057)	-	(43,057)
5,059	169,600	180,082	16,565	196,647
<u>(15,118)</u>	<u>1,583</u>	<u>3,050</u>	<u>54,357</u>	<u>57,407</u>
<u>(10,059)</u>	<u>171,183</u>	<u>183,132</u>	<u>70,922</u>	<u>\$ 254,054</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2011
(in thousands)

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Net change in fund balances - total governmental funds		\$ 196,647
The change in net assets of the internal service funds is reported with governmental activities in the Statement of Activities.		4,958
The change in net assets of the Delinquent Tax Revolving Fund, an enterprise fund, is reported with governmental activities in the Statement of Activities.		35,446
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.		
Expenditures for capital assets	44,233	
Less current year depreciation	<u>(61,517)</u>	(17,284)
Repayment of bond principal and other debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets.		18,750
Revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenues in the funds.		(3,452)
Compensated absence and other post-employment benefits costs transferred from internal service fund to governmental activities, reported as an expense in current year Statement of Activities		(5,930)
Other post-employment benefit costs included in prior year government activities, but reported as expense in current year internal service activities		(1,039)
Non-cash capital contributions in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		18,120
Transfers of capital assets between internal service funds and governmental funds are not reflected in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances.		916
Long-term receivables from component units are not reported as revenue in the governmental funds since they do not provide current financial resources. They are reported in the Statement of Activities.		426
The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of the asset sold is removed from the capital assets in the State of Net Assets and offset against the sale proceeds resulting in a gain on the sale in the Statement of Activities. Thus more revenue is reported in the governmental funds.		(171)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. The amount represents the proceeds received net of bond issuance costs, discounts/premiums, and other deferred charges that must be amortized over the life of the bond		(207,472)
Note proceeds provide current financial resources to governmental funds, but represents an increase in long-term liabilities in the Statement of Net Assets.		(1,000)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds		
Change in accrued interest payable	(6,315)	
Change in other long-term obligations	(46,932)	
Change in net pension obligation	(24,545)	
Change in capital leases	2,553	
Change in accrued compensated absences	(1,222)	
Change in accrued claims, litigation and assessments	3,990	
Change in long-term payable to component unit	(19,488)	
Amortization of current year bond premium	222	
Amortization of current year bond discounts	(117)	
Amortization of deferred loss on refunding	(565)	
Amortization of current year bond cost	<u>(343)</u>	<u>(92,762)</u>
Change in net assets of governmental activities		<u>\$ (53,847)</u>

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
As of September 30, 2011
(in thousands)

	Enterprise Funds					Governmental Activities
	Sewage Disposal Systems					
	Downriver	Rouge Valley	Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS:						
Current assets:						
Equity in pooled cash and investments (Note 4)	\$ 11,324	2,105	19,618	684	\$ 33,731	\$ 23,661
Other cash and investments (Note 4)	1	-	-	49	50	3
Due from component units (Note 10)	54	-	-	-	54	-
Receivables:						
Delinquent property taxes	-	-	-	-	-	-
Accounts	277	-	99	2	378	-
Due from other governmental units (Note 10)	3,930	7,849	-	6,395	18,174	95
Less allowance for uncollectible accounts	(149)	-	-	-	(149)	-
Prepayments and deposits	127	6	-	2	135	206
Restricted assets:						
Equity in pooled cash and investments (Notes 4 and 5)	16,979	478	83,209	3,919	104,585	-
Other cash and investments (Note 4)	-	-	72,998	-	72,998	-
Delinquent property taxes	-	-	50,741	-	50,741	-
Total current assets	32,543	10,438	226,665	11,051	280,697	23,965
Non-current assets:						
Restricted assets:						
Equity in pooled cash and investments (Notes 4 and 5)	7,329	3,993	-	4,686	16,008	-
Other cash and investments (Note 4)	4,405	-	-	-	4,405	-
Delinquent property taxes	-	-	367,033	-	367,033	-
Accounts receivable (Note 5)	10,392	-	-	2,804	13,196	-
Bond principal due from municipalities (Note 5)	114,642	190	-	18,909	133,741	-
Capital assets:						
Non-depreciable	26,586	19,688	-	1,589	47,863	30,549
Depreciable, net	207,508	77,745	63	3,611	288,927	9,830
Other assets:						
Bond issuance cost, net of amortization	476	49	-	229	754	-
Total non-current assets	371,338	101,665	367,096	31,828	871,927	40,379
Total assets	\$ 403,881	112,103	593,761	42,879	\$ 1,152,624	\$ 64,344

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS, CONTINUED
PROPRIETARY FUNDS

As of September 30, 2011
(in thousands)

	Enterprise Funds					Governmental Activities
	Sewage Disposal Systems					
	Downriver	Rouge Valley	Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES AND NET ASSETS:						
Current liabilities:						
Negative equity in pooled cash	\$ -	-	-	3,178	\$ 3,178	\$ 32,162
Accounts and contracts payable	376	315	23	108	822	4,419
Accrued wages and benefits	92	-	33	-	125	463
Due to other funds (Note 10)	-	-	15,000	-	15,000	-
Current portion of long-term obligations (Note 12)	312	-	120	2	434	1,332
Other liabilities	324	10,584	164	5,482	16,554	14,721
Unearned revenue	-	-	-	-	-	85
Payable from restricted current assets:						
Accounts payable	-	-	92	-	92	-
Other liabilities	-	-	662	-	662	-
Current portion of long-term obligations (Note 12)	16,448	478	204,055	3,586	224,567	-
Accrued interest	531	-	2,139	333	3,003	-
Total current liabilities	18,083	11,377	222,288	12,689	264,437	53,182
Non-current liabilities:						
Payable from restricted non-current assets:						
Accounts payable	1,520	-	-	3,410	4,930	-
Other liabilities	11,199	-	-	-	11,199	-
Notes payable (Note 12)	-	-	150,300	-	150,300	-
Bonds payable (Note 12)	141,995	7,804	-	17,220	167,019	-
Other liabilities (Note 12)	1,446	-	464	155	2,065	5,292
Total non-current liabilities	156,160	7,804	150,764	20,785	335,513	5,292
Total liabilities	174,243	19,181	373,052	33,474	599,950	58,474
Net assets:						
Invested in capital assets, net of related debt	75,651	89,151	63	3,568	168,433	40,379
Restricted net assets:						
Delinquent tax administration	-	-	216,733	-	216,733	-
Bond programs	140,497	4,661	-	7,401	152,559	-
Unrestricted	13,490	(890)	3,913	(1,564)	14,949	(34,509)
Total net assets	229,638	92,922	220,709	9,405	552,674	5,870
Total liabilities and net assets	\$ 403,881	112,103	593,761	42,879	\$ 1,152,624	\$ 64,344

**Reconciliation of Statement of Net Assets of
Proprietary Funds to Business-type activities**

Total net assets - enterprise funds	\$ 552,674
The Delinquent Tax Revolving Fund primarily serves the general government and therefore is reported as governmental activities in the Statement of Net Assets (Note 1).	(220,709)
Net assets of business-type activities	\$ 331,965

See accompanying notes to the basic financial statements.

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Year Ended September 30, 2011
(in thousands)

	Enterprise Funds					Governmental Activities
	Sewage Disposal Systems					
	Downriver	Rouge Valley	Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:						
Sewage disposal charges	\$ 14,915	44,681	-	20,042	\$ 79,638	\$ -
Industrial surcharges	1,313	-	-	-	1,313	-
Other charges for services	3,038	202	-	3,917	7,157	150,135
Fines and forfeitures	-	-	80,266	-	80,266	-
Rentals and expense recoveries	-	-	-	-	-	3,240
Other revenue	-	-	-	-	-	-
Total operating revenues	19,266	44,883	80,266	23,959	168,374	153,375
OPERATING EXPENSES:						
Personnel	2,222	-	866	23	3,111	9,164
Fringe benefits	1,854	-	650	31	2,535	7,178
Pension	450	-	162	7	619	2,030
Materials and supplies	1,961	74	610	759	3,404	986
Contractual services	5,696	45,326	11,520	22,919	85,461	10,796
Travel	8	-	-	-	8	100
Miscellaneous operating	3,634	138	891	458	5,121	116,399
Rentals	68	19	135	262	484	2,677
Other charges	-	-	-	876	876	36
Depreciation and amortization	13,440	1,993	13	360	15,806	1,525
Total operating expenses	29,333	47,550	14,847	25,695	117,425	150,891
Operating income (loss)	(10,067)	(2,667)	65,419	(1,736)	50,949	2,484
NON-OPERATING REVENUES (EXPENSES):						
Investment earnings (loss)	223	19	731	187	1,160	(96)
Collections from (payments to) participating local units	4,094	5	-	1,232	5,331	-
Interest expense	(4,801)	(107)	(13,973)	(1,212)	(20,093)	-
Federal grants	-	-	-	-	-	-
Total non-operating revenues (expenses)	(484)	(83)	(13,242)	207	(13,602)	(96)
Net income (loss) before capital contributions and transfers	(10,551)	(2,750)	52,177	(1,529)	37,347	2,388
Transfers in	-	-	-	157	157	6,454
Transfers out	-	-	(16,889)	(157)	(17,046)	(4,225)
Interfund chargeback recovery (Note 18)	65	14	158	29	266	341
Change in net assets	(10,486)	(2,736)	35,446	(1,500)	20,724	4,958
Net assets at October 1, 2010, restated (Note 18)	240,124	95,658	185,263	10,905	531,950	912
Net assets at September 30, 2011	\$ 229,638	92,922	220,709	9,405	\$ 552,674	\$ 5,870

Reconciliation of Statement of Revenues, Expenses and Changes in Fund Net Assets to Statement of Activities of Business-type Activities

Net change in net assets - enterprise funds	\$ 20,724
The Delinquent Tax Revolving Fund primarily serves the general government and therefore is reported as governmental activities in the Statement of Net Assets	(35,446)
Change in net assets of business-type activities	\$ (14,722)

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2011
(in thousands)

	Enterprise Funds					Governmental Activities
	Sewage Disposal Systems					
	Downriver	Rouge Valley	Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers	\$ 20,356	45,822	672,203	22,750	\$ 761,131	\$ 153,375
Payments to suppliers	(13,173)	(44,874)	(867,531)	(24,144)	(949,722)	(130,044)
Payments to employees and payments for benefits	(3,866)	-	(1,675)	(43)	(5,584)	(25,604)
Internal activity - receipts from other funds	-	-	-	100	100	-
Internal activity - payments to other funds	-	-	11,000	-	11,000	3,098
Internal activity - receipts from component units	(39)	-	-	-	(39)	26
Net cash provided by (used in) operating activities	3,278	948	(186,003)	(1,337)	(183,114)	851
Cash flows from non-capital financing activities:						
Long-term receivable	-	-	-	-	-	2,861
Interfund chargeback recovery	65	14	158	29	266	341
Transfers (to) from other funds	-	-	(16,889)	-	(16,889)	2,229
Net cash provided by (used in) non-capital financing activities	65	14	(16,731)	29	(16,623)	5,431
Cash flows from capital and related financing activities:						
Repayment of long-term debt	(16,048)	(20)	223,295	(3,631)	203,596	(1,428)
Proceeds from issuance of long term debt	3,472	8,076	-	185	11,733	-
Bond principal received from municipalities	13,490	20	-	3,445	16,955	-
Interest received from participating local units	4,094	5	-	1,232	5,331	-
Acquisition of capital assets	(2,975)	(8,391)	(7)	-	(11,373)	-
Disposition of capital assets	5	-	-	-	5	23
Advances from other funds	-	-	-	-	-	288
Interest paid	(4,797)	(104)	(14,025)	(1,205)	(20,131)	-
Net cash provided by (used in) capital and related financing activities	(2,759)	(414)	209,263	26	206,116	(1,117)
Cash flows from investing activities:						
Investment earnings	223	19	731	187	1,160	(96)
Net cash provided by investing activities	223	19	731	187	1,160	(96)
Net increase (decrease) in cash and cash equivalents	807	567	7,260	(1,095)	7,539	5,069
Cash and cash equivalents at October 1, 2010	39,231	6,009	168,565	7,255	221,060	(13,567)
Cash and cash equivalents at September 30, 2011	<u>\$ 40,038</u>	<u>6,576</u>	<u>175,825</u>	<u>6,160</u>	<u>\$ 228,599</u>	<u>\$ (8,498)</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (10,067)	(2,667)	65,419	(1,736)	\$ 50,949	\$ 2,484
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	13,440	1,993	13	360	15,806	1,525
Decreases (increases) in current assets:						
Delinquent property taxes receivable	-	-	(262,313)	-	(262,313)	-
Accounts receivable	1,501	1,905	(26)	1,014	4,394	-
Due from other funds	-	-	-	100	100	3,098
Due from other governmental units	(411)	(966)	-	(2,223)	(3,600)	-
Due from component units	(39)	-	-	-	(39)	26
Other current assets	8	-	-	1	9	133
Increases (decreases) in current liabilities:						
Accounts and contracts payable	(529)	(1,610)	(441)	(41)	(2,621)	162
Accrued wages and benefits	1	-	(1)	(3)	(3)	(414)
Due to other funds	-	-	11,000	-	11,000	-
Other liabilities	(1,285)	2,293	45	1,170	2,223	655
Deferred revenue	-	-	-	-	-	-
Increase (Decrease) in compensated absences payable	(175)	-	4	-	(171)	(2,437)
Increase (Decrease) in non-current other liabilities	834	-	297	21	1,152	(4,381)
Net cash provided by (used in) operating activities	<u>\$ 3,278</u>	<u>948</u>	<u>(186,003)</u>	<u>(1,337)</u>	<u>\$ (183,114)</u>	<u>\$ 851</u>
Cash and cash equivalents at September 30, 2011 consists of the following:						
Equity in pooled cash and investments	\$ 11,324	2,105	19,618	684	\$ 33,731	\$ 23,661
Negative equity in pooled cash	-	-	-	(3,178)	(3,178)	(32,162)
Other cash and investments	1	-	-	49	50	3
Restricted assets:						
Equity in pooled cash and investments	24,308	4,471	83,209	8,605	120,593	-
Other cash and investments	4,405	-	72,998	-	77,403	-
Total cash and investments	<u>\$ 40,038</u>	<u>6,576</u>	<u>175,825</u>	<u>6,160</u>	<u>\$ 228,599</u>	<u>\$ (8,498)</u>

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

As of September 30, 2011
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds	Agency Funds
ASSETS:		
Equity in pooled cash and investments (Note 4)	\$ 2,167	\$ 156,704
Other cash and investments (Note 4)	-	1,513
Due from component units (Note 10)	13	-
Accounts receivable	2,311	7,682
Accrued interest receivable	1,036	-
Retirement investments (Note 4):		
Equity securities	560,496	-
Debt securities	223,738	-
Money market funds	17,460	-
Other investments	201,335	-
Total retirement investments	1,003,029	-
Prepayments and deposits	16	-
Depreciable capital assets, net (Note 8)	15	-
Total assets	\$ 1,008,587	\$ 165,899
LIABILITIES:		
Accounts and contracts payable	\$ 699	\$ 2,940
Due to other governmental units (Note 10)	-	1,236
Accrued wages and benefits	56	3,413
Due to broker for securities purchased	1,790	-
Undistributed taxes	-	133,938
Retainage -	-	2,716
Other liabilities	780	21,656
Total liabilities	\$ 3,325	\$ 165,899
NET ASSETS:		
Net assets held in trust for pension benefits	\$ 1,005,262	

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended September 30, 2011
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds
ADDITIONS:	
Investment income (loss):	
Net depreciation in fair market value	\$ (28,157)
Interest and dividends	23,918
Other investment income	2,991
Investment expenses	<u>(4,640)</u>
Net investment income (loss)	<u>(5,888)</u>
Retirement contributions:	
Employer	30,671
Employee	<u>21,795</u>
Total retirement contributions	<u>52,466</u>
Total additions	<u>46,578</u>
DEDUCTIONS:	
Administrative expenses:	
Personnel	1,107
Fringe benefits	915
Pension	297
Materials and supplies	82
Contractual services	1,033
Travel	82
Rentals	184
Depreciation and amortization	3
Other charges	<u>17</u>
Total administrative expenses	3,720
Participant benefits - retirement benefits	<u>161,754</u>
Total deductions	<u>165,474</u>
Change in net assets	(118,896)
Net assets at October 1, 2010	<u>1,124,158</u>
Net assets at September 30, 2011 (Note 13)	<u><u>\$ 1,005,262</u></u>

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
COMPONENT UNITS

As of September 30, 2011
(in thousands)

	<u>Airport Authority</u>	<u>Circuit Court</u>	<u>Non-major Component Units</u>	<u>Total Component Units</u>
ASSETS:				
Current assets:				
Equity in pooled cash and investments (Note 4)	\$ -	424	15,634	\$ 16,058
Other cash and investments (Note 4)	100,111	8	20,105	120,224
Due from primary government (Note 10)	-	-	3,181	3,181
Receivables:				
Accounts receivable	11,385	214	4,049	15,648
Special assessments	-	-	3,451	3,451
Due from other governmental units (Note 10)	12,823	8,888	698	22,409
Less allowance for uncollectible accounts	(631)	-	(149)	(780)
Inventory - real property held for sale	-	-	138	138
Prepayments and deposits	1,679	-	555	2,234
	<u>125,367</u>	<u>9,534</u>	<u>47,662</u>	<u>182,563</u>
Total current assets				
Non-current assets:				
Restricted assets (Note 5):				
Equity in pooled cash and investments (Note 4)	-	-	251	251
Other cash and investments (Note 4 and Note 5)	393,411	-	-	393,411
Accounts receivable (Note 5)	10,218	-	-	10,218
Capital assets (Note 8):				
Non-depreciable	277,692	6,576	8,482	292,750
Depreciable, net	1,891,523	3,454	27,744	1,922,721
Other assets:				
Bond issuance costs, net of amortization	22,026	-	651	22,677
Long-term receivable from primary government	-	22,269	64,945	87,214
Accounts receivable	-	-	-	-
Special assessments receivable	-	-	4,994	4,994
Prepaid expenses	-	-	-	-
Other	1,768	-	-	1,768
	<u>2,596,638</u>	<u>32,299</u>	<u>107,067</u>	<u>2,736,004</u>
Total non-current assets				
Total assets	<u>\$ 2,722,005</u>	<u>41,833</u>	<u>154,729</u>	<u>\$ 2,918,567</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
COMPONENT UNITS

As of September 30, 2011
(in thousands)

	<u>Airport Authority</u>	<u>Circuit Court</u>	<u>Non-major Component Units</u>	<u>Total Component Units</u>
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Negative equity in pooled cash (note 4)	\$ -	5,098	156	\$ 5,254
Accounts and contracts payable	28,922	671	2,297	31,890
Accrued wages and benefits	2,653	1,222	4,264	8,139
Due to fiduciary funds (Note 10)	13	-	-	13
Due to primary government (Note 10)	236	123	7,102	7,461
Due to other governmental units (Note 10)	1,177	-	104	1,281
Accrued interest	105	-	705	810
Current portion of long-term obligations (Note 12)	4,583	3,865	6,409	14,857
Unearned revenue	1,078	198	7,391	8,667
Other liabilities	38,401	340	2,637	41,378
Payable from restricted assets:				
Current portion of long-term obligations (Note 12)	70,800	-	-	70,800
Accrued interest	28,903	-	-	28,903
Unearned	-	-	-	-
Total current liabilities	<u>176,871</u>	<u>11,517</u>	<u>31,065</u>	<u>219,453</u>
Non-current liabilities				
Due to primary government (Note 10)	-	1,969	-	1,969
Non-current portion of long-term obligations (Note 12)	2,068,147	-	67,625	2,135,772
Other liabilities (Note 12)	11,505	18,317	3,087	32,909
Total non-current liabilities	<u>2,079,652</u>	<u>20,286</u>	<u>70,712</u>	<u>2,170,650</u>
Total liabilities	<u>2,256,523</u>	<u>31,803</u>	<u>101,777</u>	<u>2,390,103</u>
Net assets:				
Invested in capital assets, net of related debt	86,907	10,030	32,469	129,406
Restricted net assets:				
Bond programs	266,078	-	10,511	276,589
Capital projects	23,014	-	587	23,601
Drug enforcement	1,744	-	-	1,744
Airport operations	31,652	-	-	31,652
Unrestricted net assets	<u>56,087</u>	<u>-</u>	<u>9,385</u>	<u>65,472</u>
Total net assets	<u>465,482</u>	<u>10,030</u>	<u>52,952</u>	<u>528,464</u>
Total liabilities and net assets	<u>\$ 2,722,005</u>	<u>41,833</u>	<u>154,729</u>	<u>\$ 2,918,567</u>

See accompanying notes to the basic financial statements.

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF ACTIVITIES
COMPONENT UNITS

For the Year Ended September 30, 2011
(in thousands)

	<u>Airport Authority</u>	<u>Circuit Court</u>	<u>Non-major Component Units</u>	<u>Total Component Units</u>
Expenses	\$ 455,275	117,187	52,137	\$ 624,599
Program revenues:				
Charges for services	373,295	5,135	32,593	411,023
Operating grants and contributions	1,326	109,405	14,817	125,548
Capital grants and contributions	17,751	9	-	17,760
	<u>392,372</u>	<u>114,549</u>	<u>47,410</u>	<u>554,331</u>
Total program revenues				
	<u>392,372</u>	<u>114,549</u>	<u>47,410</u>	<u>554,331</u>
Net expense	(62,903)	(2,638)	(4,727)	(70,268)
General revenues:				
Investment earnings (loss)	3,241	(137)	43	3,147
Other revenue	112	58	457	627
	<u>3,353</u>	<u>(79)</u>	<u>500</u>	<u>3,774</u>
Total general revenues				
	<u>3,353</u>	<u>(79)</u>	<u>500</u>	<u>3,774</u>
Net change before special item	(59,550)	(2,717)	(4,227)	(66,494)
Special item (Note 19)	-	65,326	-	65,326
	<u>-</u>	<u>65,326</u>	<u>-</u>	<u>65,326</u>
Change in net assets	(59,550)	62,609	(4,227)	(1,168)
Net assets at October 1, 2010 (Note 18)	525,032	(52,579)	57,179	529,632
	<u>525,032</u>	<u>(52,579)</u>	<u>57,179</u>	<u>529,632</u>
Net assets at September 30, 2011	\$ 465,482	10,030	52,952	\$ 528,464
	<u><u>\$ 465,482</u></u>	<u><u>10,030</u></u>	<u><u>52,952</u></u>	<u><u>\$ 528,464</u></u>

See accompanying notes to the basic financial statements.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

NOTES TO THE BASIC FINANCIAL STATEMENTS

CHARTER COUNTY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2011

Index
Notes to Basic Financial Statements

	<u>Page</u>
1. Summary of Significant Accounting Policies	II-39
2. Budget Matters	II-52
3. Risk Management	II-54
4. Deposits and Investments	II-56
5. Restricted Assets	II-73
6. Major Customer – Airport Authority Component Unit	II-75
7. Long-term Receivables	II-75
8. Capital Assets	II-76
9. Property Taxes	II-83
10. Interfund Transfers, Balances and Advances	II-87
11. Short-Term Debt – Tax Anticipation Notes	II-90
12. Long-Term Debt and Other Obligations	II-91
13. Employee Benefits	II-118
14. Other Post-employment Benefit Obligations	II-127
15. Fund Deficits	II-129
16. Commitments and Contingencies	II-129
17. Employer Contributions	II-132
18. Restatement to Beginning of Year Fund Balance/Net Assets	II-133
19. Special Item	II-134
20. Dissolution of Component Unit	II-134
21. Subsequent Events	II-134
22. Upcoming Reporting Changes	II-135
23. Net Asset Reclassification for Delinquent Tax Revolving Fund	II-135

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

(1) Summary of Significant Accounting Policies

A. Reporting Entity

The Charter County of Wayne, Michigan (County) was originally incorporated in 1796 and covers an area of approximately 623 square miles. The County provides law enforcement, administration of justice, community enrichment and development, and health and human services to approximately two million residents. The County operates under a Home Rule Charter that provides for government by a legislative branch, which is comprised of fifteen elected commissioners, and an executive branch, which is headed by an elected chief executive officer (County Executive). The County Executive is the County's chief administrator and manages the County's ten executive departments, including Children and Family Services, Corporation Counsel, Economic Development Growth Engine (EDGE), Health and Human Services, Homeland Security and Emergency Management, Management and Budget, Personnel/Human Resources, Public Services, Senior and Veteran Services, and Technology. In addition, the primary government includes other elected officials including the County Clerk, Prosecuting Attorney, Register of Deeds, Sheriff, and the Treasurer. The component units and other entities discussed below have been included as part of the reporting entity because of the significance of their operational or financial relationship to the County.

The Wayne County Employees' Retirement System (Retirement System), which is governed by the Wayne County Retirement Ordinance, is included as part of the County's fiduciary operations. The Retirement Commission oversees the ongoing operations of the Retirement System in accordance with the Retirement Ordinance.

Component Units

The financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units.

Blended Component Units – Blended component units are legally separate entities from the County, but provide exclusive benefit to the primary government, so data from these units are combined with data of the primary government.

The Wayne County Building Authority (WCBA) was established in 1961 under provisions of Act No. 31, Public Acts of Michigan, Extra Session of 1948, as amended, to acquire, furnish, equip, own, improve, enlarge, operate and/or maintain buildings and building sites for lease to, and eventual ownership by, the County. It is managed by a five-member board appointed by the County Executive, subject to approval by the Wayne County Commissioners. The County has pledged certain revenues, including a specific portion of its general property tax revenues, to secure the payment of certain outstanding obligations of the County and the WCBA. In addition, the County has pledged its limited tax full faith and credit for repayment of these obligations. The WCBA has no taxing authority. The operations of the WCBA are reported in three non-major governmental funds.

Discretely Presented Component Units – Discretely presented component units are entities that are legally separate from the County but for which the County is financially accountable, or their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. These component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The Wayne County Airport Authority (Airport Authority) was established on August 2, 2002 under Public Act 90 of 2002 to control and operate the Detroit Metropolitan Wayne County Airport, the Willow Run Airport (the Airports) and the Airport Hotel.

The Airport Authority is an independent public benefit agency and considered an agency of the County for the purposes of federal and state laws, but it is not subject to any County charter requirements or the direction or control of either the County Executive or the Wayne County Commission. The Airport Authority is charged with the responsibility to operate and run the activities of the Airports and the Airport Hotel. The financial statements of the Airport Authority include the operations of the Airports.

The Airport Authority is managed by a seven-member board, with four members appointed by the County Executive, two members appointed by the Governor of the State of Michigan, and one member appointed by the Wayne County Commission. The appointments of the County Executive and the Governor are not subject to confirmation by the State Legislature or the Wayne County Commission. The County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on certain Airport Authority debt, subject to constitutional statutory and charter tax rate limitations.

The Third Circuit and Probate Courts (Courts) were established under the Constitution of the State of Michigan and comprise a portion of the judicial branch of the State of Michigan. Although the Courts were not created as a separate body corporate or body corporate and politic, they possess the prerequisite corporate powers and budgetary autonomy to support their inclusion as discretely presented component units. Both Courts are headed by a duly elected chief judge. The Courts preside over judicial proceedings within the County. The Courts are fiscally dependent on the County and have no taxing power. The Court Reorganization Act, 1996 P.A. 388, designated the County as the primary funding unit for Court operations.

There are three separate divisions of Third Circuit Court (Circuit Court): Civil, Criminal, and Family Court. The Civil Division is assigned 14 judges for the resolution of general civil cases initiated within the County, where the amount of the controversy exceeds \$10,000. The Criminal Division is assigned 28 judges and has sole jurisdiction over felonies and high misdemeanors occurring within the County. The Family Court Division is divided into Domestic and Juvenile Sections. The Domestic Section is assigned 11 judges and is responsible for hearing all domestic relations cases filed within the County. The Juvenile Section is assigned eight judges, along with a staff of referees, and exercises exclusive jurisdiction over juveniles under 17 years of age in delinquency proceedings, and children under 18 years of age in protective proceedings. Each child coming within the jurisdiction of the Family Court is entitled to receive the care, guidance, and control as will be conducive to the child's welfare and the best interests of the State. The Courts are located in the Coleman A. Young Municipal Center, Frank Murphy Hall of Justice, and Lincoln Hall of Justice in downtown Detroit.

Probate Court has eight judges who have jurisdiction in all matters related to settlement of estates, trusts and appointment of trustees within the County. In addition, the Court appoints guardians and conservators for minors and other legally incapacitated persons. The Court has jurisdiction over numerous other matters ranging from mental illness, to communicable diseases, to substance abuse and to certain child custody issues.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The Detroit-Wayne County Stadium Authority (DWCSA) is a Michigan body corporate, incorporated on August 22, 1996 under the provisions of Act 31, Public Acts of Michigan of 1948. Its purpose is to construct, maintain, operate, and own stadia and their related structures, including Comerica Park and Ford Field, home of the Detroit Tigers Professional Baseball Team and the Detroit Lions Professional Football Team, respectively. The DWCSA is authorized to enter into contracts and indebtedness for this purpose. The DWCSA's Articles of Incorporation provide for a six-member board ("the Commission"). Each member of the Commission is appointed by the County Executive, with three members recommended by the Mayor of the City of Detroit. On April 1, 1997, the DWCSA issued revenue bonds totaling \$85,815,000. Under a contract dated March 1, 1997, the County pledged its limited tax full faith and credit for repayment of these bonds. The County has also pledged certain motor vehicle rentals and hotel tax revenues levied by the County pursuant to Act No. 180, Public Acts of Michigan 1991 for the payment of the annual debt service. The DWCSA has no taxing authority.

Chapters 8, 20 and 21 Drainage Districts are established under the State of Michigan Drain Code (Public Act 40 of 1956, as amended; the "Drain Code") to provide for the construction, maintenance and funding of drains, sewers, and equipment used in water management and flood control. Each of the individual drainage districts is a separate legal entity, with the power to sue and to be sued, and to hold, manage, and dispose of real and personal property. The full faith and credit of the County is generally given for the long-term debt of the drainage districts. There are approximately 150 drainage districts that are assessed by the County. The drainage districts are grouped and reported as follows:

Chapter 8 Drainage Districts are inter- and intra-County drainage districts that are operated, maintained, and extended pursuant to the provisions in the Drain Code, which allow for assessment of the related costs to the specific owners of the benefited parcels of property or to the benefited public corporations. The Wayne County Drain Commissioner (the County's Deputy Director of Public Services, Environmental Services Group) is responsible for determining the yearly assessments. Under the Drain Code, the County is responsible for Chapter 8 drainage district administrative costs for maintenance.

Chapter 20 Drainage Districts are intra-County drainage districts that are operated, maintained, and extended pursuant to the provisions in the Drain Code, which allow for at-large assessment of costs against either the benefited public corporations or the specific owners of the benefited parcels of property. The Chapter 20 Districts have Drainage Boards that are responsible for determining the yearly assessments. Each district's board statutorily consists of three members: the Wayne County Drain Commissioner, the district's County Commissioner, and an appointee of the Wayne County Executive. The full faith and credit of the County has been pledged for the long-term debt of the drainage districts.

Chapter 21 (Milk River) Drainage District is an inter-County drainage district that is operated, maintained, and extended pursuant to the provisions in the Drain Code, which allow for assessment of the related costs to either the benefited public corporations or the specific owners of the benefited parcels of property. The District has a Drainage Board that is responsible for determining the yearly assessments. The District's drainage board statutorily consists of three members: the Director of Agriculture of the State of Michigan (chairperson), the Wayne County Drain Commissioner, and the Drain Commissioners for each of the counties of the specific drainage district. The County has pledged its full faith and credit for the long-term debt of the district.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The Economic Development Corporation of Wayne County (EDC) is a separate legal entity that was established pursuant to Michigan Public Act 338 of 1974. Its 11-member board is appointed by the County Executive. The EDC acts on behalf of and at the direction of the County. Services include financial packaging, site location services, and low-cost financing to businesses locating or expanding in the County. The EDC's primary fiscal activity is to provide administration of federal grants on behalf of and for the benefit of the County. The EDC is fiscally dependent on the County and has no taxing authority.

The Wayne County-Detroit Community Development Entity, Inc (CDE, Inc.) is an IRS Section 501(c) (3) Michigan corporation. It is a qualified community development entity that was granted new market tax credits (NMTC) allocation authority from the U.S. Treasury's Community Development Financial Institutions Fund (CDFI Fund). CDE, Inc. must comply with various rules and regulations of the CDFI Fund and Section 45D of the IRS Code, and must ensure that the NMTC's are used for investment in low-income communities in Wayne County. The County Executive has appointed six of the eleven Board members. The CDE's limited liability corporations administer the NMTC projects.

The Greater Wayne County Economic Development Corporation (GWEDC) was created as a separate legal entity in November 2004 through an inter-local agreement between the EDC of Wayne County, the EDC of the City of Taylor and the EDC of the City of Detroit. The purpose of the GWEDC is to administer economic development programs and functions in Michigan. The GWEDC is governed by an Executive Committee and a Board of Directors. The County Executive appoints the members of the Executive Committee and six of the ten Board members. The entity is primarily funded by contributions from the County.

The Brownfield Redevelopment Authority (BRA) was established by State enabling legislation. The BRA assists the Wayne County Department of Public Services and the various Wayne County communities involved with the Urban Recovery Partnership to facilitate the redevelopment of unproductive, contaminated and/or blighted property by providing tax incentives. The BRA's 11-member board is appointed by the County Executive. The BRA acts on behalf of and at the direction of the County.

HealthChoice of Michigan (HealthChoice) was formed by the County under the Municipal Health Corporations Act of 1987. HealthChoice was incorporated January 30, 1992 to manage a health care program benefiting employees of County businesses that are unable to provide health benefits to these employees. The program is funded equally by monthly contributions by employers, employees, and Metro HealthCare Services, Inc. (MHCS), a philanthropic Michigan non-profit corporation. HealthChoice Board members are County elected or County appointed officials.

HealthChoice administers the program in conjunction with MHCS, which administers the transfer of monthly subsidies to HealthChoice; Patient Care Management System, a unit of the County, which provides the personnel to manage the program; and a third-party administrator, which collects subsidies from MHCS and premiums from employers, distributes health care provider payments, and remits any excess premiums to HealthChoice.

The Wayne Regional Jobs and Economic Growth Foundation (the Foundation) is an IRS Section 501 (c) (3) Michigan foundation formed to support and encourage economic development projects initiated by Michigan communities, economic development corporations, charities and other organizations that promote growth of businesses, jobs and economic opportunities within Wayne County. The nature and significance of the Foundation's relationship with the County and another of its component units, the GWEDC, are such that omission of the Foundation's operations from the County's financial statements would cause them to be misleading or incomplete. Accordingly, the Foundation has been included as a non-major discrete component unit of the County.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The Development Corporation of Wayne County (the "DCWC") is an IRS Section 501 (c) (3) Michigan foundation, formed in August 2006, to facilitate, plan, organize, promote, manage and administer programs and activities designed to foster local Wayne County neighborhood community improvement and development, including the implementation of a housing initiative program that will address improving opportunities for low and moderate income individuals and families within Wayne County. The DCWC shall obtain and maintain qualification as a Community Housing Development Corporation, under applicable state and federal laws and regulations. The DCWC provides grants to faith-based and community development groups to implement these initiatives. The DCWC is funded solely by grants from Wayne County, receipt of which is contingent upon Wayne County's approval of a budget for the use of these funds.

The Wayne County Land Bank Corporation (Land Bank) was incorporated by the County on October 19, 2006 through an intergovernmental agreement (agreement) between Michigan Land Bank Fast Track Authority ("Authority", which is a public body corporate and politic within the Michigan Department of Labor and Economic Growth), and the Wayne County Treasurer (WCT). This agreement was formed under Sec. 5 of Article 3, and Sec. 28 of Article 7, of the Michigan Constitution of 1963 and the Land Bank Fast Track Act, 2003 PA 258 MCL 124.751 to 124.774. The agreement established the Wayne County Land Bank Corporation (Land Bank), a separate legal entity and public body corporate, to administer and execute the objectives of the Land Bank. Its purpose is to acquire, assemble, manage and/or dispose of real property, or rights and interests in real (such as tax reverted) property to develop/rehabilitate that property and promote economic growth; to quiet title to property; to issue bonds; and provide for financing, acquisition, assembly, and disposition of property.

The Land Bank is managed by a five-member Board consisting of the WCT or Chief Deputy Treasurer (Board Chairperson), three members appointed by the Wayne County Executive, and one member appointed by the Wayne County Commission. The Land Bank is primarily funded through contributions and grants from the County, and the Executive Director of the Land Bank is an employee of the County.

The following component units issue audited financial statements: the Wayne County Building Authority; the Wayne County Airport Authority; the Detroit-Wayne County Stadium Authority; the Chapter 21 (Milk River) Drainage District, CDE, Inc., the GWEDC, HealthChoice of Michigan, the Foundation, the DCWC, and the Land Bank. These reports may be obtained at the entity's administrative offices listed below.

Wayne County Building Authority
500 Griswold, 20th Floor
Detroit, Michigan 48226

HealthChoice of Michigan
640 Temple, Suite 370
Detroit, Michigan 48201

Chapter 21 (Milk River) Drainage District
Wayne County Department of Public Services
400 Monroe, 4th Floor
Detroit, Michigan 48226

Greater Wayne County Economic Development Corporation
500 Griswold, 30th Floor
Detroit, Michigan 48226

Wayne County Airport Authority
Detroit Metropolitan Wayne County Airport
L.C. Smith Terminal-Mezzanine
Detroit, Michigan 48242

Wayne County-Detroit Community Development Entity, Inc.
500 Griswold, 30th Floor
Detroit, Michigan 48226

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Detroit-Wayne County Stadium Authority
500 Griswold, 20th Floor
Detroit, Michigan 48226

*Wayne Regional Jobs and Economic
Growth Foundation*
500 Griswold, 30th Floor
Detroit, Michigan 48226

Development Corporation of Wayne County
500 Griswold, 30th Floor
Detroit, Michigan 48226

Wayne County Land Bank Corporation
c/o Office of the Wayne County Treasurer
400 Monroe, 5th Floor
Detroit, Michigan 48226

The administrative offices of the other component units are listed below. Detailed financial information may be obtained from the Wayne County Department of Management and Budget, 500 Griswold, 20th Floor.

Third Circuit Court
711 Coleman A. Young Municipal Center
Two Woodward Avenue
Detroit, Michigan 48226

*Economic Development Corporation of
Wayne County*
500 Griswold, 30th Floor
Detroit, Michigan 48226

Probate Court
1305 Coleman A. Young Municipal Center
Two Woodward Avenue
Detroit, Michigan 48226

Brownfield Redevelopment Authority
500 Griswold, 30th Floor
Detroit, Michigan 48226

Chapters 8 and 20 Drainage Districts
Wayne County Department of Public Services
400 Monroe, 4th Floor
Detroit, Michigan 48226

Related Organizations

County officials are also responsible for appointing members of boards of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments. County officials appoint the board members of the Detroit-Wayne County Joint Building Authority, Wayne County Council for the Arts, History and Humanities, Wayne County Zoological Authority, Wayne County Transit Authority and Wings Over Wayne.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The County's financial statements include government-wide financial statements (reporting the County as a whole) and fund financial statements (reporting the County's major funds individually and non-major funds in the aggregate). The government-wide financial statements categorize primary activities as either governmental or business-type. The County's legislative; judicial; general government; public safety; public works; highways, streets and bridges; health and welfare; recreation and cultural; and community and economic development functions are classified as governmental activities as they are largely supported by taxes and intergovernmental revenue. The County's sewage disposal systems (including combined sewage overflow basins), jail commissary, parking lots, wetlands mitigation, and copy center services are classified as business-type activities as they rely on fees and charges for support.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The primary function of the Delinquent Tax Revolving Fund is to support the collection of property tax revenue, a general government function. The activities of the Delinquent Tax Revolving Fund have been classified as governmental activities in the government-wide financial statements and the reconciliation from the proprietary fund financial statements to the business-type activities column in the government-wide financial statements has been prepared.

The government-wide financial statements display information about the County as a whole, excluding fiduciary funds and component units that are fiduciary in nature. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

In the government-wide Statement of Net Assets, both the governmental and business-type activities are presented on a consolidated basis, by column, and all long-term assets, as well as long-term-debt and obligations, are recognized. The County's net assets are reported in the following three categories: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

- Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction or improvement of those assets.
- Restricted net assets result when constraints placed on net assets use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are specifically associated with a service, program or department and are clearly identifiable to a specific function. In addition, indirect expenses for centralized services and administrative overhead are included as part of the direct expenses reported for the various functional activities. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. General government revenues also support the functions. Taxes, investment earnings, and other revenues that support the functions, but are not considered program revenues, are considered *general revenues*.

Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are activities between funds reported as governmental

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

activities and funds reported as business-type activities. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

Fund Financial Statements

Separate fund financial statements are presented for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. Non-major governmental, non-major enterprise, internal service, pension (and other employee benefit) trust funds, and agency funds, are presented in the aggregate, and in individual columns, in the fund financial statements.

Governmental fund financial statements include those funds used to account for the County's general government activities. All governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recorded when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if collection occurs within sixty (60) days. In general, the County considers all other revenues to be available if they are collected within sixty (60) days of the end of the fiscal year.

Significant revenues susceptible to accrual include reimbursements from the State of Michigan recorded in the Juvenile Justice and Abuse/Neglect Fund which are typically collected within the County's availability period. However, these amounts were received outside of the typical collection cycle. Such collections amounted to \$16.3 million for the fiscal year ended September 30, 2011 and have been included in revenue.

Expenditures are recognized as payable on the modified accrual basis when the liability is incurred, except for principal and interest on general long-term obligations, compensated absences, and claims, litigation, and assessments, which are recognized when due.

The County reports the following major governmental funds:

- General Fund – The General Fund accounts for all financial resources and expenditures except those required to be accounted for in other funds. The General Fund is the County's primary operating fund.
- Roads Fund – This fund is used to account for the operations associated with the maintenance and construction of certain roads, streets, and bridges located within the County. These operations are funded principally by the federal government, the State of Michigan, and local governmental units within the County.
- Mental Health Fund – This fund is used to account for revenue restricted for providing mental health services to County residents. These operations are primarily funded by the State of Michigan through Medicaid and State grants and contracts.
- Health Fund – This fund is used to account for revenue restricted for the purpose of providing health protection, maintenance, and improvement for the residents of the County. These operations are principally funded by federal grants and the State of Michigan through Medicaid and State grants and contracts.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

- Juvenile Justice and Abuse/Neglect Fund – This fund accounts for the cost of providing required foster care and/or residential care to abused, neglected, and delinquent children in the County, including County residents who become wards of the State of Michigan. These operations are principally funded by grants and contracts from the State of Michigan.
- Wayne County Building Authority Construction Fund – This fund is used to account for the funding and costs of constructing new facilities and major renovations of existing facilities. Financing is provided from bond proceeds received exclusively for certain capital projects.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 County's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service 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 non-operating revenues and expenses. All proprietary funds are reported on a full accrual basis of accounting and the economic resources measurement focus.

The County's proprietary funds consist of the following major enterprise funds:

- Downriver and Rouge Valley Sewage Disposal System Funds – These major enterprise funds are used to record the fiscal activities associated with operation and maintenance of the Downriver and Rouge Valley sewage treatment facilities. Costs are recovered through development of usage rates, which are billed to the local communities served.
- Delinquent Tax Revolving Fund – This major enterprise fund is used to account for money advanced by the County to various taxing authorities for unpaid property taxes. It was established by law to buy any or all delinquent real property taxes and special assessments owed to the County and taxing authorities in the County.

Additionally, the County reports the following fund types:

- Internal Service Funds – These funds are used to account for the costs of certain goods, services, and activities (such as central services, information technology, employee health benefits, property insurance, capital asset acquisitions, etc.) provided by one department to another department or to component units of the County.
- Pension (and Other Employee Benefit) Trust Funds – The pension trust funds are used to account for the assets of the County's employees' pension plan. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.
- Agency Funds – These funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the County holds for others in an agency capacity. Agency funds, which only report a Statement of Fiduciary Net Assets, use the accrual basis of accounting. The specific nature of transactions recorded in these funds are: current tax collections and their subsequent disbursement to other governmental units; court fines received by the District Courts and

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

disbursed to public libraries; County Clerk revenues from bonds and other fees that are disbursed for attorney fees, restitution payments, garnishments, and jury fees; contractor retainages that are disbursed to the contractors upon successful completion of various projects; employee payroll holdings and their subsequent disbursement; and monthly benefit payments to retirees.

The County reports the following major component units:

- Airport Authority – These funds are used to account for the operation and maintenance of the Airports and the Airport Hotel. Airport revenues are primarily derived from landing fees, leases, and rentals received from users or fee-based operations. Activities associated with the Airport Hotel include funding the construction and furnishing of an airport hotel at the McNamara Terminal at the Detroit Metropolitan Wayne County Airport.
- Circuit Court – The Court presides over judicial proceedings initiated within the County through its Civil, Criminal and Family Court divisions. These divisions are responsible for the resolution of general civil cases, felonies and high misdemeanors, domestic relations cases, and jurisdiction over juveniles in delinquency and protective proceedings.

As allowed by Governmental Accounting Standards Board (GASB) Statement No. 20, and amended by Statement No. 34, the government-wide statements and proprietary fund statements follow all GASB pronouncements and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements. The County has the option to apply FASB pronouncements issued after November 30, 1989, for business-type activities and enterprise funds, but has chosen not to do so.

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

C. Assets, Liabilities, and Net Assets or Fund Balance

Cash and Investments – Cash resources of the individual funds, except as specifically stated by the Comprehensive Investment Policy Ordinance, are pooled and invested. Interest on pooled investments is allocated among the respective funds based on average investment balances. Securities traded on national or international exchanges are valued at last reported sales price at current exchange rates, which represents fair value. Mortgages are valued on the basis of future principal and interest payments and are discounted at the prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value. Gains or losses on investments sold or exchanged are recognized when the transactions are completed (settlement dates).

Inventories, prepaid items and deposits – Inventories are valued at cost, primarily using the weighted average cost flow assumption. Expenditures are recognized as inventory items are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items or deposits in both the government-wide and fund financial statements.

Fund balances in governmental funds have been reported as unspendable for the balance in inventory, prepaid items, deposits, and other long-term assets (primarily interfund cash lending) at September 30, 2011, as that portion of fund balance is not in spendable form or is legally or

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

contractually required to be maintained in tact.

Interfund Balances – 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”.

Bond Issuance Costs – A component of other assets in the enterprise funds represents bond issuance costs. Such issuance costs are amortized principally using methods that approximate the effective interest method.

Capital Assets – Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Infrastructure assets are defined as long-lived capital assets that are stationary in nature and can be preserved longer than most other capital assets. Infrastructure assets have an initial, individual cost of more than \$5,000.

Equipment, buildings, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in either the governmental or business-type activities column in the government-wide financial statements. All capital assets are recorded at historical cost or estimated historical cost, if actual cost information is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives, with the exception of certain Department of Public Services machinery and equipment and vehicles, which are depreciated using sum-of-the years' digits:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	5-50
Infrastructure:	
Roadway signage	7-15
Bridges and dams	25-50
Roadways and paving	5-25
Sewer systems	25-80
Airport	10-40
Machinery and equipment, vehicles	5-25
Office equipment	5

Deferred Revenue/Unearned Revenue – In the governmental funds, deferred revenue represents revenue that is estimable but not available to finance current operations. Accordingly, these

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

revenues are deferred until such time as they are available. Revenues are considered to be available if they are collected within approximately 60 days of the end of the current fiscal period. Governmental and proprietary funds also defer revenue recognition in connection with resources that have been received but not yet earned.

Tax Anticipation Notes – Tax anticipation notes (TANs) represent short-term debt obligations issued for operating purposes in anticipation of future tax collections. From time to time, the County issues TANs to meet anticipated cash flow requirements resulting from a timing imbalance between cash receipts and expenditures.

Long-term Obligations – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Other Long-Term Obligations – Other long-term obligations include compensated absences, other post-employment benefits and reserves for commitments and contingencies. See Note 12, Long-Term Debt and Other Obligations, Note 14, Other Post-employment Benefit Obligations, and Note 16, Commitments and Contingencies.

Compensated Absences – County employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding these limitations are forfeited.

In the government-wide and proprietary fund financial statements, all vacation and sick pay is accrued when earned by the employee. In the governmental fund financial statements, the governmental funds report a liability for vacation and sick pay for employees who have separated from the County, however, their accrued vacation and sick pay remain due and payable at year-end.

Pension and other post employment benefit costs (OPEB) – The County offers both pension and retiree health care benefits to retirees. The County receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the County reports the full accrual cost equal to the current year required contribution, adjusted for interest and “adjustment to the ARC” on the beginning of year underpaid amounts, if any.

Fund Balance – In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications - nonspendable, restricted, committed, assigned, and unassigned. The County implemented Statement No. 54 during the year. In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions or enabling legislation for use of a specific purpose
- **Committed:** Amounts that have been committed for specific purposes by formal action of the government's highest level of decision-making authority (i.e. County Commission). Commitments are made and can be rescinded only via resolution of the County Commission
- **Assigned:** Amounts that are intended by the government to be used for specific purposes, but are not restricted or committed
- **Unassigned:** Residual amounts remaining in the General Fund and negative amounts in Special Revenue Funds.

In addition, the Statement specifies that Special Revenue Funds are only allowed to be reported if they are used to account for activities that are substantially funded by a specific external revenue source that is restricted or committed for a specific purpose. In accordance with the Statement, the County restated the beginning of the year fund balance of the General Fund to account for the following activities: The Library Fund, Pinnacle Aeropark, Nuisance Abatement, Budget Stabilization, and two programs reported in Community Corrections.

The County Commission has adopted, by ordinance, a Budget Stabilization Fund under Michigan's Public Act 30 of 1978. The County Commission may, with a 2/3 vote, set aside General Fund surplus, up to a maximum of 15% of the most recent general fund budget (or average of the five most recent budgets, if less). An appropriation from the Budget Stabilization Fund, which also requires a 2/3 vote of the County Commission, may only occur to correct a budget shortfall, or in the case of a natural disaster. The balance at September 30, 2011 of the Stabilization amount, which is reported in the General Fund, is \$3 million.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the County shall consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the County will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

D. Other

Use of Estimates – The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications – Certain amounts presented in the prior year data in the Management's Discussion and Analysis have been reclassified in order to be consistent with the current year's presentation.

Cash Flows – For purposes of the Statement of Cash Flows, the County considers cash equivalents as all highly liquid investments, including restricted assets, with a maturity of three months or less from the date of acquisition.

Deferral of Gains and Losses on Refunding – For enterprise funds, the County defers the difference between the reacquisition price and the net carrying amount of the old debt in a refunding. The deferred amount is amortized and recorded as a component of interest expense.

Passenger Facility Charges – The Airport Authority assesses passenger facility charges of \$4.50 per passenger. The passenger facility charges are recorded as non-operating revenues and may only be expended on capital and non-capital projects approved by the federal government. Net assets related to unexpended passenger facilities charges are restricted.

(2) Budget Matters

The following is a listing of total expenditures (in thousands) in excess of 2.5 percent of the final amended budget for the major governmental funds (the General Fund, the Roads Fund, the Health Fund, the Mental Health Fund, Juvenile Justice and Abuse/Neglect Fund and Wayne County Building Authority Fund) and for the other governmental funds for which an annual budget has been legally adopted. Expenditures are presented at the legal level of budgetary control. The budgetary comparison schedules for the major governmental funds are presented as required supplementary information beginning on page II-134. The budgetary comparison schedules for the other governmental funds begin on page II-159.

	<u>Final Amended Budget</u>	<u>Actual Expenditures</u>	<u>Amount Over Amended Budget</u>
<u>General Fund:</u>			
General Government:			
Adult Probation	\$ 2,042	2,052	\$ 10
Office of the County Executive	2,037	2,173	136
Board of Canvassers	166	208	42
Management and Budget	19,589	19,960	371
Corporation Counsel	10,530	11,688	1,158
Register of Deeds Remonumentation	460	470	10
Public Safety:			
Homeland Security	4,604	6,087	1,483
Sheriff	25,578	27,670	2,092
County Jail	88,025	92,389	4,364
Health and Welfare:			
Medical Examiner	5,925	6,069	144
Health and Human Services	6,314	7,214	900
Cooperative Extension	695	769	74
Total General Fund	<u>\$ 165,965</u>	<u>176,749</u>	<u>\$ 10,784</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

	<u>Final Amended Budget</u>	<u>Actual Expenditures</u>	<u>Amount Over Amended Budget</u>
<u>Special Revenue Funds:</u>			
Health:			
Other Health Programs	\$ 3,214	3,972	\$ 758
Health and Family Services:			
Children and Family Services	24,315	25,174	859
Juvenile Justice:			
Prosecuting Attorney	4,571	4,607	36
Community Corrections	498	527	29
Drug Enforcement:			
Prosecuting Attorney	337	844	507
Law Enforcement:			
Sheriff Field Services	1,374	1,420	46
Sheriff Highland Park	-	1	1
Community and Economic Development:			
Economic and Neighborhood Development	5,951	7,331	1,380
Community Program	1,707	2,006	299
CDBG:			
CDBG Administration	887	950	63
Nutrition:			
Senior Citizens Services	4,286	5,274	988
Total Special Revenue Funds	<u>\$ 47,140</u>	<u>52,106</u>	<u>\$ 4,966</u>
	<u>Final Amended Budget</u>	<u>Actual Expenditures</u>	<u>Amount Over Amended Budget</u>
<u>Debt Service Funds:</u>			
Building Authority	<u>\$ 7,314</u>	<u>15,836</u>	<u>\$ 8,522</u>

General Fund – Actual expenditures in these functions exceeded budgeted expenditures by \$10.8 million which relates mainly to excess expenditures in the County Jail (\$4.4 million) and Sheriff (\$2.1 million.) These overages will be funded primarily through General Fund General Purpose Revenues. This fund is in deficit. Refer to Footnote 15 for disclosure of the deficit elimination plan for this fund.

Health – Actual expenditures in this function exceed budgeted expenditures by \$758,000. This overage was funded through General Fund transfers. This fund is in deficit. Refer to Footnote 15 for disclosure of the deficit elimination plan for this fund.

Health and Family Services – Actual expenditures in this function exceeded budgeted expenditures by \$859,000. These overages were funded through Federal Grants.

Juvenile Justice – Actual expenditures in this function exceeded budgeted expenditures by \$65,000. The overage was funded through expenditure savings in other functions. This fund is in deficit. Refer to Footnote 15 for disclosure of the deficit elimination plan for this fund.

Drug Enforcement – Actual expenditures in this function exceeded budgeted expenditures by \$649,000. The overage will be funded by General Fund savings in other prosecutor divisions. This fund is in deficit. Refer to Footnote 15 for disclosure of the deficit elimination plan for this fund.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Law Enforcement – Actual expenditures in this function exceeded budgeted expenditures by \$47,000. The overages were funded through savings from other functions.

Community and Economic Development – Actual expenditures in this function exceeded budgeted expenditures by \$1.7 million. The overages were funded through savings from other functions. This fund is in deficit. Refer to Footnote 15 for disclosure of the deficit elimination plan for this fund.

CDBG – Actual expenditures in this function exceeded budgeted expenditures by \$63,000. Other functions ended the year under budget offsetting this overage.

Nutrition Fund – Actual expenditures in this function exceeded budget by \$988,000. The overage was funded through General Fund transfers. This fund is in deficit. Refer to Footnote 15 for disclosure of the deficit elimination plan for this fund.

Debt Service – Building Authority – Actual expenditures in this function exceeded budgeted expenditures by \$8.5 million. The overage was funded through General Fund transfers.

(3) Risk Management

The County is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

The County is self-insured for workers' compensation, certain health and disability benefits and other claims, litigation, and assessments. Accruals for claims, litigation, and assessments are recorded in the government-wide and proprietary fund financial statements. These accruals are recorded in the fund financial statements, within the governmental funds, when the amounts are due and payable at year-end. All other amounts are recorded in the government-wide financial statements when probable of loss and estimable in amount.

Health insurance and workers' compensation claims that are probable of loss and estimable in amount are included in the government-wide, proprietary and fiduciary fund financial statements. Other claims consist of property damage and minor auto damage claims. The amount of claims liability is based on analyses performed by outside consultants and includes an estimate of incurred claims that have not yet been reported. The County purchases commercial insurance for claims in excess of coverage provided by the internal service funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

A reconciliation of the County's self-insured claims liability (in thousands) at September 30, 2011 follows:

	<u>Workers'</u> <u>Compensation</u>	<u>Hospitalization</u> <u>Insurance</u>	<u>Long-term</u> <u>Disability</u>	<u>Other Claims</u>	<u>Total</u>
Claims liability, September 30, 2009	\$ 9,068	4,577	331	70	\$ 14,046
Claims incurred during fiscal year 2010	491	76,031	885	372	77,779
Change in estimate for prior period claims	2,145	(645)	-	75	1,575
Payments on claims	<u>(2,992)</u>	<u>(76,358)</u>	<u>(885)</u>	<u>(372)</u>	<u>(80,607)</u>
Claims liability, September 30, 2010	8,712	3,605	331	145	12,793
Claims incurred during fiscal year 2011	(286)	77,903	781	393	78,791
Change in estimate for prior period claims	1,632	(1,031)	-	200	801
Payments on claims	<u>(1,926)</u>	<u>(76,385)</u>	<u>(781)</u>	<u>(393)</u>	<u>(79,485)</u>
Claims liability, September 30, 2011	<u>\$ 8,132</u>	<u>4,092</u>	<u>331</u>	<u>345</u>	<u>\$ 12,900</u>

The liability for workers' compensation claims includes an estimate of loss and allocated loss adjustment expenses (ALAE). The estimate of loss is based on historical loss runs for the workers' compensation program through September 30, 2011, specific data for individual open claims, which occurred prior to 1985, and historical payroll data. ALAE represents the cost of legal fees, expert testimony, medical examinations, etc., that are associated with the defense and settlement of particular claims. Unallocated loss adjustment expenses are not included in the estimate.

A discount rate of 1.5 percent was used to determine the present value of unpaid workers' compensation claims.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

(4) Deposits and Investments

Summary of Deposit and Investment Balances – Following is a summary of deposit and investment balances (in thousands) as of September 30, 2011:

	Primary Government	Component Units
Statement of Net Assets		
Current assets:		
Equity in pooled cash and investments	\$ 47,707	\$ 16,058
Other cash and investments	595	120,224
Restricted equity in pooled cash and investments	104,585	-
Restricted other cash and investments	72,998	393,411
Non-current assets:		
Restricted equity in pooled cash and investments	253,338	251
Restricted other cash and investments	4,405	
Current liabilities:		
Negative equity in pooled cash	-	(5,254)
Total	\$ 483,628	\$ 524,690
Statement of Fiduciary Net Assets		
Equity in pooled cash and investments	\$ 158,871	
Other cash and investments	1,513	
Equity securities	560,496	
Debt securities	223,738	
Money market funds	17,460	
Other investments	201,335	
Total	\$ 1,163,413	

Composition of Cash and Investment Balances – Pooled cash and investments consist of demand deposits, certificates of deposit, money market funds, commercial paper, and obligations of the U.S. Treasury and agencies and obligations of political subdivisions within the State of Michigan. The Wayne County Treasurer administers these pools, which include the assets of certain component units. Equity (or negative equity) in pooled cash represents the fund/reporting unit's position in the portfolio. In other words, it is the value of their ownership in the pool of cash and investments. Pooling of cash and investments accomplishes various goals, such as the ability to earn higher interest rates and better address cash flow needs.

Other cash and investments include cash on hand, and individual depository accounts held by the County. Various elected officials and others are the custodians of these individual depository accounts.

Cash and investments categorized as "restricted" relate to amounts for debt service, construction, and other specific uses.

Fiduciary investments, which are predominantly made up of Retirement assets under the control of the Wayne County Retirement Board, are managed by external investment advisors. Agency fund investments are generally part of the County portfolio.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The Airport Authority and certain other component units manage their own cash and investments. Disclosures related to the Airport Authority are included herein due to the significant nature of the cash and investment balances in relation to total component unit cash and investments, and to the County as a whole. Other discretely presented component units, not under the control of the Wayne County Treasurer (Treasurer), have been excluded.

State statutes (Public Act 20 of 1943, as amended) place limitations on the nature of deposits and investments available to the County. Deposits include demand deposits, money markets, and certificates of deposits in federally insured banks, credit unions and savings and loan associations that have offices in the State of Michigan. Statutes authorize the County to invest in obligations of the U.S. Treasury or any agency or instrumentality of the United States, certain commercial paper, repurchase agreements, bankers' acceptances of United States banks, external investment pools (organized under Public Act 367 or 121), mutual funds composed of otherwise legal investments (except those with fluctuating per share value), and certain obligations of the State of Michigan or its political subdivisions.

The investment policy adopted by the County, in accordance with Public Act 20 of 1943, as amended, authorizes investments in U.S. Treasuries, agencies, and instrumentalities, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings bank, or savings and loan association that is a member of the Federal Deposit Insurance Corporation (FDIC). The Treasurer may invest in commercial paper (rated A2/P2 or above), repurchase agreements, and bankers' acceptances. Investment pools organized under the Urban Cooperation Act of 1967, PA 7, MCL 124.501 to 124.512, under the local government investment pool Act of 1985, PA 121, MCL 129.141 to 129.150, and investment pools organized under the surplus funds investment act, 1982 PA 367, MCL 129.111 to 129.118, are also permitted. Investments may also be made in mutual funds registered under the investment company Act of 1940 Title I of Chapter 686, 54 stat. 789, 15 U.S.C. 80A-1 to 80A-3 and 80A-4 to 80A-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation, which maintain a rating of AAA or better by a nationally recognized statistical rating agency or that maintain a net \$1.00 share value. The foremost objective of the investment policy is the safety of investment principal.

A. Cash and Investment Portfolio (Administered by the Treasurer)

The County's cash and investments are subject to several types of risk, which are discussed in more detail below.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In compliance with State law, the County's investment policy limits investments of commercial paper to the two highest classifications established by not less than two standard rating services, and which mature not more than 270 days after the date of purchase. As of year-end, the credit quality ratings of pooled County investments (other than the U.S. government) are as follows:

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

Investment	Fair Value	Rating	Organization
Government agency bonds	\$ 11,500,000	AA+	S&P
Municipal bonds	1,463,727	AA+	S&P
Municipal bonds	2,805,000	Aa	S&P
Municipal bonds	3,440,000	AA-	S&P
Municipal bonds	1,300,000	BBB+	S&P
Municipal bonds	34,500,000	SP-1	S&P
Municipal bonds	6,500,000	SP-1+	S&P
Money market funds	4,257,410	AAAm	Fitch/S&P
Money market funds	6,838,825	AAAm-G	S&P
Money market funds	615,993	Not Rated	367 Fund/Moody's

Custodial Credit Risk of Bank Deposits – Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government's deposits may not be recovered. The County's investment policy requires that deposits over the \$250,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, savings bank, or savings and loan association and that institution must meet minimum standards of at least one standard rating service. If deposits in a credit union exceed the insured limit, that institution must meet the minimum standards of at least one standard rating service. At year-end, the County portfolio had \$635,520,693 of bank deposits (primarily demand deposits and certificates of deposit) with a carrying value of \$587,938,400, that were largely uninsured and uncollateralized. Other primary government depository accounts (outside of the portfolio administered by the Treasurer) had a total bank balance of \$556,877 and \$350,334 carrying value. The County believes that due to the dollar amount of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with acceptable levels of estimated risk are used as depositories.

Custodial Credit Risk of Investments – Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either the counterparty, or the counterparty's trust department or agent, but not in the County's name.

The County's investment policy requires that bonds, securities, and obligations of the United States or an agency or instrumentality of the United States must be held in the name of the County Treasurer, be purchased using the delivery versus payment procedure, and be held in third party safekeeping. Commercial paper should either be purchased directly from the issuing corporation, or be held in safekeeping by a third party institution. At year-end, none of the County's portfolio investments were subject to custodial credit risk due to one of the following:

- Investments were held by a third-party safe-keeper in the County's name,
- Investments were held by a trustee in the County's name,
- Investments were part of a mutual fund.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investments with a single issuer. Through its investment policy, the County places limits on the amount the County may invest in any one issuer, along with the minimal capital strength of those issuers. There are also limits as to the use of specific types of instruments, along with limits upon use of a single institution. These limits are as follows:

Limits using capital strength test – Maximum investment is 25 percent of combined capital and surplus position of that financial institution.

Limits based upon use of specific instruments –

Investment Type	Limit
Bankers' acceptances	50%
Repurchase agreements	25
U.S. government	100
Commercial paper	60
Money market funds, mutual funds and investment pools	50
Certificates of deposit (bank)	50
Certificates of deposit (credit unions)	10
Certificates of deposit (savings and loan associations)	10

County limits based on use of a single issuer –

Investment Type	Limit
Bankers' acceptances	25% of total portfolio
Repurchase agreements	10% of total portfolio
Certificates of deposit (bank)	33% of total portfolio
Certificates of deposit (S&L)	5% of total portfolio

At year-end, the County's investment portfolio did not exceed the limits based on use of specific instruments or use of a single issuer.

Interest Rate Risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The County's investment policy addresses this risk by limiting the maturities on investments:

Fund/Fund Type	Maturity Maximum
General Fund, Operating Funds	One Year
Debt Service, Special Assessment, Nonexpendable Trust Funds	Five Years
Delinquent Tax Revolving Fund	Four Years
Funds subject to federal arbitrage restrictions	Varies

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The County's investment policy also dictates that for operating funds, investment maturities shall be scheduled to coincide with projected cash flow needs, according to the following general guidelines:

<u>Length of Maturity</u>	<u>Percent of Portfolio (minimums)</u>
Under 30 days	10%
Under 90 days	25%
Under 270 days	50%
Under one year	100%

Investments as of September 30, 2011 adhere to the guidelines concerning limits on maturities of investments.

At year-end, the average maturities of investments subject to interest rate risk are as follows:

	<u>Fair Value (in thousands)</u>	<u>Avg. Days to Maturity</u>
Government Agency Bond	\$ 11,500	1107
Municipal bonds	50,218	494
Investments subject to risk	<u>\$ 61,718</u>	

Cash/investments not subject to interest rate risk:

Certificates of deposit and demand deposits	588,420
Money market funds	<u>12,264</u>
Total portfolio deposits and investments	<u><u>\$ 662,402</u></u>

As of September 30, 2011, ownership of assets within the portfolio is as follows:

<u>Reporting Unit</u>	<u>Cash and Investment Portfolio (in thousands)</u>				<u>Non-Portfolio (in thousands)</u>
	<u>Dollar Amount of Portfolio</u>	<u>Percentage of Portfolio</u>	<u>Equity (Negative Equity) in Pooled Cash</u>	<u>Other Cash and Investments</u>	<u>Other Cash and Investments</u>
Governmental activities	\$ 430,311	65.0%	\$ 357,313	\$ 72,998	\$ 545
Business-type activities	52,722	8.0%	48,317	4,405	50
Fiduciary activities	159,488	24.0%	158,871	617	896
Component units	17,894	2.7%	11,055	6,839	506,796
Subtotal	<u>660,415</u>	<u>99.7%</u>	<u>575,556</u>	<u>84,859</u>	<u>508,287</u>
Other	<u>1,987</u>	<u>0.3%</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 662,402</u></u>	<u><u>100.0%</u></u>	<u><u>\$ 575,556</u></u>	<u><u>\$ 84,859</u></u>	<u><u>\$ 508,287</u></u>

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

B. Wayne County Employees' Retirement System

The Wayne County Employees' Retirement System investments, which are under the control of the Wayne County Retirement Commission, are subject to statutory regulations imposed under the Michigan Public Pension Investment Act 314 of 1965, as amended (Act 55, P.A. 1982), and investment policy established by the Retirement Commission.

The Investment Act incorporates the prudent person rule and requires investment fiduciaries to act solely in the interest of the pension plan's (the Plan) participants and beneficiaries. The Retirement Commission has authority to invest the Plan's assets in common and preferred stock, obligations of the United States, its agencies, or U.S. government sponsored enterprises, obligations of any state or political subdivision of a state having the power to levy taxes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, reverse repurchase agreements, real and personal property, mortgages, and certain other investments.

The Retirement System Plans have balances in the County's pooled accounts, displayed in the financial statements as "equity in pooled cash and investments." Disclosures related to these "pooled" balances is included in section "A." above. See the individual Retirement System Plans below for the appropriate investment risk information.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

I. Wayne County Employees' Retirement System Defined Benefit Plan

As of September 30, the Plan's investments (in thousands) are classified as follows:

	<u>2011</u>	<u>2010</u>
Equity securities and mutual funds:		
Common stocks	\$ 263,965	\$ 294,043
Equity mutual funds	120,168	159,797
International equities	<u>5,742</u>	<u>16,195</u>
Total Equity Securities	<u>389,875</u>	<u>470,035</u>
Debt securities and mutual funds:		
Corporate bonds	38,378	52,753
Asset-backed securities	10,004	4,777
Mortgage-backed securities		
Commercial	13,782	13,974
Government agencies	16,082	14,180
Government agencies bonds	156	1,725
U.S. government bonds	22,056	21,738
State and municipal bonds	6,057	270
Foreign debt securities	6,285	6,964
Bond mutual funds	<u>-</u>	<u>-</u>
Total Debt Securities	<u>112,800</u>	<u>116,381</u>
Money market funds	<u>17,410</u>	<u>40,504</u>
Other investments:		
Real estate investment trusts	101,831	96,079
Hedge funds	24,828	30,087
Structured debt	23,323	20,380
Investments in partnerships (net of valuation allowance of \$1,000,000 in 2011 and 2010)	<u>23,558</u>	<u>28,702</u>
Total Other Investments	<u>173,540</u>	<u>175,248</u>
Total Investments	<u><u>\$ 693,625</u></u>	<u><u>\$ 802,168</u></u>

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The Plan's investments are subject to several types of risk, which are discussed in more detail below.

Custodial Credit Risk of Deposits – The Plan's carrying amount of deposits of \$1,726,401 and, \$9,858,306 as of September 30, 2011 and 2010, respectively, are included in the County's pooled cash.

Custodial Credit Risk of Investments – The Plan's investment policy and Public Act 314 of 1965, as amended, require that are (a) investments are held by a third-party safe-keeper in the Plan's name; (b) investments were held by a trustee in the Plan's name; or (c) investments are part of a mutual fund. The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SAS 70 report").

As of September 30, 2011 and 2010, none of the Plan's investments were subject to custodial credit risk due to one of the following: (a) investments were held by a third-party safe-keeper in the Plan's name; (b) investments were held by a trustee in the Plan's name; or (c) investments were part of a mutual fund.

Concentration of Credit Risk – Other than obligations issued, assumed or guaranteed by the United States, its agencies or United States government sponsored enterprises, the Plan is prohibited by Public Act 314 of 1965, as amended, from investing in more than five percent of the outstanding obligations of any one issuer or investing more than five percent of the Plan's assets in the obligations of any one issuer. The Plan places no limits in excess of statutory authority. As of September 30, 2011 and 2010, there were no investments that exceeded five percent or more of the Plan's total investments, other than investments in mutual funds, similar pooled investments, or investments issued, assumed, or guaranteed by the United States, its agencies, or United States government-sponsored enterprises.

Credit Risk – The Plan's investment policy places no restrictions greater than what is allowed under Public Act 314 of 1965, as amended, that would further limit its investment choices. Ratings are not required for U.S. treasuries or certain money market funds.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

The Plan's investment in debt securities were rated at September 30, 2011 as follows:

(in thousands)		Asset- backed securities	Mortgage-backed securities		U.S. government agencies	State and municipal bonds	Foreign debt securities
	Corporate bonds		Commercial	Government agencies			
Standard & Poor's							
AAA	\$ 67	\$ 7,878	\$ 223	\$ 16,082	\$ -	\$ 1,049	\$ -
AA	2,556	-	873	-	156	-	1,178
A	12,186	-	8,130	-	-	-	3,248
BBB	13,701	-	2,306	-	-	-	1,859
BB	1,367	-	36	-	-	-	-
B	501	-	-	-	-	-	-
CCC	-	-	35	-	-	-	-
Moody's							
Aaa	-	2,071	2,179	-	-	-	-
Unrated	8,000	55	-	-	-	5,008	-
	<u>\$ 38,378</u>	<u>\$ 10,004</u>	<u>\$ 13,782</u>	<u>\$ 16,082</u>	<u>\$ 156</u>	<u>\$ 6,057</u>	<u>\$ 6,285</u>

The Plan's investment in debt securities were rated at September 30, 2010 as follows:

(in thousands)		Asset-backed securities	Mortgage-backed securities		U.S. government agencies	State and municipal bonds	Foreign debt securities
	Corporate bonds		Commercial	Government agencies			
Standard & Poor's							
AAA	\$ 61	\$ 4,011	\$ 363	\$ 14,180	\$ 1,230	\$ 84	\$ -
AA	2,555	310	1,921	-	-	-	1,308
A	16,442	80	7,846	-	-	186	2,715
BBB	21,762	-	1,075	-	-	-	2,101
BB	1,859	-	-	-	-	-	-
B	2,032	-	-	-	-	-	-
CCC	-	-	33	-	-	-	-
Fitch							
AAA	-	375	-	-	495	-	-
Moody's							
Aaa	-	2	2,736	-	-	-	-
Unrated	8,042	-	-	-	-	-	840
	<u>\$ 52,753</u>	<u>\$ 4,778</u>	<u>\$ 13,974</u>	<u>\$ 14,180</u>	<u>\$ 1,725</u>	<u>\$ 270</u>	<u>\$ 6,964</u>

Bond mutual funds are not subject to credit rating; however, average portfolio quality ratings and weighted average maturity information is available. As of September 30, 2010, the bond mutual funds had a rating of AA+ by Standard & Poor's and weighted average maturities of 5.02. There were no bond mutual fund holdings at September 30, 2011.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

As of September 30, 2011 and 2010, the Plan's money market funds were rated A1+ by Standard & Poor's with weighted average maturities of 41 and 46 days, respectively.

Interest Rate Risk – The Plan's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the practice of the Plan to manage this risk by purchasing a mix of short and long-term investments.

Maturities of the Plan's debt securities as of September 30 were as follows:

(in thousands)	Investment Maturities (fair value by years)				Totals
	Less than 1	1-5	6-10	More than 10	
2011					
Corporate bonds	\$ 2,328	\$ 6,863	\$ 17,202	\$ 11,985	\$ 38,378
Asset-back securities	9	7,439	1,482	1,074	10,004
Mortgage-backed securities:					
Commercial	-	-	37	13,745	13,782
Government agencies	-	347	2,428	13,307	16,082
Government agencies bonds	-	-	-	156	156
U.S. government bonds	6,975	1,116	8,394	5,571	22,056
State and municipal bonds	4,908	100	-	1,049	6,057
Foreign debt securities	71	4,015	1,193	1,006	6,285
	<u>\$ 14,291</u>	<u>\$ 19,880</u>	<u>\$ 30,736</u>	<u>\$ 47,893</u>	<u>\$ 112,800</u>
2010					
Corporate bonds	\$ 4,658	\$ 14,856	\$ 18,403	\$ 14,836	\$ 52,753
Asset-back securities	-	3,424	945	408	4,777
Mortgage-backed securities:					
Commercial	-	-	7	13,967	13,974
Government agencies	133	215	2,664	11,168	14,180
Government agencies bonds	-	-	-	1,725	1,725
U.S. government bonds	6,876	13,451	959	453	21,739
State and municipal bonds	100	86	-	84	270
Foreign debt securities	58	3,551	2,079	1,276	6,964
	<u>\$ 11,825</u>	<u>\$ 35,583</u>	<u>\$ 25,057</u>	<u>\$ 43,917</u>	<u>\$ 116,382</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Foreign Currency Risk - Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The Plan's exposure to foreign currency risk is summarized as follows (in thousands):

Investment/Country	Currency	Fair value (in U.S. dollars)	
		2011	2010
Foreign debt securities:			
Australia	Australian dollar	\$ 984	\$ 441
Brazil	Brazilian real	313	-
Canada	Canadian dollar	289	1,348
Cayman Islands	Cayman Islands dollar	-	840
France	European euro	566	492
Italy	European euro	329	498
Japan	Japanese yen	-	229
Luxembourg	European euro	447	504
Mexico	Mexican peso	392	7
Multi-National Agencies Regions	Venezuelan bolivar	67	71
Netherlands	European euro	70	854
Norway	Norwegian krone	112	-
Spain	European euro	400	468
Switzerland	Swiss franc	421	458
United Kingdom	British pound	1,895	754
		6,285	6,964
International equities:			
Australia	Australian dollar	63	-
Canada	Canadian dollar	3,016	9,783
Cayman Islands	Cayman Islands dollar	2,178	3,299
China	Chinese renminbi	-	56
Israel	Israeli new shekel	-	328
Netherlands	European euro	306	2,729
Norway	Norwegian krone	179	-
		5,742	16,195
Total		\$ 12,027	\$ 23,159

Commitments - The Plan has commitments to investments \$38.8 million in private equities, structured debt and private real estate investments as of September 30, 2011, of which management believes \$25 million is unlikely to be called.

The Plan has credit enhancement agreements totaling \$50 million as of September 30, 2011 for which it receives fees from the companies in exchange for the credit enhancements.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

II. Wayne County Circuit Court Commissioners Bailiffs' Retirement System

As of September 30, 2011 and 2010, the Plan's investments are classified as follows (in thousands):

	<u>2011</u>	<u>2,010</u>
Equity mutual funds	\$ 4,036	\$ 4,489
Debt securities		
Government agencies:		
Mortgage-backed securities (U.S.)	38	44
Bonds (Canada)	<u>34</u>	<u>36</u>
Total debt securities	<u>72</u>	<u>80</u>
Money market funds	<u>50</u>	<u>161</u>
Total investments	<u>\$ 4,158</u>	<u>\$ 4,730</u>

The Plan's deposits and investments are subject to several types of risk, which are discussed in more detail below.

Custodial Credit Risk of Deposits – The Plan's carrying amount of deposits of \$3,925 and \$15,239 as of September 30, 2011 and 2010, respectively, are included in the County's pooled cash.

Custodial Credit Risk of Investments – The Plan's investment policy and Public Act 314 of 1965, as amended, require that (a) investments are held by a third-party safe-keeper in the Plan's name; (b) investments are held by a trustee in the Plan's name; or (c) investments are part of a mutual fund. The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SAS 70 report").

As of September 30, 2011 and 2010, none of the Plan's investments were subject to custodial credit risk as all investments were held in the name of the Plan or were part of a mutual fund.

Concentration of Credit Risk – Other than obligations issued, assumed or guaranteed by the United States, its agencies or United States government sponsored enterprises, the Plan is prohibited by Public Act 314 of 1965, as amended, from investing in more than five percent of the outstanding obligations of any one issuer or investing more than five percent of a system's assets in the obligations of any one issuer. The Plan places no limit on the amount it may invest in any one issuer.

As of September 30, 2011 and 2010, there were no investments that exceeded five percent or more of the Plan's total investments, other than investments in mutual funds, similar pooled investments, or investments issued, assumed, or guaranteed by the United States, its agencies, or United States government-sponsored enterprises. As a result, the Plan was not exposed to concentration of credit risk.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy places no restrictions greater than what is allowed under Public Act 314 of 1965, as amended, that would further limit its investment choices. Ratings are not required for U.S. treasuries or certain money market funds.

As of September 30, 2011, the Plan's investments in mortgage-backed securities and government bonds were rated AAA and AA, respectively, by Standard & Poor's; as of September 30, 2010, the Plan's investments in mortgage-backed securities and government bonds were rated AAA and AA, respectively, by Standard & Poor's.

As of September 30, 2011 and 2010, the Plan's money market funds were rated A1+ by Standard & Poor's with weighted average maturities of 41 and 46 days, respectively.

Mutual funds are not subject to credit risk rating.

Interest Rate Risk – The Plan's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the practice of the Plan to manage this risk by purchasing a mix of short and long-term investments.

At September 30, 2011 and 2010, the Plan's investments in mortgage-backed securities had maturities primarily greater than ten years, whereas the investments in government bonds had maturities between one and five years.

III. Wayne County Employees' Retirement System Defined Contribution Plan

As of September 30, the Plan's investments (in thousands) are classified as follows:

	<u>2011</u>	<u>2,010</u>
Equity mutual funds	\$ 166,585	\$ 175,383
Debt mutual funds		
Guaranteed income fund	98,000	95,162
Bond mutual funds	12,866	12,723
Total debt funds	<u>110,866</u>	<u>107,885</u>
Participant loans receivable	<u>27,795</u>	<u>27,105</u>
Total investments	<u><u>\$ 305,246</u></u>	<u><u>\$ 310,373</u></u>

The Plan's investments are subject to several types of risk, which are discussed in more detail below.

Custodial Credit Risk of Deposits – The Plan's carrying amount of deposits of \$436,805 and \$428,850 as of September 30, 2011 and 2010, respectively, are included in the County's pooled cash.

Custodial Credit Risk of Investments – The Plan's investment policy and Public Act 314 of 1965, as amended, require that (a) investments are held by a third-party safe-keeper in the

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Plan's name; (b) investments are held by a trustee in the Plan's name; or (c) investments are part of a mutual fund. The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SAS 70 report").

As of September 30, 2011 and 2010, none of the Plan's investments were subject to custodial credit risk due to one of the following: (a) investments were held by third-party safe-keeper in the Plan's name; (b) investments were held by a trustee in the Plan's name; or (c) investments were part of a mutual fund.

Concentration of Credit Risk – Other than obligations issued, assumed or guaranteed by the United States, its agencies or United States government sponsored enterprises, the Plan is prohibited by Public Act 314 of 1965, as amended, from investing in more than five percent of the outstanding obligations of any one issuer or investing more than five percent of the Plan's assets in the obligations of any one issuer.

As of September 30, 2011 and 2010, there were no investments that exceeded five percent or more of the Plan's total investments; as a result, the Plan was not exposed to concentration of credit risk.

Credit Risk – The Plan's investment policy places no restrictions greater than what is allowed under Public Act 314 of 1965, as amended, that would further limit its investment choices. Ratings are not required for U.S. treasuries or certain money market funds.

The Plan has investments in a guaranteed income fund that has an average portfolio credit rating of AA and A by Standard & Poor's and weighted average maturity of 3.1 and 3.2 years at both September 30, 2011 and 2010, respectively. Also, the Plan has investments in bond mutual funds that have the following portfolio characteristics as of September 30:

	<u>Amount</u> <u>(in thousands)</u>	<u>PAQR</u>	<u>WAM</u>	
2011				
	\$ 1,897	AAA	4.08	PAQR = portfolio average quality rating by Standard & Poor's WAM = weighted average maturity (in years)
	9,453	AA	5.67	
	1,516	BB	10.60	
	<u>\$ 12,866</u>			
2010				
	\$ 1,931	AA	4.08	
	8,557	AA	6.92	
	2,235	B	10.83	
	<u>\$ 12,723</u>			

Interest Rate Risk – The Plan's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the practice of the Plan to manage this risk by purchasing a mix of short and long-term investments.

The interest rate risk information, expressed as weighted average maturities, is presented in the preceding schedule.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

C. Component Units

At year-end, the Airport Authority's cash and investment balances are significant in relation to total component unit cash and investments, and to the County as a whole.

Airport Authority -The investment policy adopted by the Authority, in accordance with Public Act 20 of 1943, as amended, authorizes investments in U.S. Treasuries, U.S. agencies, and instrumentalities (date-specific maturities only), non-negotiable certificates of deposit, commercial paper (rated A2/P2 or above), bankers' acceptances, repurchase agreements, overnight deposits, or mutual funds. For overnight deposits, the Authority's Treasurer may invest overnight or short-term liquid assets to cover cash flow requirements in the following types of pools: investment pools organized under the Surplus Funds Investment Pool Act of 1982, PA 367, 1 MCL 129.111 to 129.118, or investment pools organized under the Urban Cooperation Act of 1967, PA 7, MCL 124.501 to 124.512. For mutual funds, the Authority's Treasurer may invest in no-load fixed-income mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan, either taxable or tax-exempt. This authorization is limited to mutual funds whose intent is to maintain a net asset value of \$1.00 per share.

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below:

Credit Risk – In compliance with State law, the Authority's investment policy limits investments of commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. As of year-end, the credit quality ratings of investments (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Organization</u>
Money market funds	\$ 24,440,636	AAA	S&P
Commercial paper	154,344,932	A1, P1	S&P, Moody
			Fitch,
Commercial paper	72,646,223	F1, P1	Moody
Commercial paper	3,499,125	A1+, P1	S&P, Moody

Custodial Credit Risk of Bank Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the \$250,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At year-end, the Airport Authority had \$37,604,876 of bank deposits (certificates of deposit, checking, and savings accounts) that were largely uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Custodial Credit Risk of Investments – Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Airport Authority's investment policy requires that all investments not purchased directly from an issuer must be held in the name of the Authority, be purchased using the delivery versus payment procedure, and be held in third-party safekeeping. At year-end, none of the Airport Authority's investments were subject to custodial credit risk due to one of the following:

- Investments were held by a third-party safe-keeper in the Authority's name,
- Investments were held by the Authority's trustee in the Authority's name,
- Investments were part of a mutual fund.

Interest Rate Risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority's investment policy addresses this risk by setting limits by investment fund type as follows:

<u>Fund/Fund Type</u>	<u>Maturity Maximum</u>
General Pool	1 Year
Bond Reserve	5 Years
Bond Payment and Capital Interest Funds	1 business day prior to bond payment date
Construction Funds	Must match draw schedule or less

Note: All commercial paper is limited by State statute to 270 days maximum.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

At year end, the average maturities of investments subject to interest rate risk are as follows:

<u>Airport Authority</u>	<u>Fair value</u> <u>(in thousands)</u>	<u>Average</u> <u>maturity</u>
Investments subject to risk:		
Bond reserves:		
U.S. Treasuries	\$ 57,096	3.2 years
Long-term repo	3,629	10.2 years
Commercial Paper	95,243	11 days
Bond payment funds:		
U.S. Treasuries	71,208	62 days
Capital interest funds:		
2003 Construction		
Commercial Paper	6,999	4 days
2005 Construction		
Commercial Paper	3,300	13 days
Construction funds:		
2005 Construction:		
Commercial paper	23,750	5 months
2007 Construction:		
Commercial paper	13,600	6 days
2009 Construction:		
Commercial paper	7,800	4 days
Other construction and operating:		
Commercial paper	68,999	5 days
Hotel:		
Commercial paper	10,799	15 days
U.S. Treasuries	<u>143</u>	2 months
Investments subject to risk	362,566	
Deposits/investments not subject to risk:		
Deposits	106,515	
Money market funds	<u>24,441</u>	
Total	<u>\$ 493,522</u>	

Concentration of Credit Risk –Through its investment policy, the Authority places limits on the amount the Authority may invest in any one issuer, along with the minimal capital strength of those issuers. There are also limits as to the use of specific types of instruments, along with limits upon use of a single institution. These limits are as follows:

Limits using capital strength test – Maximum investment is 25 percent of combined capital and surplus position of that financial institution.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Limits based upon use of specific instruments –

Investment Type	Limit	Actual % at Year-End
Bankers' acceptances	50%	0.0
Repurchase agreements	25	0.7
Certificates of deposit (bank)	50	9.2
Money market funds	50	4.8
Commercial paper	60	48.1
U.S. Government	100	25.3

Limits based upon use of a single issuer –

Investment Type	Limit
Bankers' acceptances	25% of total portfolio
Repurchase agreements	10% of total portfolio
Certificates of deposit (bank)	33% of total portfolio
Certificates of deposit (S&L)	5% of total portfolio

Actual year-end investments in a single issuer exceeding 5 percent of total portfolio are as follows:

Issuer	Investment Type	Fair Value	Percentage of Portfolio	Rating
Intesa Funding LLC	Commercial paper	\$ 111,189,536	21.92%	A1, P1
Dexia DE LLC	Commercial paper	73,146,218	14.42	F1, P1
HSBC Finance Corp	Commercial paper	32,399,676	6.39	A1, P1

(5) Restricted Assets

In accordance with the terms of bond issuances and for other purposes, certain Sewage Disposal Systems, the Capital Projects Funds, the Delinquent Tax Revolving Fund, the Airport Authority, and certain drainage districts are required to restrict assets for various purposes. Net assets relating to certain of the restricted assets have been restricted.

Restricted assets on the government-wide Statement of Net Assets, totaling \$1.3 billion, include amounts that are pledged toward the payment of outstanding bonds and notes, will be used for maintenance, replacement and/or construction of infrastructure, delinquent tax administration and various other purposes.

A summary of the restricted assets of the Sewage Disposal Systems, the Capital Projects Funds, the Delinquent Tax Revolving Fund, the Airport Authority, and Chapter 21 Drainage District, a non-major component unit, at September 30, 2011, follows:

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	Sewage Disposal Systems	Capital Projects Funds	Delinquent Tax Revolving Fund	Mental Health	Airport Authority	Chapter 21 Drainage District	Total
Operations and maintenance							
Other cash and investments	\$ -	-	-	-	31,549	-	\$ 31,549
Accounts receivable	-	-	-	-	104	-	104
	-	-	-	-	31,653	-	31,653
Replacements and improvements							
Equity in pooled cash and investments	13,648	-	-	-	-	-	13,648
Other cash and investments	-	-	-	-	208	-	208
	13,648	-	-	-	208	-	13,856
Construction							
Equity in pooled cash and investments	1,085	203,622	-	-	-	-	204,707
Other cash and investments	-	-	-	-	75,038	-	75,038
Accounts receivable	-	-	-	-	5	-	5
Due from component unit	-	4,446	-	-	-	-	4,446
	1,085	208,068	-	-	75,043	-	284,196
Bond and interest redemption							
Equity in pooled cash and investments	22,651	-	-	-	-	251	22,902
Other cash and investments	4,405	-	-	-	255,186	-	259,591
Accounts receivable	13,196	-	-	-	432	-	13,628
	40,252	-	-	-	255,618	251	296,121
Bond principal due from municipalities	133,741	-	-	-	-	-	133,741
	133,741	-	-	-	-	-	133,741
Passenger facilities charges							
Other cash and investments	-	-	-	-	29,685	-	29,685
Accounts receivable	-	-	-	-	9,677	-	9,677
	-	-	-	-	39,362	-	39,362
Drug enforcement							
Other cash and investments	-	-	-	-	1,745	-	1,745
	-	-	-	-	1,745	-	1,745
Community Mental Health							
Equity in pooled cash and investments	-	-	-	33,707	-	-	33,707
	-	-	-	33,707	-	-	33,707
Delinquent tax administration							
Equity in pooled cash and investments	-	-	83,209	-	-	-	83,209
Other cash and investments	-	-	72,998	-	-	-	72,998
Property tax receivable	-	-	417,774	-	-	-	417,774
	-	-	573,981	-	-	-	573,981
Total	\$ 188,726	208,068	573,981	33,707	403,629	251	\$ 1,408,362

Bonds principal due from municipalities is recorded upon the issuance of debt for construction of sewage facilities and systems. Such principal will be repaid by the benefited local communities in accordance with the debt service requirements of the County.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

(6) Major Customer – Airport Authority Component Unit

Delta Airlines, Inc. (Delta) accounts for approximately 30 percent of total Authority operating revenues for the year ended September 30, 2011, including 46 percent of landing and related fees, 76 percent of airline rental and related fees, and 76 percent of facility use fees. Approximately 48 percent of total 2011 enplanements are attributable to Delta's operations. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately \$979,000 in net receivables from Delta at September 30, 2011.

The airlines serving the Airport have been impacted by global events to varying degrees. Delta Airlines filed for bankruptcy reorganization in 2005 (it has since emerged), and American Airlines filed for bankruptcy reorganization in November 2011. During 2008, Delta Airlines completed a merger with Northwest Airlines, which was formerly the primary carrier servicing the Airport. This consolidation has affected Detroit Metropolitan Airport positively as Delta has continued to utilize Detroit as a hub and remains the primary carrier.

It is reasonable to assume that any additional financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport, could have a material adverse effect on the Airport. Any financial or operational difficulties by a Signatory Airline may, whether directly or indirectly, have a material adverse impact on Airport operations.

(7) Long-term Receivables

Building and Grounds Maintenance Fund

In 1984, the County, through the EDC, entered into an agreement for the sale and leaseback of the Wayne County Building with the Old Wayne County Building Limited Partnership. The terms of the agreement provided for the refurbishment and restoration of the building in return for a promissory note from the Partnership for \$5.3 million, at 9 percent per annum, due and payable in 2028. The value of the note as of September 30, 2011 is \$39,043,784 (offset with allowance of same amount). The promissory note is a non-recourse obligation of the Partnership that is secured by the Wayne County building. The promissory note requires minimum semi-annual payments of \$500,000. In fiscal year 2011, limited payments were made.

On June 9, 2010, the County filed a lawsuit against the Partnership regarding the payments on the promissory note. The lawsuit was dismissed on August 20, 2010. Arbitration was filed on October 25, 2010. Currently, the matter is before the American Arbitration Association and is scheduled to be settled before the end of calendar year 2012.

Community and Economic Development Fund

In 1992, a federally-funded revolving loan sub-grant was received by Wayne County from the State of Michigan. Prior to fiscal year 2010, Metropolitan Growth and Development Corporation acted as the administrator of the Urban Loan Fund (ULF), on behalf of Wayne County, to promote economic development for minority businesses and businesses in distressed communities. Beginning October 1, 2009, Detroit Midtown Micro-enterprise Fund, a private, non-profit corporation took over as administrative agent to administer the ULF program on behalf of the County.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

As of September 30, 2011, the current value of the outstanding loans is \$479,015 (net of allowance of \$385,548). These represent long-term receivables of the Community and Economic Development Fund.

(8) Capital Assets

Capital assets activity for the year ended September 30, 2011 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Primary Government</u>		Ending <u>Balance</u>
		<u>Increases</u>	<u>Decreases</u>	
<i>Governmental activities:</i>				
Non-depreciable capital assets:				
Land	\$ 534,744	14,271	-	\$ 549,015
Construction in progress	37,298	31,646	(32,092)	36,852
Total non-depreciable capital assets	<u>572,042</u>	<u>45,917</u>	<u>(32,092)</u>	<u>585,867</u>
Depreciable capital assets:				
Land improvements	12,826	-	-	12,826
Buildings and improvements	380,511	3,370	(4,102)	379,779
Machinery, equipment and vehicles	146,239	19,897	(2,895)	163,241
Infrastructure	<u>1,537,166</u>	<u>25,250</u>	<u>-</u>	<u>1,562,416</u>
Total depreciable capital assets	<u>2,076,742</u>	<u>48,517</u>	<u>(6,997)</u>	<u>2,118,262</u>
			-	
Accumulated depreciation:				
Land improvements	(10,733)	(299)	-	(11,032)
Buildings and improvements	(232,893)	(11,478)	3,969	(240,402)
Machinery, equipment and vehicles	(119,965)	(6,549)	2,878	(123,636)
Infrastructure	<u>(1,152,805)</u>	<u>(44,729)</u>	<u>-</u>	<u>(1,197,534)</u>
Total accumulated depreciation	<u>(1,516,396)</u>	<u>(63,055)</u>	<u>6,847</u>	<u>(1,572,604)</u>
Total depreciable capital assets, net	<u>560,346</u>	<u>(14,538)</u>	<u>(150)</u>	<u>545,658</u>
Total governmental activities capital assets, net	<u>\$ 1,132,388</u>	<u>31,379</u>	<u>(32,242)</u>	<u>\$ 1,131,525</u>

Construction in progress as of September 30, 2011 includes roads construction and building renovations. At year-end, the costs expected to be incurred to complete these projects are estimated at \$319 million. These projects are funded by contributions from state and local governmental units, capital project fund appropriations, and general revenues.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Depreciation expense was charged to the functions/programs of the primary government as follows (in thousands):

Governmental activities:	
Judicial	\$ 221
General government	11,474
Public safety	3,528
Highways, streets and bridges	46,541
Health and welfare	523
Recreational and cultural	713
Public works	55
Total depreciation expense - governmental activities	<u>\$ 63,055</u>

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the governmental capital assets.

(in thousands)

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-type activities:</i>				
Downriver Sewage Disposal System:				
Non-depreciable capital assets:				
Land	\$ 2,427	-	-	\$ 2,427
Construction in progress	21,260	2,899	-	24,159
Total non-depreciable capital assets	<u>23,687</u>	<u>2,899</u>	<u>-</u>	<u>26,586</u>
Depreciable capital assets:				
Land improvements	1,367	30	-	1,397
Buildings and improvements	19,094	-	-	19,094
Machinery, equipment and vehicles	838	15	-	853
Infrastructure	363,967	31	(4)	363,994
Total depreciable capital assets	<u>385,266</u>	<u>76</u>	<u>(4)</u>	<u>385,338</u>
Accumulated depreciation:				
Land improvements	(326)	(63)	-	(389)
Buildings and improvements	(17,169)	(143)	-	(17,312)
Machinery, equipment and vehicles	(492)	(62)	-	(554)
Infrastructure	(146,403)	(13,172)	-	(159,575)
Total accumulated depreciation	<u>(164,390)</u>	<u>(13,440)</u>	<u>-</u>	<u>(177,830)</u>
Total depreciable capital assets, net	<u>220,876</u>	<u>(13,364)</u>	<u>(4)</u>	<u>207,508</u>
Total Downriver Sewage Disposal capital assets, net	<u>\$ 244,563</u>	<u>(10,465)</u>	<u>(4)</u>	<u>\$ 234,094</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

(in thousands)

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Rouge Valley Sewage Disposal System:				
Non-depreciable capital assets:				
Land	\$ 1,449	-	-	\$ 1,449
Construction in progress	9,865	8,374	-	18,239
Total non-depreciable capital assets	<u>11,314</u>	<u>8,374</u>	<u>-</u>	<u>19,688</u>
Depreciable capital assets:				
Buildings and improvements	9,043	-	-	9,043
Machinery, equipment and vehicles	280	-	-	280
Infrastructure	118,118	17	-	118,135
Total depreciable capital assets	<u>127,441</u>	<u>17</u>	<u>-</u>	<u>127,458</u>
Accumulated depreciation:				
Buildings and improvements	(6,049)	(271)	-	(6,320)
Machinery, equipment and vehicles	(87)	(24)	-	(111)
Infrastructure	<u>(41,584)</u>	<u>(1,698)</u>	<u>-</u>	<u>(43,282)</u>
Total accumulated depreciation	<u>(47,720)</u>	<u>(1,993)</u>	<u>-</u>	<u>(49,713)</u>
Total depreciable capital assets, net	<u>79,721</u>	<u>(1,976)</u>	<u>-</u>	<u>77,745</u>
Total Rouge Valley Sewage Disposal System capital assets, net	<u>\$ 91,035</u>	<u>6,398</u>	<u>-</u>	<u>\$ 97,433</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<i>Non-major business-type activities:</i>				
Non-depreciable capital assets:				
Land	\$ 1,434	-	-	\$ 1,434
Construction in progress	155	-	-	155
Total non-depreciable capital assets	<u>1,589</u>	<u>-</u>	<u>-</u>	<u>1,589</u>
Depreciable capital assets:				
Land Improvements	78	-	-	78
Buildings and improvements	10,064	-	-	10,064
Machinery, equipment and vehicles	175	-	-	175
Infrastructure (Sewage disposal systems)	<u>1,157</u>	<u>-</u>	<u>-</u>	<u>1,157</u>
Total depreciable capital assets	<u>11,474</u>	<u>-</u>	<u>-</u>	<u>11,474</u>
Accumulated depreciation:				
Land Improvements	(12)	(4)	-	(16)
Buildings and improvements	(6,925)	(322)	-	(7,247)
Machinery, equipment and vehicles	(122)	(9)	-	(131)
Infrastructure (sewage disposal systems)	<u>(444)</u>	<u>(25)</u>	<u>-</u>	<u>(469)</u>
Total accumulated depreciation	<u>(7,503)</u>	<u>(360)</u>	<u>-</u>	<u>(7,863)</u>
Total depreciable capital assets, net	<u>3,971</u>	<u>(360)</u>	<u>-</u>	<u>3,611</u>
Total non-major business-type activity capital assets, net	<u>5,560</u>	<u>(360)</u>	<u>-</u>	<u>5,200</u>
Grand total business-type activity capital assets, net	<u>\$ 341,158</u>	<u>\$ (4,427)</u>	<u>\$ (4)</u>	<u>\$ 336,727</u>

Depreciation expense was charged to the business-type activities of the primary government as follows (in thousands):

Business-type activities:	
Sewage Disposal Systems (includes non-major activities)	\$ 15,785
Parking Lots	4
Copy Center	4
Total depreciation expense - business-type activities	<u>\$ 15,793</u>

Construction in progress involves various Sewage Disposal System improvements. The costs expected to be incurred to complete these projects are estimated at \$84 million. These projects are expected to be funded by future contributions from federal grants, participating local governmental units, and assets restricted for improvements.

CHARTER COUNTY OF WAYNE, MICHIGAN**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2011

Discretely presented component units

Capital assets activity for the year ended September 30, 2011 was as follows:

Airport Authority:

Non-depreciable capital assets:

Land	\$ 242,496	-	-	\$ 242,496
Construction in progress	<u>68,720</u>	<u>29,489</u>	<u>(63,013)</u>	<u>35,196</u>
Total non-depreciable capital assets	<u>311,216</u>	<u>29,489</u>	<u>(63,013)</u>	<u>277,692</u>

Depreciable capital assets:

Buildings and improvements	2,057,938	17,153	(1,762)	2,073,329
Machinery, equipment and vehicles	68,450	4,650	(113)	72,987
Infrastructure	<u>1,261,557</u>	<u>49,807</u>	<u>-</u>	<u>1,311,364</u>
Total depreciable capital assets	<u>3,387,945</u>	<u>71,610</u>	<u>(1,875)</u>	<u>3,457,680</u>

Accumulated depreciation:

Buildings and improvements	(694,920)	(86,713)	100	(781,533)
Machinery, equipment and vehicles	(45,849)	(4,357)	1,724	(48,482)
Infrastructure	<u>(684,458)</u>	<u>(51,684)</u>	<u>-</u>	<u>(736,142)</u>
Total accumulated depreciation	<u>(1,425,227)</u>	<u>(142,754)</u>	<u>1,824</u>	<u>(1,566,157)</u>

Total depreciable capital assets, net	<u>1,962,718</u>	<u>(71,144)</u>	<u>(51)</u>	<u>1,891,523</u>
---------------------------------------	------------------	-----------------	-------------	------------------

Total Airport Authority capital assets, net	<u>\$ 2,273,934</u>	<u>(41,655)</u>	<u>(63,064)</u>	<u>\$ 2,169,215</u>
---	---------------------	-----------------	-----------------	---------------------

The estimated costs to complete Metro Airport's current capital improvement program totaled \$489.7 million at September 30, 2011, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled \$41 million at September 30, 2011.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled \$154 million at September 30, 2011, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled \$177 thousand at September 30, 2011.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

(in thousands)

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Circuit Court:				
Non-depreciable capital assets:				
Land	\$ 4,008	-	(307)	\$ 3,701
Construction in progress	<u>2,451</u>	<u>424</u>	<u>-</u>	<u>2,875</u>
Total non-depreciable capital assets	<u>6,459</u>	<u>424</u>	<u>(307)</u>	<u>6,576</u>
Depreciable capital assets:				
Land improvements	119	-	-	119
Buildings and improvements	3,058	-	-	3,058
Machinery, equipment and vehicles	<u>14,504</u>	<u>81</u>	<u>-</u>	<u>14,585</u>
Total depreciable capital assets	<u>17,681</u>	<u>81</u>	<u>-</u>	<u>17,762</u>
Accumulated depreciation:				
Land improvements	(119)	-	-	(119)
Buildings and improvements	(3,058)	-	-	(3,058)
Machinery, equipment and vehicles	<u>(10,598)</u>	<u>(533)</u>	<u>-</u>	<u>(11,131)</u>
Total accumulated depreciation	<u>(13,775)</u>	<u>(533)</u>	<u>-</u>	<u>(14,308)</u>
Total depreciable capital assets, net	<u>3,906</u>	<u>(452)</u>	<u>-</u>	<u>3,454</u>
Total Circuit Court capital assets, net	<u>\$ 10,365</u>	<u>(28)</u>	<u>(307)</u>	<u>\$ 10,030</u>

Construction in progress as of September 30, 2011 consists of a case management system. Costs expected to be incurred to complete the system are estimated at \$925 thousand. These costs will be funded through future bond issuances.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Non-major Component Units:				
Non-depreciable capital assets:				
Construction in progress	\$ 4,407	4,075	-	\$ 8,482
Total non-depreciable capital assets	<u>4,407</u>	<u>4,075</u>	<u>-</u>	<u>8,482</u>
Depreciable capital assets:				
Buildings and improvements	22,311	-	-	22,311
Infrastructure	64,112	-	-	64,112
Machinery, equipment and vehicles	<u>2,817</u>	<u>127</u>	<u>-</u>	<u>2,944</u>
Total depreciable capital assets	<u>89,240</u>	<u>127</u>	<u>-</u>	<u>89,367</u>
Accumulated depreciation:				
Buildings and improvements	(17,794)	(263)	-	(18,057)
Infrastructure	(40,067)	(2,013)	-	(42,080)
Machinery, equipment and vehicles	<u>(1,221)</u>	<u>(265)</u>	<u>-</u>	<u>(1,486)</u>
Total accumulated depreciation	<u>(59,082)</u>	<u>(2,541)</u>	<u>-</u>	<u>(61,623)</u>
Total depreciable capital assets, net	<u>30,158</u>	<u>(2,414)</u>	<u>-</u>	<u>27,744</u>
Total non-major component units capital assets, net	<u>34,565</u>	<u>1,661</u>	<u>-</u>	<u>36,226</u>
Grand total discretely presented component units capital assets, net	<u>\$ 2,318,864</u>	<u>(40,022)</u>	<u>(63,371)</u>	<u>\$ 2,215,471</u>

Depreciation expense was charged in the component unit funds as follows (in thousands):

Airport Authority	\$ 142,754
Circuit Court	533
Probate Court	236
Chapter 21 Drains	1,399
Chapter 20 Drains	896
GWEDC	4
HealthChoice	2
Land Bank	3

For the year ended September 30, 2011, the amount of interest capitalized for discretely presented component units was \$1.2 million.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

Fiduciary Funds

Capital assets activity for the year ended September 30, 2011 was as follows:

(in thousands)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable capital assets:				
Machinery, equipment and vehicles	\$ 422	9	-	\$ 431
Total non-depreciable capital assets	<u>422</u>	<u>9</u>	<u>-</u>	<u>431</u>
Accumulated depreciation:				
Machinery, equipment and vehicles	(413)	(3)	-	(416)
Total accumulated depreciation	<u>(413)</u>	<u>(3)</u>	<u>-</u>	<u>(416)</u>
Total depreciable capital assets, net	<u>9</u>	<u>6</u>	<u>-</u>	<u>15</u>
Total fiduciary capital assets, net	<u>\$ 9</u>	<u>6</u>	<u>-</u>	<u>\$ 15</u>

(9) Property Taxes

County Tax Levy

The County general operating property tax (established by Charter) is levied each July 1 (lien date). County taxes are receivable beginning on the July 1 levy date and become delinquent on March 1 of the following year. Other ad valorem and statutory property taxes are levied on December 1.

Pursuant to the County Charter and State law, the County has levied an ad valorem property tax against the State Equalized Valuation (SEV), based on property values determined by local assessors in the several townships and cities as of the preceding December 31. By statute, these assessment values are calculated at 50 percent of true cash value. Real and personal property in Wayne County for the July 1, 2010 and December 1, 2010 combined levies was equalized at \$50.6 billion.

In 1994, Michigan voters approved Proposal A, which limits future annual increases in assessed values to the lesser of 5 percent or the rate of inflation, with assessed value reverting to 50 percent of true cash value when the property is sold. Beginning in 1995, taxable property had two valuations: SEV and Taxable Value, with property taxes calculated upon the Taxable Value of real and personal property. Generally, Taxable Value is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, multiplied by the lesser of the inflation rate or 5 percent, plus additions, or (b) the property's current SEV. Therefore, Taxable Value of a property may be different from the same property's SEV. The December 2010 ad valorem and statutory levies were equal to the millage rate times the 2010 taxable value of \$46,288,742,665. The July 2011 general operating levy was the millage rate times the 2011 taxable value of \$43,021,666,595.

By statute, the County's ad valorem property tax rate may not exceed 10.0 mills, plus any additional millage authorized by statute and approved by the voters of the County. The County Charter, as approved by the electorate on November 3, 1981, established 6.07 mills to be the maximum rate for general operating purposes.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

In 1988, the voters of Wayne County approved an additional 1 mill (jail millage) to be levied through December 1, 1997, to acquire, construct, and/or operate jail, misdemeanor, juvenile incarceration or detention facilities; and to provide adult-penalty options such as work release, home detention, and community restitution, with at least one-tenth of a mill set aside to acquire, build, and operate a juvenile offender work/training institution. In 1998, the Wayne County electorate voted to continue the one mill for the years 1998 through 2001. In 2002, the Wayne County electorate again voted to continue this one additional mill (as reduced by the Headlee requirements of the Michigan Constitution) for the years 2002 through 2011.

In 1990, the voters of Wayne County approved an additional 1 mill, to be levied through December 1, 1999, for general operating purposes. In 2000, the Wayne County electorate voted to continue the additional one mill (as reduced by the Headlee requirements of the Michigan Constitution) for the years 2000 through 2009. In 2009, the voters renewed the additional one mill for the years 2009 through 2019.

In 1996, the voters of Wayne County approved an additional quarter-mill to be levied through December 1, 2000, to fund operations and major improvements in the Wayne County Parks System and historic Fort Wayne. In 2000, the Wayne County electorate voted to continue the additional quarter-mill (as reduced by the Headlee requirements of the Michigan Constitution) for the years 2001 through 2010. In 2010, the voters renewed the additional quarter-mill to be levied through 2015.

The 1976 Headlee Amendment (Michigan Constitution, Article IX) provides that the total County ad valorem property tax levy is subject to reduction in any year in which the increase in assessed (or taxable) values on existing properties exceeds the Consumer Price Index. As a result of the Headlee Amendment, the December 1, 2010 and July 1, 2011 tax rates, per \$1,000 of Valuation, were:

Charter (Statutory)	5.6483
Public Safety (Jail millage)	0.9381
Extra Voted (Additional general)	0.9529
County Parks	0.2459
Soldiers Relief (Veteran's relief)	<u>0.0368</u>
Total	<u><u>7.8220</u></u>

Delinquent Tax Revolving Fund

The Wayne County Treasurer (Treasurer) is required by the General Property Tax Law, (Act 206 of 1983) as amended, to collect delinquent real property taxes levied by all local units of government within the County. Public Act 123 of 1999 (the Act) amended the General Property Tax Law to subject property on which taxes have become delinquent to expedited forfeiture, foreclosure, and sale over a two-year period. All property returned for delinquent taxes, and upon which taxes, interest, penalties, and fees remain unpaid after the property is returned as delinquent to the Treasurer, is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes. The Act reformed the tax reversion process by shortening it to two years and amending the May Tax Sale process. The Act also established the primary responsibility for administration with the Treasurer.

In addition, under the Act, the Treasurer pays the local governmental unit's Treasurer in full for delinquent real property taxes owed according to the delinquent tax roll "returned" to the County Treasurer. Taxes eligible for payment include all delinquent taxes, except taxes on personal property, due and payable to the taxing authorities in the County. The Treasurer is then responsible for the collection of all outstanding delinquent taxes, due to the County, local school district, intermediate

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

school district, community college district, city, township, special assessment district, or any other taxing authority. The County retains all interest and penalties generated by the delinquent taxes to offset its tax collection costs.

Effective March 1, 2004, payment of delinquent real property taxes for the City of Detroit changed pursuant to Michigan Public Act 246. This Act required the City of Detroit to become a part of the uniform state property tax collection process, and changed the Treasurer's responsibility to include collection of delinquent City of Detroit real property taxes.

The General Property Tax Law authorized the Treasurer to establish a Delinquent Tax Revolving Fund, an enterprise fund, to buy any or all delinquent real property taxes and special assessments owed to the County and taxing authorities in the County. The assets of the Delinquent Tax Revolving Fund, including delinquent property taxes receivable amounting to \$417.8 million at September 30, 2011, are pledged as collateral for payment of the General Obligation Limited Tax Notes (see chart below). Proceeds of the notes are used to liquidate amounts due to the County's General Fund, other County funds, the communities, and other governmental agencies for the purchase of the delinquent real property taxes receivable. Debt service on the notes is funded by subsequent collections on delinquent taxes, plus interest and collection fees thereon, and by investment earnings.

In October 2010, in connection with the purchase of 2009 delinquent property taxes, the County issued the following General Obligation Limited Tax Notes. These notes were issued to cover delinquent taxes for communities within Wayne County:

<u>Note payable</u>	<u>Issue Date</u>	<u>Amount</u> <u>(in thousands)</u>	<u>Maturity Date</u>	<u>Interest Rate</u> <u>(percentage)</u>	
Series 2010A	10/05/2010	\$ 25,000	09/15/2012	4.00734	
Series 2010B-3	11/17/2010	\$ 33,250	03/15/2012	4.00000	*
Series 2010B-4	11/17/2010	\$ 28,300	09/15/2012	4.50000	*
Series 2010B-5	12/02/2010	\$ 23,750	03/15/2012	4.50000	
		\$ 11,700	09/15/2012	4.62500	
Series 2010C	10/07/2010	\$ 30,000	09/15/2012	4.00000	*

* Variable interest rate based on LIBOR rate.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

In June 2011, in connection with the purchase of 2010 delinquent property taxes, the County issued the following General Obligation Limited Tax Notes. These notes were issued to cover delinquent taxes for communities within Wayne County:

<u>Note payable</u>	<u>Issue Date</u>	<u>Amount</u> <u>(in thousands)</u>	<u>Maturity Date</u>	<u>Interest Rate</u> <u>(percentage)</u>	
Series 2011A	06/15/2011	\$ 25,000	09/15/2013	3.68955	*
Series 2011B	06/17/2011	\$ 30,000	09/15/2013	4.02000	*
Series 2011C	06/21/2011	\$ 20,000	09/15/2013	3.17580	*
Series 2011D	06/23/2011	\$ 25,000	09/15/2013	3.68580	*
Series 2011E	06/24/2011	\$ 9,000	03/15/2012	2.50000	*
		\$ 8,400	09/15/2012	3.00000	*
		\$ 3,900	03/15/2013	3.50000	*
		\$ 8,700	09/15/2013	4.00000	*
Series 2011F	06/14/2011	\$128,000	09/15/2013	5.00000	

* Variable interest rate based on LIBOR rate.

Amounts remaining from the 2008 and prior Delinquent Tax Funds at September 30, 2011 are no longer required for debt service or administration. A portion of the excess earnings (surpluses) relating to these funds are periodically transferred to the County's General Fund. During 2011, a \$16.8 million transfer was made.

Real property taxes not collected within two years after the sale of the related General Obligation Limited Tax Notes are charged back to the appropriate taxing authorities (including the County's General Fund). For the fiscal year ended September 30 2011, approximately \$17 million of delinquent taxes receivable, net of related tax sales auction proceeds, were reflected as a reduction of property tax revenues in the County's General Fund. At September 30, 2011, two years of the County's delinquent real property taxes receivable are recorded in the Delinquent Tax Revolving Fund.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

(10) Interfund Transfers, Balances and Advances

Interfund Transfers

Interfund transfers are used to 1) transfer revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) transfer receipts restricted to debt service from the funds collecting the receipts to the debt service funds as debt service payments become due, and 3) transfer unrestricted revenues collected in the General Fund to other funds to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended September 30, 2011 consisted of the following (in thousands):

	Transfers Out							
	Wayne County							Total Transfers In
	General Fund	Roads	Building Authority Construction	Non-major Governmental Funds	Delinquent Tax Revolving	Non-major Enterprise Funds	Internal Service	
General Fund	\$ -	135	-	45	16,807	-	-	\$ 16,987
Mental Health	16,507	-	-	-	-	-	-	16,507
Health	2,056	-	-	-	-	-	-	2,056
Juvenile Justice	75,330	-	-	3,504	-	-	-	78,834
Non-major Governmental Funds	15,224	6,486	4,687	-	82	-	4,225	30,704
Non-major Enterprise Funds	-	-	-	-	-	157	-	157
Internal Service Funds	6,454	-	-	-	-	-	-	6,454
Total Transfers Out	\$ 115,571	6,621	4,687	3,549	16,889	157	4,225	\$ 151,699

Interfund Balances

The interfund balances resulted from the time lag between the dates 1) interfund goods and services are provided or reimbursable expenditures occur, and 2) payment between funds are made.

Interfund balances at September 30, 2011 consisted of the following (in thousands):

	Due from Other Funds		
	General Fund	Non-major Governmental Funds	Total Due from Other Funds
General Fund	\$ -	269	\$ 269
Wayne County Building Authority Construction	-	110	110
Non-major Governmental Delinquent Tax	15,000	-	15,000
Total Due to Other Funds	\$ 15,000	380	\$ 15,380

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

<u>Due from Component Units</u>				
	<u>Airport Authority</u>	<u>Non-Major Component Units</u>	<u>Total Due from Component Units</u>	
Due to Primary Government	Governmental Activities:			
	General Fund	\$ 85	2,656	\$ 2,741
	Roads	89	-	89
	Non-major Governmental Funds	8	4,446	4,454
	Internal Service Funds	-	-	-
	Total Due to Primary Government - Governmental Activities	182	7,102	7,284
	Business-type Activities:			
	Downriver Sewage Disposal System	54	-	54
	Total Due to Primary Government	\$ 236	\$ 7,102	\$ 7,338
	Due to Fiduciary Funds	\$ 13	-	\$ 13

Due to Component Unit	Due from Primary Government		
		Non-Major	Total Due
		Governmental	From Primary
	<u>General Fund</u>	<u>Funds</u>	<u>Government</u>
Non-major Component Unit	\$ -	3,181	\$ 3,181
Total due to Component Unit	<u>\$ -</u>	<u>3,181</u>	<u>\$ 3,181</u>

Long-term Receivable from Third Circuit Court

The County issued the Series 2009A and 2009B Local Project bonds through the Michigan Municipal Bond Authority in March 2009. A portion of those bonds was allocated to the Third Circuit Court for the purpose of acquiring or refinancing certain personal property and equipment for the courts. The debt is considered a limited tax obligation of the County. In prior years, these bonds were disclosed in Note 12, Long-Term Debt and Other Obligations. In fiscal year 2010, it was determined that this obligation was more accurately reflected as a due to primary government by the Third Circuit Court and a long-term receivable from the Third Circuit Court on the government-wide statement of net assets (governmental activities).

As of October 1, 2010, the long-term receivable was equal to \$1.785 million. During fiscal year 2011, the Court spent an additional \$424,000. This activity resulted in a balance equal to \$2.092 million as of September 30, 2011. Of the outstanding amount, \$123,000 is due within one year.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Long-term Payable to Component Unit

The long-term payable to component unit (receivable from primary government), represents the amount due to the Detroit-Wayne County Stadium Authority (Stadium Authority) from the County for repayment of the 1997 Stadium Authority Revenue Bonds (the bonds). Pursuant to Public Act 180 of 1991, *Stadia or Convention Facility Development*, the County levies an excise tax on tourism related activities to fund principal and interest payments on these bonds. The long-term payable balance of \$64.95 million is equal to the September 30, 2011 balance of the bonds.

The long-term payable to component unit (receivable from primary government) also represents the amount due to the Third Circuit Court from the County for long-term liabilities including other post-employment benefits, net pension obligation, compensated absences and litigation that are recognized on an accrual basis, but are not due and payable in the current period. The long-term payable balance as of September 30, 2011 is \$22.27 million and is equal to the amount of the liabilities.

Disaggregation of Receivable and Payable Balances

Significant receivable and payable balances from other governmental units at September 30, 2011 are as follows (in thousands):

	Due From Other Governmental Units			
	State of <u>Michigan</u>	U.S. Federal <u>Government</u>	Local <u>Governments</u>	<u>Total</u>
General Fund	\$ 13,053	\$ 2,628	\$ 3,681	\$ 19,362
Roads	15,676	-	2,095	17,771
Mental Health	3,827	678	-	4,505
Health	1,186	31	53	1,270
Juvenile Justice and Abuse/Neglect	21,986	1,851	-	23,837
Non-major Governmental Funds	837	6,950	441	8,228
Internal Service Funds	-	95	-	95
Total Governmental Activities	<u>\$ 56,565</u>	<u>12,233</u>	<u>6,270</u>	<u>\$ 75,068</u>
Downriver Sewage Disposal System	\$ -	-	3,930	\$ 3,930
Rouge Valley Sewage Disposal System	-	-	7,849	7,849
Non-major Enterprise Funds	-	-	6,395	6,395
Total Business-type Activities	<u>\$ -</u>	<u>-</u>	<u>18,174</u>	<u>\$ 18,174</u>
Airport Authority	\$ -	-	12,823	\$ 12,823
Circuit Court	8,681	207	-	8,888
Non-major Component Units	47	234	417	698
Total Component Units	<u>\$ 8,728</u>	<u>\$ 441</u>	<u>\$ 13,240</u>	<u>\$ 22,409</u>

There are certain receivables from governmental activities, classified as current on the Government-wide Statement of Net Assets, that were not collected within sixty days of year-end and are thus not considered available to fund liabilities of the current fiscal year. At September 30, 2011, there are approximately \$8.5 million of receivables from Federal, State, and various local municipalities that were not collected within sixty days of year-end. There are also approximately \$49.9 million of property tax receivables and \$2.7 million of contractor and other receivables that were not collected within sixty days of year-end. These amounts are included in deferred revenue in the governmental funds as of September 30, 2011.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

	Due To Other Governmental Units			
	<u>State of Michigan</u>	<u>U.S. Federal Government</u>	<u>Local Governments</u>	<u>Total</u>
General Fund	\$ 1,774	-	-	\$ 1,774
Roads	3,963	-	474	4,437
Mental Health	24,336	-	-	24,336
Health	-	-	243	243
Non-major Governmental Funds	-	10	646	656
Total Governmental Activities	<u>\$ 30,073</u>	<u>10</u>	<u>1,363</u>	<u>\$ 31,446</u>
Airport Authority	\$ -	-	1,177	\$ 1,177
Non-major Component Units	-	-	104	104
Total Component Units	<u>\$ -</u>	<u>-</u>	<u>1,281</u>	<u>\$ 1,281</u>
Agency Funds	\$ 806	120	310	\$ 1,236
Total Fiduciary Funds	<u>\$ 806</u>	<u>120</u>	<u>310</u>	<u>\$ 1,236</u>

(11) Short-Term Debt – Tax Anticipation Notes

The County issues tax anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. Public Act 357 of 2004 shifted the County's general operating levy (primary revenue source) from December 1 (first quarter of fiscal year) to July 1 (fourth quarter of fiscal year). Periodic cash flow shortfalls occur throughout the year as the majority of collections on the general operating levy are received in late August through mid-October.

On December 17, 2010, tax anticipation notes of \$100 million were sold at 3.5 percent with a maturity date of September 30, 2011. The 2011 Tax Anticipation Notes were paid in full by the County in September 2011.

Interest expense is reported as debt service in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, and as a general government expense in the government-wide Statement of Activities. Interest expense related to the 2011 tax anticipation notes amounted to \$2.8 million, for the year ended September 30, 2011.

Short-term debt activity for the year ended September 30, 2011, was as follows (amounts in thousands):

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
2011 Tax anticipation notes	\$ -	100,000	100,000	\$ -

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(12) Long-Term Debt and Other Obligations

Changes in long-term liabilities for the year ended September 30, 2011, are summarized in the following tables. Amounts are rounded to thousands of dollars. County debt is limited to 10 percent (or approximately \$4.6 billion) of State Equalized Value of property in the County at September 30, 2011.

(in thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Principal Amounts Due within One Year</u>
Governmental Activities:					
General obligation bonds:					
Wayne County Building Authority - Limited Tax General Obligation Capital Improvement Bonds, Series 1996A, 4.00% to 6.50%, due 6-1-2016	\$ 19,480	-	(2,835)	\$ 16,645	\$ 2,990
Wayne County Building Authority - Limited Tax General Obligation Jail Facilities Bonds, Series 2010, 6.22% to 10%, due 12-1-2040 (Federally Taxable - Recovery Zone Economic Development Bonds)	-	200,000	-	200,000	-
Michigan Municipal Bond Authority Local Government Loan Program General Obligation Limited Tax Capital Improvement Bonds, Series 2003B, 2.0 to 4.75%, due 11-1-2023	10,580	-	(585)	9,995	600
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Ref94A, 4.25 to 5.75%, due 12-1-2018	25,265	-	(2,250)	23,015	2,355
Wayne County Limited Tax General Obligation Capital Improvement Bonds, Series 2008A 4.375% to 5.00%, due 8-1-2038	32,875	-	-	32,875	-
Wayne County Limited Tax General Obligation Capital Improvement Bonds, Series 2008B 5.25% to 5.50%, due 8-1-2025	16,685	-	(775)	15,910	815
Wayne County Limited Tax General Obligation Water and Sewage Disposal System Bonds, Series 2008 4.5% to 5.7%, due 8-1-2038	12,650	-	(220)	12,430	230
Wayne County Limited Tax General Obligation Building Improvement Bonds, Series 2009A 6.75%, due 11-1-2039	24,885	-	(255)	24,630	355
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2009A, Local Project Bonds, 4.55 to 7.0% due 11-1-2018	8,105	-	(1,425)	6,680	1,125
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2009B, Local Project Bonds, 3.75 to 5.375%, due 11-1-2024	24,715	-	(3,000)	21,715	3,500
Michigan Finance Authority Local Government Loan Program Revenue Bonds, Series 2010D, Local Project Bonds, 2.25% to 3.125%, due 06-01-2016	7,670	-	(2,320)	5,350	2,310
Michigan Finance Authority Local Government Loan Program Installment Purchase Agreements, Series 2011A, 2.39%, due 9-30-2015	-	9,026	-	9,026	2,256
Michigan Transportation Fund Bonds: Series 1998, 4.00% to 5.25%, due 10-1-2012	8,560	-	(2,720)	5,840	2,850
Michigan Transportation Fund Bonds: Series 1999, 4.0% to 5.3%, due 10-1-2013	<u>10,260</u>	<u>-</u>	<u>(2,365)</u>	<u>7,895</u>	<u>2,490</u>
Subtotal general obligation bonds payable	201,730	209,026	(18,750)	392,006	21,876

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Bond premium	2,648	-	(222)	2,426	222
Bond discount	(530)	117	-	(413)	(117)
Deferred gain (loss) on refunding	<u>(4,660)</u>	<u>565</u>	<u>-</u>	<u>(4,095)</u>	<u>(565)</u>
Total general obligation bonds payable	199,188	209,708	(18,972)	389,924	21,416

Notes payable:

Series 2009A, due 6-15-2011, interest equal to 2.76% plus the one month LIBOR rate (resets monthly)	27,560	-	(27,560)	-	-
Series 2009C, due 6-1-2011, interest equal to 6.00% to 6.50% plus the one month LIBOR rate (resets monthly)	103,500	-	(103,500)	-	-
Series 2010A, due 9-15-2012, interest equal to 4.00734% plus the one month LIBOR rate (resets monthly)	-	25,000	(17,995)	7,005	7,005
Series 2010B, due 9-15-2012, interest equal to 2.50% to 4.50% plus the one month LIBOR rate (resets monthly)	-	174,000	(77,000)	97,000	97,000
Series 2010C, due 9-15-2012, interest equal to 4.00% plus the one month LIBOR rate (resets monthly)	-	30,000	(21,590)	8,410	8,410
Series 2011A, due 9-15-2013, interest equal to 3.68955% plus the one month LIBOR rate (resets monthly)	-	25,000	(4,000)	21,000	-
Series 2011B, due 9-15-2013, interest equal to 4.02% plus the one month LIBOR rate (resets monthly)	-	30,000	(4,800)	25,200	-
Series 2011C, due 9-15-2013, interest equal to 3.17580% plus the one month LIBOR rate (resets monthly)	-	20,000	(3,240)	16,760	-
Series 2011D, due 9-15-2013, interest equal to 3.68580% plus the one month LIBOR rate (resets monthly)	-	25,000	(4,020)	20,980	-
Series 2011E, due 9-15-2013, interest equal to 2.5% to 4.00% plus the one month LIBOR rate (resets monthly)	-	30,000	-	30,000	17,400
Series 2011F, due 9-15-13, interest equal to 5.00% fixed rate	-	128,000	-	128,000	74,240
Brownfield Revolving Loan Fund – Promissory Note, due 5-1-2016, interest equal to 1%	-	1,000	-	1,000	200
Capital Leases - Equipment	<u>6,098</u>	<u>-</u>	<u>(2,553)</u>	<u>3,545</u>	<u>646</u>
Total notes and leases payable	<u>137,158</u>	<u>488,000</u>	<u>(266,258)</u>	<u>358,900</u>	<u>204,901</u>
Total bonds, notes, and leases payable	336,346	697,708	(285,230)	748,824	226,317

Other long-term obligations:

Claims, litigation, and assessments	9,556	675	(4,665)	5,566	515
Obligation for other post-employment benefits	67,450	50,460	(103)	117,807	-
Net pension obligation	-	24,545	-	24,545	-
Compensated absences	<u>25,239</u>	<u>26,493</u>	<u>(25,239)</u>	<u>26,493</u>	<u>26,493</u>
Total other long-term obligations	<u>102,245</u>	<u>102,173</u>	<u>(30,007)</u>	<u>174,411</u>	<u>27,008</u>
Total Governmental activities	<u>\$ 438,591</u>	<u>799,881</u>	<u>(315,237)</u>	<u>\$ 923,235</u>	<u>\$ 253,325</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Business-type Activities:					
Downriver Sewage Disposal System					
General obligation bonds:					
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1994, Revolving Loan Fund, Series #1A-1F, 2%, generally due serially through 10-1-2014	\$ 2,863	-	(708)	\$ 2,155	\$ 723
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-01, 2.5%, generally due serially through 4-1-2020	58	-	(6)	52	6
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-03, 2.25%, generally due serially through 10-1-2015	4,145	-	(790)	3,355	810
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-05, 2.25%, generally due serially through 10-1-2014	260	-	(60)	200	65
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-15, 2.25%, generally due serially through 10-1-2018	22,515	-	(2,600)	19,915	2,655
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-18, 2.25%, generally due serially through 10-1-2017	5,910	-	(790)	5,120	805
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-19, 2.25%, generally due serially through 10-1-2017	4,307	-	(580)	3,727	590
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-20, 2.50%, generally due serially through 10-1-2020	6,765	-	(600)	6,165	620
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-21, 2.25%, generally due serially through 10-1-2016	991	-	(164)	827	169
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-23, 2.25%, generally due serially through 10-1-2017	840	-	(110)	730	115
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-24, 2.25%, generally due serially through 10-1-2020	32,270	-	(2,910)	29,360	2,980
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1998, Revolving Loan Fund #5117-25, 2.25%, generally due serially through 10-1-2020	9,380	-	(845)	8,535	865

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Principal Amounts Due within One Year</u>
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-26, 2.25%, generally due serially through 10-1-2017	2,405	-	(320)	2,085	330
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-27, 2.25%, generally due serially through 10-1-2017	2,023	-	(278)	1,745	283
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-28, 2.25%, generally due serially through 4-1-2018	866	-	(99)	767	104
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1997, Revolving Loan Fund #5117-29, 2.25%, generally due serially through 4-1-2018	1,140	-	(130)	1,010	135
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-30, 2.25%, generally due serially through 4-1-2018	2,595	-	(300)	2,295	305
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-31, 2.25%, generally due serially through 10-1-2018	1,745	-	(200)	1,545	205
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-32, 2.25%, generally due serially through 10-1-2019	5,897	-	(600)	5,297	615
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bonds, Series 2000, Revolving Loan Fund #5117-34, 2.50%, generally due serially through 4-1-2021	3,105	-	(250)	2,855	255
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, 1999 Series A Refunding Bonds 4.5% to 5.125%, generally due serially through 11-1-2013	2,175	-	(690)	1,485	725
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, 1999 Series B Bonds 4.5% to 5.125%, generally due serially through 11-1-2018	7,985	-	(830)	7,155	870
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2005, Revolving Loan Fund #5217-01, 1.625%, generally due serially through 10-1-2026	3,860	-	(215)	3,645	215
Wayne County Downriver Sewage Disposal System Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Completion Bonds, 4.25% to 5.75%, generally due serially through 12-1-2027	<u>14,815</u>	<u>-</u>	<u>(525)</u>	<u>14,290</u>	<u>550</u>
Subtotal general obligation bonds payable	138,915	-	(14,600)	124,315	14,995

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Principal Amounts Due within One Year</u>
Revenue bonds:					
Wayne County Downriver Sewage Disposal System Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007D, 4.0% to 5.4%, generally due serially through 5-1-2028	4,030	-	(145)	3,885	155
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2008A, Revolving Loan Fund #5217-02, 2.50%, generally due serially through 10-1-2029	3,897	247	(180)	3,964	185
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2008A, Revolving Loan Fund #5217-03, 2.50%, generally due serially through 10-1-2030	8,735	1,836	(435)	10,136	445
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2008A, Revolving Loan Fund #5217-04, 2.50%, generally due serially through 4-1-2030	10,749	1,353	(475)	11,627	485
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2008A, Revolving Loan Fund #5217-05, 2.50%, generally due serially through 10-1-2029	<u>4,160</u>	<u>-</u>	<u>(175)</u>	<u>3,985</u>	<u>180</u>
Subtotal revenue bonds payable	31,571	3,436	(1,410)	33,597	1,450
 Bond Premium	640	-	(38)	602	38
Deferred gain (loss) on refunding - Downriver Sewage Disposal System	<u>(107)</u>	<u>36</u>	<u>-</u>	<u>(71)</u>	<u>(35)</u>
Total bonds payable	171,019	3,472	(16,048)	158,443	16,448
 Other long-term obligations:					
Claims, litigation, and assessments	174	-	(174)	-	-
Obligation for other post-employment benefits	586	860	-	1,446	-
Compensated absences	<u>339</u>	<u>312</u>	<u>(339)</u>	<u>312</u>	<u>312</u>
Total other long-term obligations	<u>1,099</u>	<u>1,172</u>	<u>(513)</u>	<u>1,758</u>	<u>312</u>
Total Downriver long-term obligations	172,118	4,644	(16,561)	160,201	16,760
 Rouge Valley Sewage Disposal System					
General obligation bonds:					
Wayne County Rouge Valley - City of Livonia SRF #5140-01, Michigan Municipal Bond Authority Revolving Loan Fund, 2.25%, generally due serially through 4-1-2019	210	-	(20)	190	20
Wayne County Rouge Valley Wastewater Control System SRF #5350-01, Michigan Finance Authority Revolving Loan Fund, 2.50%, generally due serially through 4-1-2031	<u>16</u>	<u>8,076</u>	<u>-</u>	<u>8,092</u>	<u>458</u>
Total Rouge Valley general obligation bonds	226	8,076	(20)	8,282	478

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Non-Major Business-type Activities:					
General obligation bonds:					
Wayne County Rouge Valley Wastewater - Dearborn Heights, Michigan Municipal Bond Authority 1999B Bonds AMBAC Insured Bonds, 3.05% to 4.85%, generally due serially through 11-1-2016 (CSO)	5,780	-	(860)	4,920	900
Wayne County Rouge Valley Wastewater - Inkster (B) Michigan Municipal Bond Authority 1999B Bonds AMBAC Insured Bonds, 3.05% to 4.80%, generally due serially through 11-1-2015 (CSO)	1,295	-	(235)	1,060	245
Wayne County Rouge Valley Wastewater - Inkster (A) Michigan Municipal Bond Authority 1999B Bonds AMBAC Insured Bonds, 3.05% to 4.80%, generally due serially through 11-1-2015 (CSO)	2,915	-	(530)	2,385	555
Wayne County Rouge Valley - Inkster, Michigan Municipal Bond Authority Revolving Loan Fund, #5106-01, 2%, generally due serially through 4-1-2016 (CSO)	885	-	(140)	745	140
Wayne County Rouge Valley - Dearborn Heights Michigan Municipal Bond Authority Revolving Loan Fund, #5104-01, 2.25%, generally due serially through 4-1-2016, (CSO)	920	-	(145)	775	145
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5123-01, 2.25%, generally due serially through 10-1-2018, (CSO)	2,662	-	(310)	2,352	315
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Refunding of LGLP 1995B, River Rouge 4.25% to 5.75%, generally due serially through 12-1-17	8,270	-	(865)	7,405	905
Subtotal general obligation bonds payable	22,727	-	(3,085)	19,642	3,205
Bond Premium	358	-	(21)	337	21
Deferred gain (loss) on refunding - general obligation bonds	(976)	171	-	(805)	(171)
Total general obligation bonds	22,109	171	(3,106)	19,174	3,055
Revenue bonds:					
Wayne County Northeast Sewage Disposal System Revenue Bonds, Series 1993, Michigan Municipal Bond Authority Revolving Loan Fund #5057-03, 2%, generally due serially through 10-1-2014	1,500	-	(360)	1,140	375
Wayne County Northeast Sewage Disposal System Michigan Municipal Bond Authority 1999B Revenue Bonds AMBAC Insured Bonds, 3.05% to 4.75%, generally due serially through 11-1-2014	700	-	(165)	535	170
Deferred gain (loss) on refunding - revenue bonds	(57)	14	-	(43)	(14)
Total revenue bonds	2,143	14	(525)	1,632	531

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Other long-term obligations:					
Obligation for other post-employment benefits	30	125	-	155	-
Compensated absences	<u>4</u>	<u>2</u>	<u>(4)</u>	<u>2</u>	<u>2</u>
Total other long-term obligations	34	127	(4)	157	2
Total non-major business type activity long-term obligations	<u>24,286</u>	<u>312</u>	<u>(3,635)</u>	<u>20,963</u>	<u>3,588</u>
Total Business-type activities	<u>\$ 196,630</u>	<u>13,032</u>	<u>(20,216)</u>	<u>\$ 189,446</u>	<u>\$ 20,826</u>

Fiduciary Activities:

Other long-term obligations:					
Obligation for other post-employment benefits	\$ 246	384	-	630	\$ -
Compensated absences	<u>62</u>	<u>150</u>	<u>(62)</u>	<u>150</u>	<u>150</u>
Total Fiduciary activities	<u>\$ 308</u>	<u>\$ 534</u>	<u>\$ (62)</u>	<u>\$ 780</u>	<u>\$ 150</u>

Governmental Activities

The County issues delinquent tax notes in connection with the purchase of delinquent property taxes. Refer to Note 9 for additional information. The final payment on the 2009 delinquent tax notes was made in June 2011. The 2009 delinquent tax collections are pledged as collateral for the repayment of the outstanding 2010 delinquent tax notes of \$112.4 million issued October and November 2010. The 2010 delinquent tax collections are pledged as collateral for the repayment of the outstanding 2011 delinquent tax notes of \$241.9 million issued in June 2011. All of the delinquent tax collections pledged for each issuance are required to be used toward repayment of the notes. Interest paid in the current year on 2009, 2010, and 2011 notes was \$5.2 million, \$6.6 million, and \$0.8 million, respectively.

In March 1994, the Building Authority issued \$105.9 million in bonds with an average interest rate of 5.8 percent, of which \$97.6 million was used to advance-refund \$97.2 million of bonds, with the remaining \$8.3 million in bonds to be used for renovations and improvements on the Wayne County Youth Home and for the demolition of abandoned buildings on the Eloise Westland property. The County has pledged its full faith and credit for these bonds, subject to certain limitations.

In March 1994, the Building Authority issued \$3.3 million in bonds to finance assets of the Warren Valley Golf Course. The County has pledged its full faith and credit for these bonds, subject to certain limitations.

In August 2007, the County issued \$50.4 million in bonds with a premium of \$1.6 million through the MMBA Local Government Loan Program with an average interest rate of 5.0 percent to advance refund \$50.8 million of outstanding 1994 Building Authority Refunding Bonds, including the Warren Valley Golf Course obligations.

In November 1996, the Building Authority issued \$45.0 million in Series 1996A debt with an average interest rate of 5.8 percent to finance construction of the Wayne County Juvenile Detention Facility, as well as other capital projects. These bonds are payable by the Building Authority solely from the rental payments to be made by the County and from funds relating to this issue held by the Trustee. The County's obligation to make the rental payments is a limited tax general obligation supported by the

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

full faith and credit of the County, subject to certain limitations.

In December 2010, the Building Authority issued \$200 million Series 2010 bonds to finance construction of a new Wayne County consolidated jail complex. The Authority has designated the Bonds as “recovery zone economic development bonds” under section 1400U-2 of the Code and to elect under Code Section 54AA(g) to receive a direct pay interest credit from the United States Treasury equal to 45 percent of the state interest paid on the bonds as provided in Code Section 6431. The bonds are due serially through 2040, at interest rates ranging from 6.22 to 10.0 percent, with the first principal payment to be paid in December 2014. The County has pledged its full faith and credit for these bonds, subject to certain limitations.

Michigan Transportation Fund Bonds, Series 1998, in the aggregate amount of \$31.3 million, were issued to fund a portion of the capital improvements to the County’s road system. The bonds are due serially through 2012 at interest rates ranging from 4.0 to 5.25 percent. Bond principal and interest payments are secured by an irrevocable pledge of distributions from the Michigan Transportation Fund pursuant to the provisions of Act 51 of the Michigan Public Acts of 1951. In the event that Act 51 distributions are insufficient to repay these bonds, the County has pledged its full faith and credit for repayment. These bonds are considered limited tax general obligations of the County.

Michigan Transportation Fund Bonds, Series 1999, in the aggregate amount of \$28.7 million, were issued to fund a portion of the capital improvements of the County’s road system. The bonds are due serially through 2013 at interest rates ranging from 4.0 to 5.3 percent. Bond principal and interest payments are secured by an irrevocable pledge of distributions from the Michigan Transportation Fund pursuant to the provisions of Act 51 of the Michigan Public Acts of 1951. In the event that Act 51 distributions are insufficient to repay these bonds, the County has pledged its full faith and credit for repayment. These bonds are considered limited tax general obligations of the County.

In September 2003, the County issued General Obligation Limited Tax Capital Improvement Bonds Series 2003 in the amount of \$13.7 million. The bonds are due serially through 2024 with an average interest rate of 4.3 percent and were issued to fund structural repairs to the tower of the Wayne County Building, architectural changes and additions to the Prosecutor’s office, other County buildings and the purchase of related equipment. The County has pledged its full faith and credit for repayment, subject to certain limitations.

In February 2008, the County issued General Obligation Limited Tax Capital Improvement Bonds, Series 2008A and 2008B in the amounts of \$32.9 million and \$18.1 million at average interest rates of 4.89 and 5.44 percent, respectively. The purpose of these bonds was to acquire the Guardian Building located at 500 Griswold Street, the First Street Parking Deck at 621 First Street and the building located at 511 Woodward Avenue all of which are located within the City of Detroit, Michigan (collectively, the “Buildings”) and to defray the costs of renovating, furnishing and/or equipping the Buildings. The full faith and credit of the County has been pledged for these bonds, subject to certain limitations.

In August 2008, the County issued General Obligation Limited Tax Water Supply and Sewage Disposal System Improvement Bonds, Series 2008, in the amount of \$13.1 million at an average interest rate of 5.42 percent. The purpose of the bonds is to pay all or part of the costs of water supply and sewage disposal system improvements on property in the Charter Township of Huron located in Wayne County. The full faith and credit of the County has been pledged for these bonds, subject to certain limitations.

In March 2009, the County issued Local Project Bonds through the MMBA Local Government Loan Program, Series 2009A (taxable) and Series 2009B (tax-exempt) in the amounts of \$8.1 and \$24.7

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

million, respectively. These bonds were issued for the purpose of acquiring or refinancing certain personal property and equipment for various County departments, as well as certain road construction and improvements. A portion of these bonds were issued for Third Circuit Court equipment. This allocation is reported as a long-term receivable from Third Circuit Court in governmental activities and a long-term due to primary government by the Court. The amount due within one year is \$123,000. Refer to Note 10 for additional discussion. The bonds are due serially through November 2018 and 2024 respectively at interest rates ranging from 3.125 to 6.70 percent. The County has pledged its full faith and credit, subject to certain limitations. This is considered a limited tax general obligation of the County.

In November 2009, the County issued General Obligation Limited Tax Building Improvement Bonds, Series 2009A (tax-exempt) in the amount of \$24.9 million, consisting of a term bond at an interest rate of 6.75 percent due in November 2039. The bonds were issued for the purpose of constructing, furnishing and/or equipping improvements and renovations to the Guardian Building, located at 500 Griswold Street, the First Street Parking Deck, located at 621 First Street, the building located at 511 Woodward Avenue, and the County Medical Examiner's Office located at 1300 E. Warren Avenue, all of which are located within the City of Detroit, Michigan. The County has pledged its full faith and credit for repayment, subject to certain limitations.

In September 2010, the County issued installment purchase agreements through the Michigan Finance Authority (MFA), Local Government Loan Program Revenue Bonds, Series 2010D (tax-exempt) in the amount of \$7.7 million for the purpose of acquiring certain personal property, equipment and software for various County departments. The bonds are due serially through June 2016 at interest rates ranging from 3.0 to 3.125 percent. The County has pledged its full faith and credit for repayment, subject to certain limitations.

In September 2011, the County entered into a \$9 million Installment Purchase Contract through the Michigan Finance Authority (MFA) Local Government Loan Program, for the purpose of acquiring certain personal property, equipment and software for various County departments. Payments on the principal are due serially through September 2015 at an interest rate of 2.39 percent. In February 2012, the County terminated an Installment Purchase agreement with the Sanborn Map Company, Inc. and paid off entire balance of \$1,110,444. See also note 21 (Subsequent Events).

In March 2010, the County and Wayne County Brownfield Authority entered into a \$1million EPA Revolving Loan Fund Agreement, for the purpose of environmental remediation of the Central City Park. The loan is due serially from May 2012 through May 2016 at an interest rate of 1.0 percent.

Claims, litigation, and assessments represent actions, which have been asserted and are probable of loss and estimable. The amount of probable loss has been determined through court orders, judgments, or annual estimates by the County's Corporation Counsel. Claims and assessments that are not probable of loss or are not estimable are discussed in Note 16, Commitments and Contingencies.

These liabilities are generally liquidated through the County's Long-term Disability, General Health, Workers' Compensation and General Liability internal service funds. Those funds finance the payment of those claims by charging the other funds based on budgeted fringe benefit rates. Litigation and assessments are liquidated in the respective funds.

Other Post-employment Benefits (OPEB) refers to post-employment benefits other than pension benefits and includes (1) post-employment healthcare benefits and (2) other types of post-employment benefits (for example, life insurance) when provided separately from a pension plan. See Note 14 for a discussion of the County's OPEB liability.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Amounts accrued for unpaid vacation and sick pay represent the accumulated, vested obligation of the County at September 30, 2011 for such benefits, payable to present governmental fund employees at future dates upon employee termination, retirement, or death.

Payments on the general obligation bonds that pertain to the County's governmental activities are made by the debt service funds, except for the note payable, which is repaid directly from the Delinquent Tax Revolving Fund, an enterprise fund. The liability attributable to compensated absences and OPEB for governmental activities is liquidated in the respective funds when paid.

Capital Leases

In November 2009, the County entered into a three-year lease agreement with Motorola Communications and Electronics Inc. for simulcast radio system equipment. The purpose of the system is to improve radio communications coverage for public safety and emergency management personnel. This lease agreement qualified as a capital lease for accounting purposes. The equipment and lease payable were recorded at the present value of the future minimum lease payments which was \$2.3 million as of the inception date. The lease requires minimum semi-annual payments of \$417,006. In June 2011, the County paid \$1,191,403 representing early payoff of the lease.

In December 2009, the County entered into a seven-year lease agreement with First Capital Equipment Leasing Corporation for the lease of heavy equipment for the Department of Public Services. This lease agreement qualifies as a capital lease for accounting purposes. The equipment and lease payable were recorded at the present value of the future minimum lease payments which was \$4.99 million as of the inception date. The lease requires minimum annual payments of \$835,732.

The future minimum lease obligations and the net present value for these leases as of September 30, 2011, are as follows (in thousands):

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 646	\$ 190
2013	680	155
2014	717	119
2015	755	81
2016	747	40
Total	<u>\$ 3,545</u>	<u>\$ 585</u>

Business-type Activities

Sewage Disposal Systems – The principal and interest payments on all the sewage disposal system bonds, other than noted below, are payable from contributions of the participating local governmental units as set forth in the related sewage disposal system contracts and bond ordinances.

The County has pledged future Downriver Sewage Disposal System revenues, net of specified operating expenses, to repay the outstanding balance of \$3.9 million of Downriver Sewage Disposal System 2007D revenue bonds and \$29.7 million of the State Revolving Loan Fund 5217 Series 02 through 05 Bonds (collectively the "5217 bonds"), payable through 2028. Annual principal and interest payments on the revenue bonds are expected to require less than 100 percent of net revenues.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Principal and interest paid on the bonds for the current year and total customer net revenues were approximately \$2.3 million and \$3.7 million, respectively.

The County has pledged future Northeast Sewage Disposal System revenues, net of specified operating expenses, to repay the outstanding balance of \$1.7 million of Northeast Sewage Disposal revenue bonds, payable through 2014. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1.8 million. Principal and interest paid on the bonds for the current year and total customer net revenues were \$578,000 and \$578,000, respectively.

In 1994, the County authorized issuance of bonds to the MMBA Revolving Loan Fund for up to \$13.0 million for the Downriver Sewage Disposal System. Through September 30, 2011, the County received \$12.6 million from the revolving loan fund for the projects supported by these bonds.

In 1995, the County authorized additional issuance of bonds to the MMBA Revolving Loan Fund for up to \$21.4 million for the Downriver Sewage Disposal System and the CSO Basins Sewage Disposal System. Through September 30, 2011, the County received \$21.3 million from the revolving loan fund.

In 1995, the County authorized issuance of bonds to the MMBA Revolving Loan Fund for up to \$5.2 million for the Rouge Valley Sewage Disposal System. Through September 30, 2011, the County received \$5.2 million from the revolving loan fund.

In 1996, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$78.8 million for the Downriver Sewage Disposal System. Through September 30, 2011, the County received \$78.0 million from the revolving loan fund.

In 1997, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$84.0 million for the Downriver Sewage Disposal System. Through September 30, 2011, the County received \$82.9 million from the revolving loan fund.

In 1998, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$31.3 million for the Downriver Sewage Disposal System. Through September 30, 2011, the County received \$31.1 million from the revolving loan fund.

In 1998, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$425,000 for the Rouge Valley Sewage Disposal System. Through September 30, 2011, the County received \$425,000 from the revolving loan fund.

In 1999, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$12.6 million for the Downriver Sewage Disposal System. An estimated amount up to \$445,000 of this issuance is designated for two communities covered under the Chapter 20 Drainage District, a component unit of the County of Wayne, and is reported under the Component Unit segment of County debt. Through September 30, 2011, the County received \$12.5 million from the revolving loan fund, of which \$426,151 is directly attributable to the Chapter 20 Drainage District's bond debt.

In 2000, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$5.1 million for the Downriver Sewage Disposal System. Through September 30, 2011, the County received \$5.1 million from the revolving loan fund.

In 2005, the County authorized additional issuance of bonds to the MMBA Revolving Loan Fund for

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

up to \$4.7 million for the Downriver Sewage Disposal System. Through September 30, 2011, the County received \$4.7 million from the revolving loan fund.

In 2008, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$32.1 million for the Series 2008 A-D revenue bonds for improvement projects to the Downriver Sewage Disposal System. Through September 30, 2011, the County received \$31.3 million from the revolving loan fund. Subsequent to September 30, 2011, the County has received an additional \$24 thousand. See also Note 21 (Subsequent Events).

In December 2009, the MMBA approved the County's loan application for \$19.6 million for projects to upgrade and improve the Rouge Valley Sewage Disposal System. Up to forty percent of the loaned amount is forgiven under the American Recovery and Reinvestment Act of 2009 (ARRA). As of September 30, 2011, the County received \$15.9 million of MMBA bond funds for this project, \$7.82 million of which were ARRA funds. The County recognized \$8.1 million of new debt for the Rouge Valley Disposal System. Subsequent to September 30, 2011, the County has received \$1.6 million in additional funds. See also Note 21 (Subsequent Events). These loans are limited tax general obligations of the County of Wayne, but are payable from sewage revenues to be received from the communities served by the Rouge Valley Sewage Disposal System.

The County has pledged its full faith and credit on \$10.1 million of water and sewage bonds issued by local communities for various water and sewer construction activities. The obligations were being paid from the revenues of the various communities' water and sewage fund operations. As of October of 2009, all principal and interest payments were made. The assets and related obligations have not been reflected within the County's basic financial statements for these activities.

In December 1995, the County authorized the issuance of bonds in an aggregate principal amount of \$16.3 million designated as Wayne County Combined Sewer Overflow (City of River Rouge) Bonds, Series B. These bonds were used to finance construction of a combined sewer overflow control facility in the City of River Rouge to comply with the requirements of a federal grant and applicable National Pollutant Discharge Elimination System (NPDES) permit. The obligations are limited tax general obligations of the County of Wayne, but are payable from contractual payments to be received from the City of River Rouge.

In August 2007, the County issued \$9.9 million in 2007B River Rouge CSO Basin bonds with a premium of \$425,190, through the MMBA Local Government Loan Program. These bonds, with an average interest rate of 5.0 percent were issued to advance refund \$10.1 million of outstanding 1995B bonds.

In April 1999, the County issued \$23.1 million, Series 1999B Revenue Bonds, under the MMBA Local Government Loan Program to provide resources to advance refund \$20.3 million of existing Sewage Disposal System Debt, Series 1994D, F and G, and Chapter 21 Drainage District, a component unit, Series 1993B. The proceeds of the refunding bonds were placed into an irrevocable trust to provide for all future debt service payments on the retired bonds. As a result, the retired bonds are considered to be defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. This refunding was made solely to retire the refunded debt and reduce the total of future debt service payments. This bond issue is a limited tax general obligation of the County of Wayne, but is payable from contractual payments to be received from the communities participating in the respective sewage disposal systems benefited. Should the assets in escrow not be sufficient to fund the debt service requirements, additional amounts would be required to be deposited from the respective Sewage Disposal System.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

In August 1999, the County issued the Series 1999A Refunding Bonds in the amount of \$6.5 million and the Series 1999B Bonds in the amount of \$15.0 million for the Downriver Sewage Disposal System, under the MMBA Local Government Loan Program. Proceeds from the 1999A Series Bonds were used to advance refund \$6.1 million of the existing Sewage Disposal System Debt, Series 1994A. Proceeds from the 1999B Series Bonds were used to finance improvements to the Downriver Sewage Disposal System.

The proceeds of the 1999A refunding bonds were placed into an irrevocable trust to provide for all future debt service payments on the retired bonds. As a result, the retired bonds are considered to be defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. This refunding was made solely to retire the refunded debt and reduce the total of future debt service payments. This bond issue is a limited tax general obligation of the County, but is payable from contractual payments to be received from the communities participating in the respective sewage disposal systems benefited. Should the assets in escrow not be sufficient to fund the debt service requirements, additional amounts would be required to be deposited from the respective Sewage Disposal System.

In August 2007, the County issued MMBA Local Government Loan Program Revenue Bonds, Series 2007B in the amount of \$15.8 million to finance certain court ordered improvements to the Downriver Sewage Disposal system pursuant to a judgment to which the County and certain cities, villages and townships located in the County are subject. The obligation is secured by a limited tax full faith and credit pledge of the County and the obligation of the applicable communities to make payments pursuant to the judgment.

In December 2007, the County issued MMBA Local Government Loan Program Revenue Bonds, Series 2007D in the amount of \$4.3 million to finance improvements to the Downriver Sewage Disposal system not covered by the available State Revolving Loan funds. This obligation is secured by a limited tax full faith and credit pledge of the County, and by the contractual consent of the communities served by the Downriver system to pay all principal and interest obligations from the revenues of the system.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Operating Leases

The County is committed under 26 leases for office, storage space, and land. These leases are considered for accounting purposes to be non-cancelable operating leases. Lease expenditures for the year ended September 30, 2011 amounted to \$5,227,976. Future minimum lease payments for these leases are as follows (amounts in thousands):

	Governmental	Business-type
<u>September 30</u>	<u>Activities</u>	<u>Activities</u>
2012	\$ 4,463	\$ 281
2013	3,915	292
2014	3,490	304
2015	2,037	316
2016	1,250	329
2017-2021	4,588	1,851
2022-2026	3,478	2,252
2027-2031	4,031	2,740
2032-2036	4,674	3,334
2037-2038	<u>2,072</u>	<u>0</u>
Total minimum lease payments	<u>\$ 33,998</u>	<u>\$ 11,699</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Other

The annual requirements to pay principal and interest on the debt as reflected above (excluding claims, litigation and assessments, workers' compensation, capital lease obligations, and compensated absences) at September 30, 2011, are summarized as follows:

Governmental Activities - Bonds

General Obligations

(in thousands)

Year Ended September 30	Principal	Interest
2012	\$ 226,131	\$ 39,471
2013	173,277	33,326
2014	18,601	26,736
2015	19,852	25,911
2016	16,925	24,936
2017-2021	50,200	113,359
2022-2026	44,410	96,985
2027-2031	53,225	77,961
2032-2036	65,730	52,045
2037-2041	<u>79,010</u>	<u>20,814</u>
Total	<u>\$ 747,361</u>	<u>\$ 511,544</u>
Bonds Payable	\$ 392,006	\$ 495,350
Notes Payable	<u>355,355</u>	<u>16,194</u>
Total	<u>\$ 747,361</u>	<u>\$ 511,544</u>

Business-type Activities - Bonds

(in thousands)

	Downriver Sewage Disposal System – General Obligation and Revenue Bonds		Rouge Valley Sewage Disposal System – General Obligation Bonds		Non-major Business-type Activities – General Obligation and Revenue Bonds	
Year Ended September 30	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 16,445	\$ 4,332	\$ 478	\$ 201	\$ 3,750	\$ 911
2013	16,873	3,892	490	189	3,905	759
2014	16,536	3,439	505	176	4,065	600
2015	16,122	2,903	520	163	3,655	428
2016	15,609	2,480	530	150	2,850	264
2017-2021	50,515	7,422	2,805	546	3,092	166
2022-2026	16,360	2,956	2,954	181	-	-
2027-2031	<u>9,452</u>	<u>480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 157,912</u>	<u>\$ 27,904</u>	<u>\$ 8,282</u>	<u>\$ 1,606</u>	<u>\$ 21,317</u>	<u>\$ 3,128</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

In prior years, the County defeased the future principal payments of the following issues by depositing U.S. Treasury obligations with escrow agents (in thousands):

<u>Year of</u> <u>Defeasement</u>		<u>Amount Held</u> <u>By Bondholders</u> <u>September 30, 2011</u>
Primary Government:		
1999	Rouge Valley - Dearborn Heights CSO Basins	
	Bonds Series 1994D	\$ 5,785
1999	Rouge Valley - Inkster CSO Basins	
	Bonds Series 1994F	1,090
1999	Rouge Valley - Inkster CSO Basins	
	Bonds Series 1994G	2,935
1999	Northeast Sewage Disposal System	
	Bonds Series 1994G	705
1999	Downriver Sewage Disposal System	
	Bonds Series 1994A	<u>2,265</u>
	Total primary government	<u>\$ 12,780</u>
Component Units:		
1999	Chapter 21 (Milk River) Drainage District	
	Bonds, 1994 Series A	<u>320</u>
	Total component units	<u>\$ 1,215</u>
	Total defeased debt	<u>\$ 13,100</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

Component Units

Changes in long-term obligations related to component units at September 30, 2011, are summarized as follows (in thousands):

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
Component Units:					
Airport Authority					
Detroit Metropolitan Airport					
Series 1998A, 4.20% to 5.50%, due 12-1-2028	\$ 711,505	-	(523,050)	\$ 188,455	\$ -
Series 1998B, 4.10% to 5.25%, due 12-1-2013	13,885	-	(13,885)	-	-
Series 2002C, 3.00% to 5.375%, due 12-1-2020	25,660	-	(130)	25,530	2,010
Series 2002D, 5.0% to 5.5%, due 12-1-2019	60,860	-	(4,005)	56,855	4,205
Series 2005, 3.5% to 5.25%, due 12-1-2034	497,545	-	(10,080)	487,465	10,590
Series 2007A Junior Lien, 4.85% to 5%, due 12-1-2037	180,390	-	-	180,390	3,315
Series 2007B, 4.0% to 5.0%, due 12-1-2028	119,390	-	-	119,390	-
Series 2008A, 4.0% to 5.75%, due 12-1-2032	134,810	-	(4,955)	129,855	5,020
Series 2008B, current yield at 9/30/10, 0.33% , due 12-1-2033	196,450	-	(196,450)	-	-
Series 2008C, current yield at 9/30/10, 0.30%, due 12-1-2033	81,250	-	(81,250)	-	-
Series 2008D, current yield at 9/30/10, 0.21% due 12-1-2021	33,375	-	(33,375)	-	-
Series 2008E, current yield at 9/30/10, 0.26%, due 12-1-2016	33,340	-	(33,340)	-	-
Series 2008F, current yield at 9/30/10, 0.27%, due 12-1-2016	33,375	-	(33,375)	-	-
Series 2010A, 2.00% to 5.00%, due 12-1-2018	-	222,490	-	222,490	22,855
Series 2010B, 4.00% to 5.00%, due 12-1-2013	-	8,795	-	8,795	3,995
Series 2010C, 1.50% to 5.50%, due 12-1-2022	-	188,415	-	188,415	15,270
Series 2010D, 1.50% to 5.50%, due 12-1-2021	-	28,045	-	28,045	1,940
Series 2010E1, variable, current yield at 9-30-2011 0.17%, due 12-1-2028	-	75,360	-	75,360	-
Series 2010E2, variable, current yield at 9-30-2011 0.16%, due 12-1-2028	-	75,000	-	75,000	-
Series 2010F, variable, current yield at 9-30-2011 0.15%, due 12-1-2033	-	124,640	-	124,640	-
Series 2010G, variable, current yield at 9-30-2011 1.12%, due 12-1-2028	-	116,000	-	116,000	-
Installment Purchase Contract, 5.625%, due 5-11-2011	1,880	-	(1,880)	-	-
Installment Purchase Contract, 3.7%, due 9-25-2015	219	-	(41)	178	42
Installment Purchase Contract, 3.54%, due 11-14-2014	264	-	(60)	204	62
Installment Purchase Contract, 4.05%, due 4-8-2018	311	-	(35)	276	37
Installment Purchase Contract, 4.33%, due 5-21-2023	3,686	-	(166)	3,520	183
Installment Purchase Contract, 5.31%, due 12-16-2013	247	-	(72)	175	76
Bond Premium	21,668	20,620	(4,216)	38,072	-
Bond Discount	(6,289)	4,724	-	(1,565)	-
Deferred gain (loss) on refunding	(30,732)	21,491	(30,759)	(40,000)	-
Total Detroit Metropolitan Airport	2,113,089	885,580	(971,124)	2,027,545	69,600

Airport Authority, continued

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Airport Authority, concluded					
Airport Hotel revenue bonds:					
Series 2001A Hotel, 5.00% to 5.50%, due 12-1-2030	99,630	-	-	99,630	-
Series 2001B Hotel, 6.00% to 6.60%, due 12-1-2015	9,490	-	(980)	8,510	1,200
Capital/FF&E Reserve Loan, 8%, due 11-15-2017	3,767	-	(406)	3,361	439
Working Capital Loan 8%, due 11-15-2017	1,500	-	-	1,500	-
Bond Discount	<u>(1,837)</u>	<u>127</u>	<u>-</u>	<u>(1,710)</u>	<u>-</u>
Total Airport Hotel revenue bonds	112,550	127	(1,386)	111,291	1,639
Airport notes payable:					
Willow Run Airport -					
Washtenaw County, 0%, due 12-31-2019	180	-	(19)	161	20
Willow Run Airport -					
University of Michigan, 8%, due 9-1-2013	<u>412</u>	<u>-</u>	<u>(3)</u>	<u>409</u>	<u>-</u>
Total Airport note payables	592	-	(22)	570	20
Other long-term obligations:					
Obligation for other post-employment benefits	-	-	-	-	-
Rent credit and environmental liabilities	<u>15,932</u>	<u>1,884</u>	<u>(2,147)</u>	<u>15,629</u>	<u>4,124</u>
Total other long-term obligations	<u>15,932</u>	<u>1,884</u>	<u>(2,147)</u>	<u>15,629</u>	<u>4,124</u>
Total Airport Authority	<u>\$ 2,242,163</u>	<u>887,551</u>	<u>(974,679)</u>	<u>\$ 2,155,035</u>	<u>\$ 75,383</u>
Circuit Court					
Other long-term obligations:					
Claims, litigation, and assessments	\$ 250	-	-	\$ 250	\$ -
Obligation for other post-employment benefits	5,348	11,401	-	16,749	-
Net pension obligation	-	1,318	-	1,318	-
Compensated absences	<u>4,011</u>	<u>3,865</u>	<u>(4,011)</u>	<u>3,865</u>	<u>3,865</u>
Total other long-term obligations	<u>9,609</u>	<u>16,584</u>	<u>(4,011)</u>	<u>22,182</u>	<u>3,865</u>
Total Circuit Court	<u>\$ 9,609</u>	<u>16,584</u>	<u>(4,011)</u>	<u>\$ 22,182</u>	<u>\$ 3,865</u>
Non-major Component Units:					
General obligation debt:					
Chapter 8 Mizner Drain Drainage District					
\$1,455,000 bonds, Series 2008 payable from					
future property tax assessments at 5.450%					
per anum until 6-1-2023 maturity	\$ 1,261	-	(97)	\$ 1,164	\$ 97
Chapter 20 Drainage Bonds, payable from					
future property tax assessments, 2.5% to					
10.0%, generally due serially , see below:					
ECPAD 3 Unref, 5.0-10.0%, due 11-1-2012	1,500	-	(750)	750	750
SRF 5117-01, 2.5%, due 4-1-2020	234	-	(24)	210	24
SRF 5349-01, ECPAD Drain No. 1 Bonds,					
Series 2009A, 2.5%, due through 4-1-2017	<u>-</u>	<u>999</u>	<u>(142)</u>	<u>857</u>	<u>150</u>
	<u>\$ 2,995</u>	<u>999</u>	<u>(1,013)</u>	<u>\$ 2,981</u>	<u>\$ 1,021</u>
Revenue bonds:					
Chapter 21 (Milk River) Drainage District					
bonds, 1991 Series A, Michigan Municipal					
Bond Authority Revolving Loan Fund,					
payable from future property tax assessments, 2%,					
generally due 10-1-2012, SRF #5057-01	2,605	-	(1,290)	1,315	1,315

Non-major component units, continued

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
Non-major component units, concluded					
Chapter 21 (Milk River) Drainage District bonds, 1992 Series A, Michigan Municipal Bond Authority Revolving Loan Fund, payable from future property tax assessments, 2%, generally due 10-1-2012, SRF #5057-02	275	-	(175)	100	100
Chapter 21 (Milk River) Drainage District bonds, 1993 Series A, payable from future property tax assessments, 3.50% to 8.50%, generally due serially through 10-1-2012	705	-	(340)	365	365
Chapter 21 (Milk River) Drainage District bonds, 1999 Series B, payable from future property tax assessments, 3.05% to 4.65%, generally due 11-1-2012	315	-	(155)	160	160
Chapter 8 Cook and Gladding Drainage District bonds, Series 2010D, 2.25% to 5%, generally due serially 6-01-2030	2,480	-	(105)	2,375	125
Chapter 8 Winslow Drainage District bonds, Series 2010D, 2.25% to 5%, generally due serially 6-01-2030	585	-	(15)	570	30
Chapter 8 Wolf Drainage District bonds, Series 2010D, 2.25% to 4%, generally due serially 6-01-2020	240	-	(20)	220	25
Detroit-Wayne County Stadium Authority Revenue bonds, 3.70% to 5.50%, due 2-1-2027	<u>70,250</u>	<u>-</u>	<u>(2,525)</u>	<u>67,725</u>	<u>2,780</u>
Subtotal Revenue bonds	77,455	-	(4,625)	72,830	4,900
Bond discount	<u>(2,638)</u>	<u>-</u>	<u>162</u>	<u>(2,476)</u>	<u>(161)</u>
Total Revenue bonds	74,817	-	(4,463)	70,354	4,739
Notes and Leases Payable:					
Chapter 8 Desbrow Consolidated Drain Notes, Series 2007, \$607,444 Note Payable at 4.60%					
per annum until 6-1-2012 maturity	244	-	(122)	122	122
Chapter 8 North Branch of Swan Creek Consolidated Drain Notes, Series 2007, \$704,139 Note Payable					
at 4.60% per annum until 6-1-2012 maturity	281	-	(141)	140	140
Chapter 8 Patterson Drain Drainage District \$241,000 Note, Series 2008 Payable at 4.250%					
per annum until 6-1-2013 maturity	<u>145</u>	<u>-</u>	<u>(48)</u>	<u>97</u>	<u>48</u>
Total Notes and Leases Payable	670	-	(311)	359	310
Other long-term obligations:					
Obligation for other post-employment benefits	1,019	1,694	-	2,713	-
Net pension obligation	-	375	-	375	-
Compensated absences	<u>361</u>	<u>339</u>	<u>(361)</u>	<u>339</u>	<u>339</u>
Total other long-term obligations	<u>1,380</u>	<u>2,408</u>	<u>(361)</u>	<u>3,427</u>	<u>339</u>
Total Non-major Component Units	<u>79,862</u>	<u>3,407</u>	<u>(6,148)</u>	<u>77,121</u>	<u>6,409</u>
Total Component Units	<u>\$ 2,331,634</u>	<u>\$ 907,542</u>	<u>\$ (984,838)</u>	<u>\$ 2,254,338</u>	<u>\$ 85,657</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Airport Authority – Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Airport Authority, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory, and charter tax rate limitations, associated with the \$110.9 million Airport Hotel Revenue Bonds, Series 2001A and 2001B, issued by the County. This includes all of the County's obligations on Outstanding Senior Lien Bonds and Junior Lien Bonds issued by the County under the County's Amended and Restated Master Airport Revenue Bond Ordinance No. 319 and its predecessor Ordinance 319, as amended and supplemented by various amending and supplemental ordinances adopted by the County, including the Series Ordinance adopted for each outstanding series of airport revenue bonds issued there under by the County (collectively, Ordinance 319). Pursuant to the Authority Act, the Authority is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Authority under any ordinances (including Ordinance 319), agreements, or other instruments and under law. Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the outstanding Senior Lien Bonds issued by the County under Ordinance 319 and additional bonds issued by the Authority under the Master Bond Ordinance, and secured by net revenues.

Net revenues (as defined in the various bond ordinances) of Metro Airport have been pledged toward the repayment of the Airport Revenue Bonds and the Installment Purchase Contracts.

The Airport Revenue Bond Ordinances require that Metro Airport restrict assets to provide for the operations, maintenance, and administrative expenses of the subsequent month, the redemption of bond principal and interest, and for other purposes as defined in those ordinances.

In August 1993, the County entered into a \$445,801 note payable agreement to purchase the Packard Hangar, located at the Willow Run Airport, from the University of Michigan. The agreement calls for quarterly interest payments of \$9,511 commencing on September 1, 1993. Principal payments on the note are required if revenue in excess of \$60,000 is generated at the Packard Hangar site during any calendar year. In this situation, half of the revenue generated would be required to be paid to the University of Michigan. On September 1, 2013, any principal and interest remaining unpaid are due.

In June 1999, the County entered into agreements with Northwest to issue approximately \$15.2 million in Airport Special Facility Revenue Bonds to finance the construction of an aircraft maintenance facility. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to provide debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An "Event of Default" has occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005. Northwest Airlines has since emerged from bankruptcy and affirmed its obligation for the Series 1999 Special Facility Bonds and is no longer in default. Effective December 31, 2009, the FAA issued a single operating certificate for the integrated airline, and on the same date Northwest legally merged into Delta, resulting in a single surviving corporation known as Delta Air Lines, Inc. As a result of the merger, by operation of law, Delta has succeeded to all of the rights and obligations of Northwest.

In March 2001, the County issued \$110.9 million in Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, \$99.6 million, were issued for the purpose of paying the cost of acquiring, constructing, equipping, and furnishing an airport hotel (the Airport Hotel) and related improvements at the new McNamara Terminal of Metro Airport to be owned by the County. In addition, these bonds will pay capitalized interest and certain costs of issuance for this series. The 2001B Bonds, \$11.3 million, were issued for the purpose of paying the County Credit Enhancement Fee, funding the Operation and Maintenance Reserve Fund, and paying capitalized interest and certain costs of issuance related to this series.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The Authority has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations, and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the bonds, subject to constitutional, statutory, and charter tax rate limitations.

In December 2001, the County entered into a \$292,133 note payable with Washtenaw County to allow Washtenaw County to use its Michigan Community Development Block Grant to assist Willow Run Airport in renovating Hangar I. The agreement calls for the principal to be paid in quarterly installments commencing March 31, 2005.

In July 2002, the County issued \$102.5 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 2002C and 2002D. The Series 2002C Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990B Bonds and the December 2002 principal amount due on the Series 1998B Bonds. The Series 2002D Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990A Bonds and the Series 1991B Bonds. The Series 2002 C&D Refunding Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The County defeased the Series 1990B Bonds, the Series 1990A Bonds, the Series 1991B Bonds, and the December 2002 principal amount due on the Series 1998B Bonds by placing the proceeds of the Series 2002C and 2002D Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The Series 1990B, the Series 1990A, and the Series 1991B Bonds were subsequently called and paid in full in August 2002. The portion of the Series 1998B Bonds was subsequently called and paid in December 2002. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$15.3 million. The County estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$14.1 million.

In November 2002, the Authority entered into two debt agreements with Westin Management Company East (the Hotel Operator). Both loans were provided for in the Hotel Management and Operating agreement. The Capital/FF&E loan was for \$5 million and is to be used solely for future capital improvements to the Airport Hotel. The Working Capital Loan was for \$1.5 million and was used to provide initial working capital to operate the Airport Hotel. During 2007, the Capital/FF&E loan was renegotiated with the Hotel Operator and the outstanding interest payable at December 31, 2006 was rolled into the principal amount of the loan.

The net Airport Hotel revenues are pledged solely for the payment of the Airport Hotel Bonds and these loans, and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose.

In April 2005, the Authority issued \$507 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the North Terminal Redevelopment Project and the completion of the McNamara Terminal Phase II Project. The Series 2005A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In June 2007, the Authority issued \$180 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Series 2007A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2007A Bonds are “Junior Lien Bonds” under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2007A Bonds.

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to \$8 million in major equipment purchases over a three-year period. As of September 2010, the Authority has used \$1,511,137 of this agreement and has entered into four Installment Purchase Contracts to pay for equipment at Metro Airport.

In November 2007, the Authority issued \$119.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2007B. The Series 2007B Bonds were issued to refund a portion of the Series 1998B Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2007B Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased a portion of the Series 1998B Bonds by placing the proceeds of the Series 2007B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998B Bonds were subsequently called and paid in full in December 2008. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$6.3 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$7 million.

In May 2008, the Authority entered into an Installment Purchase Contract for \$3,886,162 to pay for additional energy conservation improvements at Metro Airport.

During fiscal year 2008, disruption occurred in the auction rate and variable rate demand obligation markets, largely due to the credit rating downgrades of Bond Insurers, that significantly affected the Authority’s variable rate hedged and unhedged debt program representing 25.74 percent of overall authority debt.

Beginning in April 2008, the following refunding actions were taken to mitigate the negative financial impact to Metro Airport including the elimination of all auction rate debt and replacing bond insurance with direct pay letters of credit for all variable rate debt.

In April 2008, the Authority issued \$142.3 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008A. The Series 2008A Fixed Rate Refunding Bonds were issued to refund the Series 2002A Variable Rate Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2008A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased the Series 2002A Bonds by placing the proceeds of the Series 2008A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2002A Bonds were subsequently called and paid in full in May 2008.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

In June 2008, the Authority issued \$330.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008B, 2008C-1, 2008C-2, 2008C-3 and 2008D. The Series 2008B, 2008C-1, 2008C-2, 2008C-3 and 2008D Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2008B Refunding Bonds were issued to refund the Series 2003A-1 Bonds, 2003A-2 Bonds and a portion of 2003A-3 Bonds. The Series 2008C-1 Refunding Bonds were issued to refund the Series 2003B. The Series 2008C-2 Refunding Bonds were issued to refund the Series 2004 Bonds. The Series 2008C-3 Refunding Bonds were issued to refund a portion of the Series 2003A-3 Bonds. The Series 2008D Refunding Bonds were issued to refund the Series 2003C Bonds. The Series 2008B, 2008C-1, 2008C-2, 2008C-3 and 2008D Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2003A-1 Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds and Series 2004 Bonds by placing the proceeds of the Series 2008B, 2008C-1, 2008C-2, 2008C-3 and 2008D Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2003A-1 Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds and Series 2004 Bonds were subsequently called and paid in full in July 2008 and August 2008.

The Series 2008B Bonds, Series 2008C-1 Bonds, Series 2008C-2 Bonds, Series 2008C-3 Bonds and Series 2008D Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2008B Bonds, Series 2008C-1 Bonds, Series 2008C-2 Bonds, Series 2008C-3 Bonds and Series 2008D Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In October 2008, the Authority issued \$74.8 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008E and 2008F. The Series 2008E and 2008F Bonds were issued to refund certain outstanding indebtedness previously issued to refinance the cost of various capital projects at Metro Airport. The Series 2008E Refunding Bonds were issued to refund the Series 1996A Bonds. The Series 2008F Refunding Bonds were issued to refund the Series 1996B Bonds. The Series 2008E and 2008F Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 1996A and 1996B Bonds by placing the proceeds of the Series 2008E and 2008F Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1996A and 1996B Bonds were subsequently called and paid in full in October 2008 and December 2008.

The Series 2008E and 2008F Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2008E and 2008F Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

At September 30, 2010, the Series 2008 C-1, Series 2008 C-2, Series 2008D, Series 2008E, and 2008F Bonds had Swap agreements. These Swap agreements were terminated without penalty on December 1, 2010.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

In December 2010, the Authority issued \$722.7 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2010A, 2010B, 2010C, 2010D, 2010E-1, 2010E-2 and 2010F. The Series 2010A, 2010B, 2010C, 2010D, 2010E-1, 2010E-2 and 2010F Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2010A Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010B Refunding Bonds were issued to refund a portion of the Series 1998B Bonds. The Series 2010C Refunding Bonds were issued to refund a portion of the Series 2008B Bonds, a portion of the Series 2008C Bonds, the Series 2008E Bonds and the Series 2008F Bonds. The Series 2010D Refunding Bonds were issued to refund the Series 2008D Bonds. The Series 2010E-1 Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010E-2 Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010F Refunding Bonds were issued to refund a portion of the Series 2008B Bonds and a portion of the Series 2008C Bonds. The Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2010D Bonds, Series 2010E-1 Bonds, Series 2010E-2 Bonds and Series 2010F Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds and Series 2008F Bonds by placing the proceeds of the Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2010D Bonds, Series 2010E-1 Bonds, Series 2010E-2 Bonds and Series 2010F Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds and Series 2008F Bonds were subsequently called and paid in full in January 2011 and February 2011. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$52.2 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$25.5 million.

The Series 2010E-1 Bonds, Series 2010E-2 Bonds and Series 2010F Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2010E-1 Bonds, Series 2010E-2 Bonds and Series 2010F Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In December 2010, the Authority issued a \$116 million Direct Placement Bond with Wells Fargo Bank, N.A., Series 2010G Bonds. The Series 2010G Bonds were issued to refund a portion of the Series 1998A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2010G Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds by placing the proceeds of the Series 2010G Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds were subsequently called and paid in full in January 2011. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$37.7 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$26.2 million.

The Series 2010G Bonds are variable-rate bonds. Wells Fargo Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of Wells Fargo Bank N.A., would cause the Series 2010G

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2011, interest expense incurred on these debt issues totaled \$90,294,568. For 2011, net financing costs capitalized were \$1,219,994.

In July 2011, the Authority entered into a line of credit agreement with a maximum borrowing amount of \$15 million. The borrowings charge interest at a rate equal to 100 basis points over LIBOR. The line of credit agreement expires in June 2012. There were no borrowings on this line during the year ended September 30, 2011.

Drainage Districts – Special assessments receivable on properties benefited by the various Chapter 20 and Chapter 21 drainage district obligations have been irrevocably pledged for repayment of the related principal and interest. In addition, the County has pledged its full faith and credit for all outstanding obligations of the various drainage districts.

In September 1991, the Chapter 21 Drainage District authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$25.7 million for the Milk River Drainage District Water Pollution Control. Through September 30, 2011, the district has received \$25.0 million from the revolving loan fund.

In April 1999, the Chapter 21 Drainage District issued \$1.2 million Series 1999B Revenue Bonds, under the MMBA Local Government Loan Program. The bond proceeds were used to refund and effectively defease \$1.1 million of the existing Chapter 21 Drainage District Bonds, Series 1994A.

In April 2007, two Chapter 8 Drainage Districts issued notes to borrow funds to construct major improvements to the specified Drains. The Desbrow Consolidated Drain Drainage District borrowed \$607,444 and the North Branch of Swan Creek Consolidated Drain Drainage District borrowed \$704,139 with annual payments scheduled through 2012. Repayment of this debt will be made from special assessments against the properties benefiting from these improvements and are guaranteed by the full faith and credit of the individual Drainage Districts.

In August 2008, two Chapter 8 Drainage Districts issued notes to borrow funds to construct major improvements to the specified Drains. The Patterson Drain Drainage District borrowed \$241,000 to be repaid with annual payments scheduled through 2013. The Mizner Drain Drainage District borrowed \$1.455 million, payable in annual installments until maturity in June 2023. Repayment of this debt will be made from special assessments against the properties benefiting from these improvements and is guaranteed by the full faith and credit of the individual Drainage Districts.

In September 2009, the Michigan Municipal Bond Authority (MMBA) approved and authorized \$6.2 million in Ecorse Creek Pollution Abatement Drain (ECPAD) No. 1 Drain Bonds Series 2009A. Up to forty percent of the loaned amount, \$2,478,000 has been forgiven under the American Recovery and Reinvestment Act of 2009 (ARRA). As of September 30, 2011 the County received \$3.48 million of MMBA bond funds for this project. Subsequent to September 30, 2011 the Drainage District has received an additional \$1.6 million under this loan. This loan is secured by special assessments on the communities served by the Ecorse Creek drain, and is guaranteed by the full faith and credit of the Drainage District. See Note 21 for details on additional debt funding subsequent to September 30, 2011.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

In September 2010, three Chapter 8 Drainage Districts issued bonds for approved petition projects through the MFA, Local Government Loan Program Revenue Bonds, Series 2010D. The Cook and Gladding Drainage District issued \$2.48 million and the Winslow Drainage District issued \$585,000. The two bond issues are due serially through June 2030 at interest rates ranging from 3.0 to 5.0 percent. The Wolfe Drainage District issued \$240,000. The bonds are due serially through June 2020 at interest rates ranging from 3.0 to 4.0 percent. Repayment of the debt is made from special assessments against the properties benefiting from these improvements. The County has secondarily pledged its full faith and credit for repayment, subject to certain limitations.

In September 2011, the Michigan Finance Authority approved a State Revolving Loan (SRF) of up to \$2.57 million for Series 2011 Southgate Wyandotte Drainage District Relief Drain Bonds. Up to 50 percent of these loaned funds are eligible for principal forgiveness under the U.S. Environmental Protection Agency's Fiscal Year 2010 Appropriations law, as a qualifying Green Project improving water quality. This project is designated as SRF loan 5392-01. No funds were borrowed prior to September 30, 2011, but the Drainage District has received \$58,445 subsequent to September 30, 2011. See also Note 21 for Subsequent Event.

Detroit-Wayne County Stadium Authority – In April 1997, the Detroit-Wayne County Stadium Authority (Authority) issued bonds totaling \$85.8 million for financing a portion of the cost of acquiring and constructing a baseball stadium for use by the Detroit Tigers major league baseball team and for paying costs of issuance in connection with those bonds. The County has pledged its limited tax full faith and credit for payment of the cash rentals to the Authority under a contract dated March 1, 1997. In addition, the County is required to provide sufficient monies in its annual budget for payment of the cash rentals and, if necessary, to levy ad valorem taxes on all taxable property within its boundaries, subject to constitutional, statutory, and charter tax rate limitations. The County has also pledged certain motor vehicle rentals and hotel tax revenues (the "Tourist Taxes") levied by the County pursuant to Act No. 180, Public Acts of Michigan 1991.

Operating Leases

The County is committed under two leases for office space and court activities. These leases are considered for accounting purposes to be non-cancelable operating leases. Lease expenditures for the year ended September 30, 2011, amounted to \$3,263,953. Future minimum lease payments for these leases (in thousands) are as follows:

	Operating Lease
<u>September 30</u>	<u>Obligations</u>
2012	\$ 2,940
2013	2,614
2014	2,692
2015	2,773
2016	2,856
2017-2021	15,749
2022-2026	18,258
2027-2031	21,166
2032-2036	24,537
2037-2038	<u>10,876</u>
Total minimum lease payments	<u>\$ 104,461</u>

CHARTER COUNTY OF WAYNE, MICHIGAN**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2011

Other

The annual requirement to pay principal and interest on the debt outstanding as reflected above, excluding claims, litigation and assessments capital leases obligations, and compensated absences at September 30, 2011, are summarized as follows:

Airport Authority - Loans, Notes Payable
and Revenue Bonds

(in thousands)

Year Ended September 30	Principal	Interest
2012	\$ 71,259	\$ 91,599
2013	82,012	88,703
2014	86,078	84,862
2015	88,759	80,553
2016	92,841	75,908
2017-2021	473,639	308,205
2022-2026	512,497	192,634
2027-2031	486,750	99,097
2032-2036	227,935	26,631
2037-2038	<u>22,840</u>	<u>1,156</u>
Total	<u>\$ 2,144,610</u>	<u>\$1,049,348</u>
Revenue Bonds Payable	\$ 2,134,825	\$1,046,518
Loans and Notes Payable	<u>9,785</u>	<u>2,830</u>
Total	<u>\$ 2,144,610</u>	<u>\$1,049,348</u>

Non-major Component Units - Bonds and Notes Payable

(in thousands)

Year Ended September 30	<u>General Obligation</u>		<u>Revenue</u>	
	Principal	Interest	Principal	Interest
2012	\$ 1,332	\$ 141	\$ 4,900	\$ 3,702
2013	324	80	3,235	3,491
2014	276	68	3,530	3,311
2015	281	59	3,845	3,312
2016	286	49	4,185	2,896
2017-2021	647	137	23,840	10,803
2022-2026	194	16	24,025	4,531
2027-2031	<u>-</u>	<u>-</u>	<u>5,270</u>	<u>200</u>
Total	<u>\$ 3,340</u>	<u>\$ 550</u>	<u>\$ 72,830</u>	<u>\$ 32,046</u>
Bonds Payable	\$ 2,981	\$ 532		
Notes Payable	<u>359</u>	<u>18</u>		
Total	<u>\$ 3,340</u>	<u>\$ 550</u>		

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

(13) Employee Benefits

Pension Plans

Wayne County Employees' Retirement System

Plan Description

The County provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system, which is governed by the Wayne County Retirement Ordinance, as amended. The Retirement System provides five defined-benefit retirement options, four of which are contributory (together, the Defined Benefit Plan) and a Defined Contribution Plan. The Retirement System provides retirement, survivor, and disability benefits to substantially all County, Airport Authority, and Court employees. In addition, the County's Retirement Board of Commissioners administers the Wayne County Circuit Court Commissioners Bailiffs' Retirement System, a defined-benefit plan. The Retirement Board issues separate financial statements annually. Copies of financial statements for each plan can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226.

The Defined Benefit Plan (Plan Option 1, Plan Option 2, Plan Option 3, and a component of Plan Option 5 and Plan Option 6, or collectively "the Plan") and the Defined Contribution Plan (Plan Option 4 and a component of Plan Option 5 and Plan Option 6) have been combined for presentation in the financial statements. Participant statistics include the primary government as well as the Airport Authority and Courts.

In 1983, the County closed Plan Option 1 of the WCERS to new hires, and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant. At September 30, 2010, the date of the most recent actuarial valuation, combined membership in the Plan consisted of 5,627 retirees and beneficiaries receiving benefits, 114 inactive (separated) employees entitled to benefits but not yet receiving them, and 2,282 current active employees.

Effective October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 ("Plan Option 5"), which contains both a defined benefit component and a defined contribution component. Participants in the Defined Benefit Plan options previously in existence ("Plan Option 1," "Plan Option 2", and "Plan Option 3") could elect to transfer their account balances to Plan Option 5 if authorized during specific time periods noted within collective bargaining agreements. New employees could elect to participate in Plan Option 4 through September 30, 2001.

Effective October 1, 2008, WCERS established the Wayne County Hybrid Retirement Plan # 6 ("Plan Option 6"), which contains both a defined benefit component and a defined contribution component. A defined contribution provision of this plan is voluntary for the member and 0 percent for the employer. Plan Option 6 is available only upon transfer from Plan Option 5, if authorized during specific time periods noted within collective bargaining agreements.

Effective October 1, 2001, only Plan Option 5 is available to new employees, except for new executives who may continue to elect participation in Plan Option 4; Plan Options 1, 2, and 3 are closed to new hires. Because there is no legal requirement to segregate the assets relating to Plan Options 1, 2, 3, 5 or 6 in paying benefits, the accompanying financial statements include the net assets and changes in net assets relating to Plan Options 1, 2, and 3, as well as the defined benefit components in Plan Options 5 and 6. The defined contribution portion of Plan Options 5 and 6 are included in the financial statements of the WCERS Defined Contribution Plan (Plan Option 4).

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative expenses are financed through investment earnings.

The County's policy, in accordance with State statute, is to fund pension costs. Accrued unfunded actuarial liabilities, if any, are amortized over a 30-year closed period.

Methods Used to Value Investments

The Retirement Board of Commissioners has authority to invest the Plan's assets in common and preferred stock; obligations of the United States, its agencies, or U.S. government sponsored enterprises; obligations of any state or political subdivision of a state having the power to levy taxes, banker's acceptances, certificates of deposits; commercial paper; repurchase agreements; reverse repurchase agreements; real and personal property; mortgages; and certain other investments.

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. Fixed debt quotations are provided by a national brokerage pricing service. Investments that do not have established market values are reported at estimated fair value. Mortgage values are determined on the basis of comparable yields available in the marketplace. Many of the Plan's investments in partnerships and real estate investment trusts are invested in assets which do not have exchange quotations that are readily available. Such assets are valued initially at cost, with subsequent adjustments to values that reflect meaningful third-party transactions, or to fair value determined by the general partners or management of the partnerships and trusts. Factors considered in valuing these individual securities may include, but are not limited to, the purchase price, changes in the financial condition and prospects of the issuer, calculations of the total enterprise value using discounted cash flow projections, trading comparables of securities of comparable companies engaged in similar businesses, estimates of liquidations value, the existence of restrictions on transferability, prices received in recent significant placements of securities of the same issuer, and other analytical data relating to the investment. There are inherent limitations in any estimation technique. Because of the inherent uncertainty of valuations, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

The Plan did not hold any individual investments, other than investments in registered investment companies or investments issued or guaranteed by the U.S. government that exceeded five percent of total assets as of September 30, 2010, and 2011.

Contributions

Participants in Plan Option 1 contribute 2 to 6.58 percent of annual compensation, depending on years of credited service. The Sheriff's Command Officers and Deputies contribute 5 percent of annual compensation. Participants in Plan Option 2 do not make plan contributions but receive a lower final benefit. Plan Option 3 participants make decreased contributions of 3 percent of covered compensation. Participants in Plan Option 5 contribute from zero percent to five percent of annual compensation, depending on the employee's coverage group. Participants in Plan Option 6 contribute four percent of annual compensation.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units. The ability to amend the Plans rests with the Wayne County Board of Commissioners.

Annual Pension Cost

For the fiscal year ended September 30, 2011, the County's annual pension cost was \$39,666,139 of which \$13,427,952 was contributed. The annual required contribution was determined using an actuarial valuation of the Plan dated September 30, 2008, (using an entry age normal actuarial cost method) determined as a level percentage of payroll. The County has agreed to voluntarily contribute such additional amounts as necessary to provide assets sufficient to meet the benefits to be paid to Plan members. The significant actuarial assumptions used to compute the contribution requirements include a rate of return on the investment of present and future assets of 8 percent compounded annually, inflation of 4 percent, and projected salary increases of 4 to 8.4 percent compounded annually. The following table shows the County's annual pension cost, the amount contributed to the plan, and changes in the County's net pension obligation.

	(in thousands)
Annual required contribution	\$ 39,666
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	39,666
Contributions made	(13,428)
Increase (decrease) in net pension obligation	26,238
Net pension obligation - beginning of year	-
Net pension obligation - end of year	\$ 26,238

Pension Benefits

Benefits are paid monthly over the member's or survivor's lifetime, after meeting normal retirement or duty disability retirement requirements, which vary by Plan option. Benefits are established and may be amended by changes in collective bargaining agreements, or modification to the Retirement Ordinance. Pension benefits paid are based on the following percentages of average final compensation, for each year of credited service:

Plan Option 1 – Depending on the applicable collective bargaining agreement, either (a) 2.65 percent for each year, (b) 2.5 percent for each year, or (c) 2.0 percent for each year up to 20 years and 2.5 percent for each year over 20 years. Maximum County-financed portion is 75 percent of average final compensation. Minimum monthly pension is \$5 per month, multiplied by the number of years of service.

Plan Option 2 – 1 percent for each year up to 20 years, and 1.25 percent for each year over 20 years. Maximum County-financed portion is 75 percent of average final compensation.

Plan Option 3 – Depending on the applicable collective bargaining agreement, either (a) 2.0 percent for each year up to 20 years, 2.5 percent for each year between 20 and 25 years, and 3.0 percent for each year over 25 years, or (b) 1.5 percent for each year up to 20 years, 2.0 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years, or (c) 2.5 percent for all years of credited service contingent upon payment of \$500 per year for each year up to 20 years. Maximum County-

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

financed portion is 75 percent of average final compensation.

Plan Option 5 – Depending on the applicable collective bargaining agreement, either (a) 2.0 percent per year for each year of credited service, or (b) 1.25 percent for each year up to 20 years, and 1.5 percent for each year over 20 years. Maximum County-financed portion is 75 percent of average final compensation.

Plan Option 6 - 2.5 percent per year for each year of credited service. Maximum County-financed portion is 75 percent of average final compensation.

Death and Disability Benefits – The Plan also provides non-duty death and disability benefits to members after ten years of credited service for Plan Option 1, 2, 5, and 6 along with, non-duty death benefits for Plan Option 3. The ten-year service provision is waived for duty disability and death benefits.

The following represents the County's annual pension costs as of September 30, 2011:

Three Year Trend Information
(Dollar amount in thousands)

Fiscal Year Ended	Annual Contributions		Other	Percentage
<u>September 30</u>	<u>Required</u>	<u>Actual</u>	<u>(Note 17)</u>	<u>Contributed</u>
2009	\$ 32,559	32,559		100%
2010	35,401	35,401		100%
2011	39,666	13,428	26,238	100%

As of September 30, 2011, the Plan's legally required reserves have been fully funded as follows (dollar amounts in thousands):

Reserve for employee contributions	\$ 120,722
Reserve for employer contributions (deficit)	(498,824)
Reserve for pension payments	1,061,548
Reserve for inflation equity	<u>12,000</u>
Total reserve balances	<u>\$ 695,446</u>

The Plan's funded status as of September 30, 2010, the most recent actuarial valuation date, is as follows:

	(in millions)
Actuarial value of assets	\$ 900.8
Actuarial accrued liability - entry age	<u>1,502.1</u>
Unfunded Actuarial Accrued Liability	<u>601.3</u>
Funded Ratio	<u>60.0%</u>
Annual covered payroll	\$ 277.4
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	<u><u>216.8%</u></u>

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

The schedule of funding progress, which is presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of the Plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additional information as of the latest valuation is as follows:

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

Valuation date	September 30, 2010
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	29 years - closed
Assets valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0 percent (includes inflation at 4.0 percent)
Projected salary increases	4.0 - 8.4 percent (includes inflation at 4.0 percent)
Cost-of-living adjustments	Not applicable

Factors that significantly affect the identification of trends in the amounts reported include, for example, changes in benefit provisions, the size or composition of the population covered by the Plan, or the actuarial methods and assumptions used.

Wayne County Circuit Court Commissioners Bailiffs' Retirement System

Plan Description

The Wayne County Circuit Court Commissioners Bailiffs' Retirement System (Bailiffs' Retirement System) is a single-employer defined benefit public employee retirement plan (the Plan) governed by the WCERS and created under the County of Wayne's Enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Bailiffs' Retirement System is established by the County to provide retirement, survivor, and disability benefits to the County's Circuit Court Commissioners Bailiffs Unit employees. The ability to modify or amend the Plans rests with the Wayne County Board of Commissioners.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative expenses are financed through investment earnings.

Methods Used to Value Investments

The Retirement Board of Commissioners has authority to invest the Plan's assets in common and preferred stock; obligations of the United States, its agencies, or U.S. government sponsored enterprises; obligations of any state or political subdivision of a state having the power to levy taxes; banker's acceptances; certificates of deposits; commercial paper, repurchase agreements; reverse repurchase agreements; real and personal property; mortgages; and certain other investments.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Market values for common stocks and money market funds are based on September 30, 2011, closing market quotations. Fixed debt quotations are provided by a national brokerage pricing service. Investments that do not have established market values are reported at estimated fair value.

The Plan did not hold any individual investments, other than those in registered investment companies or investments issued or guaranteed by the U.S. government that exceeded five percent of total assets as of September 30, 2011, and 2010.

Contributions

The Plan's basic benefits are funded by contributions from the State of Michigan through prior agreement, by active members, process service fees and by investment income earned on Plan assets. The Plan members contribute 3.0 percent of the first \$4,200 of annual compensation plus 5.0 percent of annual compensation in excess of \$4,200. On behalf payments of fringe benefits and salaries for County employees were recognized as revenue and expense during the fiscal year.

The funding policy provides for periodic contributions based upon a fundamental financial objective of having rates of contribution that remain relatively level from generation to generation. To determine the employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, the Plan has actuarial valuations prepared annually. In preparing those valuations, the entry age actuarial cost method is used to determine normal cost and actuarial accrued liabilities.

Annual Pension Cost

For the fiscal year ended September 30, 2011, there were no required contributions or actual contributions made by the County. The annual pension cost of \$28,906 was equal to the actual contributions provided by the State of Michigan. The annual required contribution was determined using an actuarial valuation of the Plan as of September 30, 2010. Contributions were determined using an entry age actuarial cost method. The Plan is fully funded.

Pension Benefits

Employees with 25 years of service and having attained age 50, as well as employees with five years of service and having attained age 60, are entitled to annual pension benefits upon reaching the applicable retirement age. There is no mandatory retirement age. Pension benefits are calculated as total years of service multiplied by 2.0 percent of average final compensation. The maximum portion financed by the WCERS is 75 percent of average final compensation.

There were 3 active participants in the Plan for 2011 (all of whom were vested), and 6 retirees and beneficiaries receiving benefits.

Three-Year Trend Information

Fiscal Year Ended	Annual Contribution		Percentage
<u>September 30</u>	<u>Required)</u>	<u>Actual</u>	<u>Contributed</u>
2009	-	\$38,339	-
2010	-	37,926	-
2011	-	28,905	-

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

Reserves - Circuit Court
(in thousands)

As of September 30, 2011, the Plan's reserve balances are as follows:

Reserve for employee contributions	\$ 1,202
Reserve for employer contributions	2,397
Reserve for pension payments	927
Reserve for inflation equity	78
Unallocated net assets	<u>(442)</u>
Total reserves balances	<u>\$ 4,162</u>

The Plan's funded status as of September 30, 2010, the most recent actuarial valuation date, is as follows:

	(in thousands)
Actuarial value of assets	\$ 5,569
Actuarial accrued liability - entry age	<u>2,499</u>
Overfunded Actuarial Accrued Liability	<u>\$ (3,070)</u>
Funded Ratio	<u>222.8%</u>
Annual covered payroll	\$ 312
Overfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	<u><u>984.0%</u></u>

The schedule of funding progress, which is presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of the Plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additional information as of the latest valuation is as follows:

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

Valuation date	September 30, 2010
Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	Fully funded
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.0 percent
Projected salary increases	0.0 percent
Cost-of-living adjustments	Inflation Equity Reserve Distributions

Factors that significantly affect the identification of trends in the amounts reported include, for example, changes in benefit provisions, the size or composition of the population covered by the Plan, or the actuarial methods and assumptions used.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Wayne County Employees' Retirement System Defined Contribution Plan

The Wayne County Employees' Retirement System instituted a Defined Contribution Plan, a single employer plan (Plan Option 4 and a component of Plan Option 5 and Plan Option 6) under the County's Enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Plan was established to provide retirement, survivor and disability benefits to County employees. The administration, management and responsibility for the proper operation of the Plan are vested in the trustees of the Wayne County Retirement Board of Commissioners. The ability to modify or amend the Plans rests with the Wayne County Board of Commissioners.

Under Plan Option 4, the County contributes \$4.00 for every \$1.00 contributed by each member, or for eligible executives, \$5.00 for every \$1.00 contributed by each member, with the member contributions ranging from 1.0 percent to 2.5 percent of base compensation. At September 30, 2011, there were 2,467 active employees in the Plan, and 1,255 participants entitled to receive future benefits. Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service.

Participants in Plan Option 5 contribute two to three percent of gross pay depending upon employee coverage group. The County makes matching contributions at a rate equal to the amount contributed by each employee. Under certain employee coverage groups, employees contribute on a voluntary basis with no employer match, subject to applicable Internal Revenue Service rules and regulations. At September 30, 2011, there were 1,402 active employees in the Plan, three retirees currently receiving benefits, and 445 individuals entitled to future benefits. Employees are vested at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service. All full-time permanent County employees are eligible to join the Plan.

Employees contribute to Plan Option 6 on a voluntary basis, subject to all IRS rules and regulations. The County makes no matching contributions. At September 30, 2010, there were 574 active employees in the Plan and 114 individuals entitled to future benefits. Employees are vested as to employer contributions at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service if they were not previously vested in Plan Option 5 at the time of transfer. Plan Option 6 is only available upon transfer from Plan Option 5, if authorized, during specific time periods noted within collective bargaining agreements.

Total employer and employee contributions for Plan Option 4, 5 and 6, during 2011, were \$17.2 million and \$3.6 million, respectively.

In Plan Option 4, members are able to receive loans from the Defined Contribution Plan. No loans may be issued under Plan Options 5 and 6, except for executives and sheriff deputies and command officers employed by Wayne County. Only active employees with a vested account balance of \$2,000 or more are eligible. Interest on Plan Option 4 loans are at the rate of five-year Treasury notes plus 300 basis points (3 percent) rounded to the nearest quarter of one percent. Interest on loans for Plan Options 5 and 6 are at the rate of 10-year U.S. Treasury notes, rounded to the nearest quarter of one percent.

The Plan uses the accrual basis of accounting, which recognizes revenues as earned and expenses as incurred. Market values for common stock, money market funds and mutual funds are based on September 30, 2010, closing market quotations.

The Plan did not hold any individual investments, other than investments in registered investment companies or investments issued or guaranteed by the U.S. government that exceeded five percent of total assets as of September 30, 2011, and 2010.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Deferred Compensation Plan

The County has made available to all permanent employees a deferred compensation plan (the Plan) established in accordance with Internal Revenue Code Section 457. The Plan permits participating employees to defer a portion of their salary until future years. Accumulated deferred compensation amounts are not available to employees or their estates until retirement, death, termination of employment or unforeseeable emergency.

All assets of the Plan are (until paid or made available to the participant or beneficiary) held in trust by a third party administrator for the exclusive benefit of the participants and their beneficiaries. The assets are invested in annuity contracts and mutual funds. It is the opinion of the County's Corporation Counsel that the County has no liability for losses under the Plan but does have the fiduciary duty of due care that would be required of an ordinary prudent investor.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan are not included in the County's financial statements.

(14) Other Post-employment Benefit Obligations

Plan Description – The County provides other post retirement benefits under a single-employer defined benefit plan. The plan provides hospitalization and other health insurance for Wayne County retirees under the age of 65 and their dependents, pursuant to agreements with various collective bargaining units or other actions of the Wayne County Commission or Wayne County Retirement Board. In addition, the County covers the cost of federal Medicare premiums and supplemental hospitalization for retirees over 65 and their eligible dependents. The County also pays the cost of basic retiree life insurance, up to \$5,000 per employee, on a pay as you go basis. Substantially all County employees may become eligible for benefits if they reach normal retirement age while employed by the County. This plan covers all retirees of Wayne County and Wayne County Airport Authority's pre-2002 retirees. There were 5,032 retirees eligible for benefits, as of October 1, 2008, the date of the most recent actuarial valuation. The plan does not issue separate financial statements.

In addition, the County pays for health care and insurance benefits for Airport Authority post-2002 retirees. The cost of these benefits is fully reimbursed by the Airport Authority and the County bears no responsibility for these costs. The Airport Authority funds these costs through a separate plan. The plan has 633 members (including 485 Airport Authority employees in active service and 148 retired Airport Authority employees and beneficiaries currently receiving benefits who retired after September 1, 2002).

Funding Policy – These benefits are funded on a pay-as-you-go basis. The County, including the Airport Authority, paid approximately \$29.3 million and \$4.4 million, respectively, for health care and retirees' life insurance benefits for the fiscal year ended September 30, 2011. There is no required contribution for the plan members.

In September 2008, the Airport Authority created an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental and life insurance coverage and other post employment benefits other than pensions. The Airport Authority began funding the trust and fully implemented GASB Statements No. 43 and No. 45 in September 2008. Employees in Executive Service, GAA Executive, Local 502 and Local 3317 bargaining units are required to contribute 10

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

percent of the Blue Cross Blue Shield illustrative rate or 10 percent of the HAP premium. The Airport Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Airport Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust. The schedule of employer contributions for the Airport Authority as of October 1, 2009, which is the date of the most recent actuarial valuation, is presented as required supplementary information on page II-146.

Annual OPEB Costs and Net OPEB Obligation - The County's annual other postemployment benefit (OPEB) costs (expense) is calculated based on the *annual required contribution* (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standard's Board (GASB) Statement No. 45, "Accounting and financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the component of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

	(in thousands)	
	Wayne County Pre and Post 2002 Retirees *	Airport Authority Post 2002 Retirees
Annual required contribution	\$ 90,484	\$ 5,572
Interest on net OPEB obligation	3,131	(154)
Adjustment to annual required contribution	(3,111)	64
Annual OPEB cost (expense)	90,504	5,482
Contributions made		
Payments of current premiums	(33,662)	(1,829)
Advance funding	-	(3,500)
Increase (decrease) in net OPEB obligation	56,842	153
Net OPEB obligation (asset) - beginning of year	78,284	(1,921)
Net OPEB obligation (asset) - end of year	\$ 135,126	\$ (1,768)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and prior years were as follows:

	(in thousands)		
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2009	\$ 58,998	73.8%	\$ 29,611
September 30, 2010	87,856	44.6%	78,284
September 30, 2011	90,504	32.4%	135,126

The Airport Authority's OPEB cost for its post-2002 retirees, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation/(asset) for 2011 and prior years were as follows:

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

(in thousands)			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
September 30, 2009	\$ 5,358	127.8%	\$ (1,004)
September 30, 2010	4,804	119.1%	(1,921)
September 30, 2011	5,482	97.2%	(1,768)

Funding Status and Funding Progress – The funded status as of October 1, 2008 for the Wayne County plan, the date of the most recent actuarial valuations, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/1/2007	-	855,888,447	855,888,447	0.0%	N/A	N/A
10/1/2008	-	1,513,956,202	1,513,956,202	0.0%	N/A	N/A

* Wayne County and the Airport Authority have a contractual agreement whereby the Airport Authority is responsible for 11.25 percent of the unfunded actuarial accrued liability in this plan. This percentage is for the coverage of the pre-2002 Airport Authority retirees.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the October 1, 2008 actuarial valuations for the Wayne County plan, the actuarial cost method used was the projected unit credit method with service prorated. The actuarial assumptions included a 4 percent investment rate of return, which is the rate of the expected long-term investment returns on the plans and a projected 3 percent salary increase. The plan used an annual healthcare cost trend rate of 9 percent initially, reduced to an ultimate rate of 5 percent after eight years. The UAAL for the plan is being amortized on an open basis using the straight-line method (level percent of pay amortized annually) over thirty years.

In the October 1, 2009 actuarial valuation for the Airport Authority's post-2002 plan, the actuarial cost method used was the projected unit credit method with service prorated. The actuarial assumptions included an 8 percent investment rate of return, which is the rate of the expected long-term investment returns on the plans and a projected 3 percent salary increase. The plan used an annual healthcare cost

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

trend rate of 9 percent initially, reduced to an ultimate rate of 5 percent after seven years. The UAAL for the plan is being amortized on an open basis using the straight-line method (level percent of pay amortized annually) over thirty years.

(15) Fund Deficits

The County is required by its Home Rule Charter and State statutes, specifically Public Act 2 of 1968 and Public Act 275 of 1980, as amended, to operate under a plan to eliminate any fund deficits. The deficits at September 30, 2011 were as follows (amounts in thousands):

Fund	Deficit	Source of Funding			
		General Fund Appropriations	Other Internal Appropriations	Expenditure Reduction	Other Revenue Sources
Governmental funds:					
General Fund	\$ 81,881	-	-	-	81,881
Health	1,786	1,786	-	-	-
Juvenile Justice/Abuse and Neglect	10,059	2,361	-	7,698	-
Drug Enforcement	1,088	-	-	-	1,088
Nutrition	832	832	-	-	-
Community and Economic Development	1,250	-	-	-	1,250
Total governmental funds	<u>\$ 96,896</u>	<u>4,979</u>	<u>-</u>	<u>7,698</u>	<u>84,219</u>
Enterprise funds:					
Copy Center	\$ 585	585	-	-	-
Internal Service Funds:					
General Liability	561	-	561	-	-
Buildings and Ground Maintenance	3,782	-	3,782	-	-
Total internal service funds	<u>\$ 4,343</u>	<u>-</u>	<u>4,343</u>	<u>-</u>	<u>-</u>
Component units:					
Probate Court	564	-	-	-	564
Brownfield Authority (BRA)	25	-	-	-	25
RJEGF	47	-	-	-	47
Total component units	<u>\$ 636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>636</u>

The General Fund has earmarked \$25.5 million in 2012 and anticipates committing \$25.5 million per year from 2013 through 2015, for the funding of these deficits. In the event that other sources of revenue or reductions in expenditures fail to meet projected levels, the General Fund may be responsible for covering the difference.

(16) Commitments and Contingencies

Claims, litigation, and assessments for the year ended September 30, 2011, and prior years, which were settled shortly after September 30, 2011, have been charged to current fiscal year operations. Claims, litigation, and assessments asserted against the County, which are probable of loss and estimable in amount, are reflected in the government-wide financial statements at September 30, 2011. In the governmental fund financial statements, liabilities are accrued when costs are settled and the amount is due and payable.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

The County receives funds from other governmental units to finance County operations and certain grant projects. These amounts received or receivable are subject to audit and adjustment, based on compliance with applicable agreements and other regulatory requirements. Any disallowed amounts, including those already collected, may constitute a liability of the applicable fund. The amount, if any that may be disallowed by grantors or other governmental units cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in a number of other lawsuits, a party in other disputes, and subject to claims and property tax appeals, and other potential liabilities that have resulted from its activities in providing services to the citizens of Wayne County. The ultimate unrecorded effect on the County's financial statements of the resolution of these various matters is, in the opinion of management, not expected to be material.

Environmental Matters

Environmental accruals are recorded when it is both probable that a liability has been incurred and the amount of the liability is reasonably estimable, based on current law and existing technologies. The County is a party to disputes and negotiations regarding potentially hazardous sites within Wayne County. At September 30, 2011, \$500,000 has been accrued for environmental matters.

Litigation Matters

On December 18, 2009, a lawsuit was filed against the County which is based on a dispute concerning changes to retiree health care coverage plans, which resulted in increased cost sharing for the retirees. On October 6, 2010, the action was certified as a class action lawsuit. The plaintiffs claim that the County's actions are a breach of certain contractual obligations that protect the plaintiffs from increases in cost sharing. A trial date has not been set and the County's exposure is not estimable at this time. The County intends to vigorously defend this action.

Component Units – Airport Authority

The Authority is a defendant in a number of lawsuits and claims that have resulted from the ordinary course of providing services. The ultimate effect on the Authority's financial statements of the resolution of these matters is, in the opinion of the Authority's counsel, not expected to be material.

Environmental Matters

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. At September 30, 2011, the Authority had accrued obligations of \$5.3 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however, these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the liability has been recorded at the current value estimated using the expected cash flow technique, a probability-weighted approach. A significant portion (54%) of the recorded environmental liability is related to a consent decree and judgment issued during 1994 that identifies the Airport as one of the 14 responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). Most of the remaining liability is for asbestos remediation estimates. See additional discussion on both below.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Downriver Sewage Disposal System

In 1994, the Environmental Protection Agency (EPA) and Michigan Department of Natural Resources (MDNR), through a federal court ruling, issued a mandate for environmental remediation of the System noting in their Financing Plan and Final Judgment RE: 1994 Court-Ordered Improvements, “Whereas, it is immediately necessary and imperative for the public health and welfare of the present and future residents of Wayne and the Downriver Communities that the improvements for the System required by the Consent Decree be planned, designed, acquired, constructed and financed to service the Downriver Communities.”

The “Downriver Communities” listed as responsible parties to this decree included 13 communities as well as Metro Airport, which utilize the plant for water and sewage disposal. Total project costs were initially estimated at \$230 million and financed by Wayne County (the County) through the issuance of bonds and additional State Revolving Fund (SRF) financing. Each responsible party is required to pay their allocated portion of principal and interest on the bonds and SRF bonds, as well as their portion of any subsequent debt issued to pay project costs. In August 2007, a series of completion bonds were issued to finance the estimated final costs of the project. Metro Airport has paid \$5.9 million to the City of Romulus for prior year debt service as of September 30, 2011 and an additional \$400 thousand to fund a bond reserve. The amounts recorded by the Authority for future debt service payments are believed to materially encompass the remaining obligation.

Asbestos Remediation

It is known that certain Metro Airport and Willow Run Airport buildings hold asbestos-containing materials (ACMs) that will need to be disposed of upon demolition of affected structures. While the pollutant is currently contained due to prior remediation efforts during the late 1980s and early 1990s, the environmental assessments have indicated that remediation will be necessary during the demolition of the affected buildings to ensure containment of the pollutants and proper disposal.

During 2010, the planned demolition of the Smith Terminal building, concourses, and observation deck was consolidated into one project slated to begin in 2017 with the removal of the hazardous material as the first action that will be taken as part of the overall project.

Preliminary assessments of the nature and extent of the material were performed by WCAA Environmental and have provided information to help develop estimated remediation costs expected over time. As of September 30, 2011, the Authority recorded asbestos-related liabilities of \$1.5 million and \$709 thousand at Detroit Metro and Willow Run Airports, respectively.

National Pollutant Discharge Elimination System Permit Violation

During 2006, the Authority entered into a plea agreement with the United States for a misdemeanor violation of a condition and limitation in a National Pollutant Discharge Elimination System (NPDES) Permit issued by the State of Michigan. This matter pertained to a 2001 failure to report a discharge of turbid and odorous storm water directly to the Frank and Poet Drain, a waterway that flows directly into the Detroit River, near Lake Erie. The sentence prescribed by the Federal Court includes a four-year probationary period ending in 2010 and the construction and use of a force main to connect Pond 3W at the Airport to sanitary sewer lines leading to the Detroit Water and Sewerage Department’s (DWSD) treatment plant. In June 2010, the Federal Court sentenced a new probation term of three years ending in 2013. The estimated cost of the project is \$10 million and the Authority has incurred \$9 million to date. The project is deemed complete upon approval by DWSD that the main can and will be operated in a manner consistent with all state and federal regulatory requirements.

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

Additional Remediation Matters

General Motors Corporation (GM) and the Authority (as successor in interest to the Board of County Road Commissioners and the County of Wayne) are parties to a Lease of Land, dated October 11, 1985 (the "Lease"). Under the Lease, GM leases certain land at Willow Run Airport (the "Airport") upon which GM constructed and operates a water treatment plant, which it uses as an integral part of its operations of the GM transmission facility next to the Airport (the "GM Plant").

On June 1, 2009, GM filed for protection under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and pursuant to the Bankruptcy Code, GM has the right to assume or reject the Lease. On July 5, 2009, the Bankruptcy Court authorized the sale of substantially all of GM's assets to NGMCO, Inc., a U.S. Treasury-sponsored purchaser (the "Purchaser"), and on July 10, 2009, the transfer of assets to the Purchaser occurred. GM's name now has been changed to "Motors Liquidation Company" and the Purchaser's name is now "General Motors Company."

In July 2009, GM assigned the Lease to the Purchaser. Pursuant to the Assignment and Assumption document between GM and the Purchaser, GM assigned all of its right, title, and interest in the Lease to the Purchaser, and the Purchaser accepted the assignment and assumed GM's obligations under the Lease, subject to the retention by GM of certain liabilities associated with the Lease. The liabilities to be retained by GM and not assumed by the Purchaser include, among other things, all liabilities for environmental contamination, at, under or emanating from the leased premises, all liabilities for cleanup of environmental contamination, and all liabilities for noncompliance with environmental laws. As such, once the property is returned to the Authority in the winter of 2011 and assuming GM is fully dissolved, to the extent there exists environmental remediation costs, these costs will be the responsibility of the Authority.

The Purchaser operated the facility through the expiration of the Lease agreement on February 28, 2011. On March 5, 2011, Motors Liquidation Company took over operation of the facility from the Purchaser. Motors Liquidation Company then operated the facility until March 31, 2011, at which time it transferred all of its assets to Racer Trust, which continues to occupy and operate the water treatment facility. The Authority and Racer Trust are in negotiations to establish a new agreement governing the occupancy of the facility.

Additional small environmental matters were identified during 2010, including site closure of several Willow Run fuel farms. The Authority recorded liabilities totaling \$54 thousand for these items as of September 30, 2011.

(17) Employer Contributions

On September 20, 2010, Wayne County Commission introduced an amendment to Chapter 141 of the Wayne County Code of Ordinances, Sections 141-32 and 141-36, *Inflation Equity Programs and Financial Objective*, respectively. The amendment provided new guidelines for the distribution of excess funds from the Wayne County Retirement Systems' Inflation Equity Reserve (IEF) and to provide that the County's annual contribution requirement (ARC) may be reduced or eliminated for a fiscal year. The Wayne County Retirement System filed a lawsuit against the County stating that the amendment to the ordinance violated State of Michigan Constitution MCL 38.1140m.

On September 20, 2011, the State of Michigan Circuit Court for the County of Wayne, ruled in favor of the County that MCL 38.1140m does not address or prohibit the transfer of funds from the IEF reserve

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

to meet the ARC and the amendment to the ordinance is legal as written.

For the fiscal year ended September 30, 2011, the County's required ARC obligation was \$39,666 million. As a result of the favorable ruling, the County's actual ARC payment was \$13,248 million and the remaining \$26,238 was funded by the IEF.

(18) Restatement to Beginning of Year Fund Balance/Net Assets

Prior Period Adjustment

The County refunded approximately \$7.8 million in personal and real property tax refunds related to property tax revenue reported as of September 30, 2010. In addition, the County has estimated \$15.8 million in appealed cases that have yet to be settled as of September 30, 2010. The County determined its cumulative actual and potential exposure was approximately \$23.6 million and restated the beginning of the year fund balance as of October 1, 2010.

Change in Accounting Principles

As of October 1, 2010, the County records the costs for internal services provided by Management and Budget, Corporation Counsel, and Personnel/Human Resources in the general fund; the costs were previously reported in internal service funds. The change in reporting for these services more accurately serve as general government activities of the County. As a result of the change, the beginning of the year net assets in the internal service funds decreased by \$25,000, which primarily related to the transfer of capital assets to general fund.

The impact of the change resulted in refunds of charges for services for long-term liabilities previously reported in the internal service funds. The refund is reported in government-wide and fund statements as a chargeback recovery in other financing sources and uses totaling \$5,496,000.

Accounting and Reporting Change

During the year, the County adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In order to conform the classifications of the funds to the appropriate fund types under these new definitions, the beginning of the year fund balance in general fund increased by \$2.198 million; and the beginning of the year fund balance in special revenue funds decreased by the same amount.

As a result of the changes noted above, the beginning fund balance/net assets were restated as below:

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2011

(in thousands)

	General Fund	Special Revenue Funds	Internal Service Funds
Fund Balance/Net Assets - September 30, 2010 - as previously reported	\$ (26,516)	27,403	937
Reclassifications under GASB 54	2,198	(2,198)	-
Prior Period Adjustment	(23,616)		
Change in Accounting Principles - Internal Service Funds	-	-	(25)
Fund Balance/Net Assets - October 1, 2010 - as restated	<u>(47,934)</u>	<u>25,205</u>	<u>912</u>

As of October 1, 2010, the County merged the activity of Economic and Neighborhood Development (E&ND) – 21st Century, a Special Revenue Fund with Community and Economic Development, also a Special Revenue Fund. The activities of the two funds accomplish similar goals and objectives. As a result of the change, the beginning of the year fund balance in the Community and Economic Development was decreased by \$1.593 million.

(19) Special Item

In December, 2011, the County and the Third Circuit Court (Court) reached a settlement agreement whereby the County would assume the accumulated deficit of the Court through the date of the agreement. The agreement was approved by the State Supreme Court and the Wayne County Commission. The amount of the accumulated deficit transferred to the General Fund totaled approximately \$43.1 million (modified approach), after the County reduced \$12 million in accordance with the approved Deficit Elimination Plan. The remaining deficit attributable to long-term liabilities totaled approximately \$22.27 million (accrual basis) and is recognized as a special item and a long-term receivable to the Circuit Court and as a special item and long-term payable at the government-wide entity level statements since they are recognized on an accrual basis.

(20) Dissolution of Component Unit

The Development Corporation of Wayne County (DCWC) Board of Directors passed a resolution on June 9, 2010 to dissolve the organization. The assets and liabilities of DCWC were absorbed by the Wayne County Regional Jobs and Economic Growth Foundation, another component unit during the fiscal year. The excess transfer of assets over liabilities was \$58,740.

(21) Subsequent Events

In August 2011, the County authorized the issuance of bonds to the Michigan Finance Authority (MFA) to apply for Revolving Loan Funds under the State's Clean Water programs for the Downriver Sewer System. A total of \$14.1 million in loan funds are approved for improvement projects for the Downriver Sewage Disposal System's Wastewater Treatment Facility. Additionally, two loans \$760,000 for the River Rouge CSO Basin and \$325,000 for the Dearborn Heights CSO Basin project were approved. No indebtedness is recorded at September 30, 2011 since no funds were received at that time. These are cost reimbursement loans that are limited tax general obligations of the County, but are payable from contractual payments to be received from the respective benefiting communities. Subsequent to September 30, 2011 the County has received \$1.5 million for the Downriver Sewage System project, \$65,000 for the River Rouge CSO Basin project, and \$31,000 for the Dearborn Heights

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

CSO Basin project.

In February 2012, the County terminated an Installment Purchase agreement with the Sanborn Map Company, Inc. and paid off entire balance of \$1,110,444. The Installment Purchase Contract was entered through the Michigan Finance Authority Local Government Loan Program in September 2011.

Component Units

Airport Authority

On November 30, 2011, the Authority issued \$169.4 million in Wayne County Airport Authority Revenue Refunding Bonds at the following amounts: Series 2011A - \$152.5 million and Series 2011B - \$16.9 million.

The Series 2011A Fixed Rate Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2011B Fixed Rate Refunding Bonds were issued to refund a portion of the Series 2002C Bonds.

(22) Upcoming Reporting Changes

Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement addresses financial reporting related to service concession arrangements (SCA) which are types of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (whether a government or nongovernmental entity) in which the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset in exchange for significant consideration and the operator collects and is compensated by fees from third parties. The provisions of Statement No. 60 are effective for fiscal years beginning after December 15, 2011. The County is currently evaluating the impact this standard.

Statement No. 61, The Financial Reporting Entity: Omnibus

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those statements.

Statement No. 61 modifies certain requirements for inclusion of components units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria, this Statement details the manner in which that determination should be made. This Statement also amends the criteria for reporting component units as if they were part of the primary government (i.e. blending) in certain circumstances. In addition, it clarifies the reporting of equity interests in

CHARTER COUNTY OF WAYNE, MICHIGAN

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the year ended September 30, 2011

legally separate organizations – by requiring a primary government to report its equity interest in a component unit as an asset. The provisions of Statement No. 61 are effective for fiscal years beginning after June 15, 2012. The County is currently evaluating the impact of this standard.

Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB Statements and Interpretation, APB Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. The provisions of Statement No. 62 are effective for fiscal years beginning after December 15, 2011. The County is currently evaluating the impact of this standard.

Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The Statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This Statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows or resources and net position. Once implemented, this Statement will impact the format and reporting of the balance sheet at the government-wide level and also at the fund level. The provisions of Statement No. 63 are effective for fiscal years beginning after December 15, 2011. The County is currently evaluating the impact of this standard.

(23) Net Asset Reclassification for Delinquent Tax Revolving Fund

Net assets for the Delinquent Tax Revolving Fund were restated. The original issued statements reported restricted net assets for delinquent tax administration as \$231.7 million and unrestricted net assets as a deficit of \$11.1 million. The reissued statements reflect corrections to the classification of restricted and unrestricted net assets in the Delinquent Tax Fund. Net assets for delinquent tax administration are restated as \$216.7 million and unrestricted net assets as \$3.9 million. The reclassification of net assets also affected the reclassification of current assets from non-current assets and current liabilities from non-current liabilities payable from restricted current assets.

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	\$ 316,274	302,169	305,876	3,707
Sales	53,804	53,804	55,052	1,248
Excise	-	-	-	-
Licenses and permits	593	593	529	(64)
Federal grants	10,167	9,388	9,860	472
State grants and contracts	60,953	59,215	57,562	(1,653)
Local grants and contracts	1,081	1,426	2,043	617
Charges for services	113,988	124,553	125,333	780
Interest and rents	3,325	3,344	2,463	(881)
Other	9,830	9,098	8,093	(1,005)
Total revenues	<u>570,015</u>	<u>563,590</u>	<u>566,811</u>	<u>3,221</u>
EXPENDITURES:				
Current operations:				
Legislative	8,527	8,984	8,805	(179)
Judicial	91,794	91,794	101,027	9,233
General government	144,102	142,543	122,481	(20,062)
Public safety	123,805	118,232	129,280	11,048
Public works	1,203	1,203	708	(495)
Health and welfare	85,708	88,751	86,698	(2,053)
Recreational and cultural	-	4,450	3,462	(988)
Community and economic development	2,823	2,823	2,823	-
Capital outlay	723	972	2,359	1,387
Debt service	3,132	3,132	4,193	1,061
Total expenditures	<u>461,817</u>	<u>462,884</u>	<u>461,836</u>	<u>(1,048)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>108,198</u>	<u>100,706</u>	<u>104,975</u>	<u>4,269</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,103	16,979	16,987	8
Transfers out	(120,194)	(117,036)	(115,571)	(1,465)
Interfund chargeback recovery (Note 18)	-	-	2,695	(2,695)
Proceeds from sale of capital assets	30	30	24	(6)
Total other financing sources (uses)	<u>(119,061)</u>	<u>(100,027)</u>	<u>(95,865)</u>	<u>4,162</u>
Net change before special item	(10,863)	679	9,110	8,431
Special item (Note 19)	-	-	(43,057)	43,057
Net change in fund balance	(10,863)	679	(33,947)	51,488
Fund balances at October 1, 2010, restated (Note 18)	(47,934)	(47,934)	(47,934)	-
Fund balance at September 30, 2011	<u>\$ (58,797)</u>	<u>(47,255)</u>	<u>(81,881)</u>	<u>51,488</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
ROADS FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	\$ -	-	-	-
Sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	15,827	15,827	3,117	(12,710)
State grants and contracts	82,339	82,339	80,369	(1,970)
Local grants and contracts	2,279	2,279	2,758	479
Charges for services	4,568	4,568	3,883	(685)
Interest and rents	675	742	363	(379)
Other	6	6	26	20
Total revenues	<u>105,694</u>	<u>105,761</u>	<u>90,516</u>	<u>(15,245)</u>
EXPENDITURES:				
Current operations:				
Personnel	30,256	30,352	20,976	(9,376)
Fringe benefits	10,866	10,879	10,415	(464)
Pension	5,541	1,771	2,782	1,011
Materials and supplies	12,812	12,691	12,414	(277)
Contractual services	30,620	30,532	8,844	(21,688)
Travel	153	153	95	(58)
Operating	6,690	6,690	6,878	188
Rentals	528	528	722	194
Other charges	288	313	903	590
Capital outlay	980	1,504	6,460	4,956
Debt service	483	483	836	353
Total expenditures	<u>99,217</u>	<u>95,896</u>	<u>71,325</u>	<u>(24,571)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,477</u>	<u>9,865</u>	<u>19,191</u>	<u>9,326</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(6,554)	(6,554)	(6,621)	67
Interfund chargeback recovery (Note 18)	-	-	585	(585)
Bond issuance	-	-	1,000	1,000
Proceeds from sale of capital assets	75	75	107	32
Total other financing sources (uses)	<u>(6,479)</u>	<u>(6,479)</u>	<u>(4,929)</u>	<u>1,550</u>
Net change in fund balance	(2)	3,386	14,262	10,876
Fund balance at October 1, 2010	<u>32,079</u>	<u>32,079</u>	<u>32,079</u>	-
Fund balance at September 30, 2011	<u>\$ 32,077</u>	<u>35,465</u>	<u>46,341</u>	<u>10,876</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
MENTAL HEALTH FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	\$ -	-	-	-
Sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	12,009	12,129	9,466	(2,663)
State grants and contracts	572,811	611,710	589,371	(22,339)
Local grants and contracts	-	-	-	-
Charges for services	-	-	532	532
Interest and rents	260	260	361	101
Other	-	-	-	-
Total revenues	<u>585,080</u>	<u>624,099</u>	<u>599,730</u>	<u>(24,369)</u>
EXPENDITURES:				
Current operations:				
Personnel	9,544	9,605	7,216	(2,389)
Fringe benefits	2,993	2,998	2,676	(322)
Pension	1,614	548	601	53
Materials and supplies	222	222	166	(56)
Contractual services	580,065	604,841	577,678	(27,163)
Travel	247	247	159	(88)
Operating	3,315	20,099	115	(19,984)
Rentals	960	960	896	(64)
Other charges	5	5	-	(5)
Capital outlay	<u>15</u>	<u>15</u>	<u>-</u>	<u>(15)</u>
Total expenditures	<u>598,980</u>	<u>639,540</u>	<u>589,507</u>	<u>(50,033)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,900)</u>	<u>(15,441)</u>	<u>10,223</u>	<u>25,664</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	13,900	16,507	16,507	-
Interfund chargeback recovery (Note 18)	<u>-</u>	<u>-</u>	<u>324</u>	<u>(324)</u>
Total other financing sources (uses)	<u>13,900</u>	<u>16,507</u>	<u>16,831</u>	<u>324</u>
Net change in fund balance	-	1,066	27,054	25,988
Fund balance at October 1, 2010	<u>32,280</u>	<u>32,280</u>	<u>32,280</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ 32,280</u>	<u>33,346</u>	<u>59,334</u>	<u>25,988</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
HEALTH FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	\$ -	-	-	-
Sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	1,252	1,236	8,435	7,199
State grants and contracts	8,503	10,496	3,083	(7,413)
Local grants and contracts	180	180	91	(89)
Charges for services	16,688	16,635	3,985	(12,650)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>26,623</u>	<u>28,547</u>	<u>15,594</u>	<u>(12,953)</u>
EXPENDITURES:				
Current operations:				
Personnel	7,303	7,133	6,015	(1,118)
Fringe benefits	2,660	2,602	2,675	73
Pension	1,493	467	604	137
Materials and supplies	793	840	1,301	461
Contractual services	15,241	17,294	8,318	(8,976)
Travel	357	366	268	(98)
Operating	337	337	319	(18)
Rentals	452	436	292	(144)
Other charges	43	86	39	(47)
Capital outlay	-	55	31	(24)
Debt service	-	-	-	-
Total expenditures	<u>28,679</u>	<u>29,616</u>	<u>19,862</u>	<u>(9,754)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,056)</u>	<u>(1,069)</u>	<u>(4,268)</u>	<u>(3,199)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,056	2,056	2,056	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	266	(266)
Total other financing sources (uses)	<u>2,056</u>	<u>2,056</u>	<u>2,322</u>	<u>266</u>
Net change in fund balance	-	987	(1,946)	(2,933)
Fund balance at October 1, 2010	<u>160</u>	<u>160</u>	<u>160</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ 160</u>	<u>1,147</u>	<u>(1,786)</u>	<u>(2,933)</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
JUVENILE JUSTICE/ABUSE AND NEGLECT
For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	\$ -	-	-	-
Sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	4,122	5,359	6,053	694
State grants and contracts	92,176	92,833	87,030	(5,803)
Local grants and contracts	10,245	10,245	9,516	(729)
Charges for services	13,329	15,827	11,102	(4,725)
Interest and rents	-	-	-	-
Other	-	-	1	1
Total revenues	<u>119,872</u>	<u>124,264</u>	<u>113,702</u>	<u>(10,562)</u>
EXPENDITURES:				
Current operations:				
Personnel	21,862	21,886	16,293	(5,593)
Fringe benefits	8,187	8,190	6,379	(1,811)
Pension	4,554	1,575	1,933	358
Materials and supplies	460	464	374	(90)
Contractual services	169,410	171,956	159,233	(12,723)
Travel	187	192	21	(171)
Operating	284	296	206	(90)
Rentals	3,444	3,446	3,393	(53)
Other charges	63	60	2	(58)
Capital outlay	24	21	-	(21)
Debt service	-	-	-	-
Total expenditures	<u>208,475</u>	<u>208,086</u>	<u>187,834</u>	<u>(20,252)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,603)</u>	<u>(83,822)</u>	<u>(74,132)</u>	<u>9,690</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	88,600	86,800	78,834	(7,966)
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	357	(357)
Total other financing sources (uses)	<u>88,600</u>	<u>86,800</u>	<u>79,191</u>	<u>(7,609)</u>
Net change in fund balance	(3)	2,978	5,059	2,081
Fund balance at October 1, 2010	<u>(15,118)</u>	<u>(15,118)</u>	<u>(15,118)</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ (15,121)</u>	<u>(12,140)</u>	<u>(10,059)</u>	<u>2,081</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
WAYNE COUNTY BUILDING AUTHORITY CONSTRUCTION
For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	\$ -	-	-	-
Sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	924	924
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>924</u>	<u>924</u>
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	9	9
Capital outlay	713	713	25,109	24,396
Debt service	-	-	1,519	1,519
Total expenditures	<u>713</u>	<u>713</u>	<u>26,637</u>	<u>25,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(713)</u>	<u>(713)</u>	<u>(25,713)</u>	<u>(25,000)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(4,687)	4,687
Interfund chargeback recovery (Note 18)	-	-	-	-
Proceeds from sale of capital assets	-	-	200,000	200,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>195,313</u>	<u>195,313</u>
Net change in fund balance	(713)	(713)	169,600	170,313
Fund balance at October 1, 2010	1,583	1,583	1,583	-
Fund balance at September 30, 2011	<u>\$ 870</u>	<u>870</u>	<u>171,183</u>	<u>170,313</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2011

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
(Dollar Amounts in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Overfunded) Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b)-(a)]/(c)
09/30/04 #	\$ 910.1	\$ 959.7	\$ 49.6	94.8%	\$ 343.3	14.4%
09/30/05	891.4	969.3	77.9	92.0%	298.6	26.1%
09/30/06 #	894.5	1,000.2	105.7	89.4%	319.6	33.1%
09/30/07 #	947.8	1,169.5	221.7	81.0%	325.4	68.1%
09/30/08 #	985.0	1,338.8	353.8	73.6%	330.0	107.2%
09/30/09	970.9	1,444.3	473.4	67.2%	297.5	159.1%
09/30/10	900.8	1,502.1	601.3	60.0%	277.4	216.8%

After changes in benefit provisions or revised actuarial assumptions

Note: The schedule includes Hybrid Plan 6, which was created October 1, 2008

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM DEFINED BENEFIT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
(Dollar Amounts in Thousands)

Fiscal Year Ended September 30	Annual Required Contributions	Actual Contributions	Percent Contributed
2005	\$ 10,647	\$ 11,106	104.3%
2006	12,663	12,663	100.0%
2007	15,398	15,398	100.0%
2008	18,420	18,420	100.0%
2009	32,559	32,559	100.0%
2010	35,401	35,401	100.0%
2011	39,666	39,666 *	100.0%

Note: The schedule includes Hybrid Plan 6, which was created October 1, 2008

* See footnote 17.

CHARTER COUNTY OF WAYNE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2011

WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
(Dollar Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Overfunded) Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b)-(a)]/(c)
09/30/04	\$ 4,437	\$ 3,584	\$ (853)	123.8%	714	-
09/30/05	4,661	3,314	(1,347)	140.6%	600	-
09/30/06	5,056	3,278	(1,778)	154.2%	600	-
09/30/07	5,626	3,614	(2,012)	155.7%	700	-
09/30/08	5,859	3,367	(2,492)	174.0%	651	-
09/30/09	5,795	3,287	(2,508)	176.0%	547	-
09/30/10	5,569	2,499	(3,070)	222.8%	312	-

WAYNE COUNTY CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)

Fiscal Year Ended September 30	Annual Required Contributions	Actual Contributions	Percent Contributed
2005	-	28,850	-
2006	-	50,441	-
2007	-	38,117	-
2008	-	36,135	-
2009	-	38,339	-
2010	-	37,926	-
2011	-	28,905	-

CHARTER COUNTY OF WAYNE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2011

WAYNE COUNTY AIRPORT AUTHORITY ACT 149 HEALTH CARE FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
(Dollar Amounts in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Overfunded) Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b)-(a)]/(c)
10/01/06	\$ -	\$ 46.9	\$ 46.9	0.0%	N/A	N/A
10/01/07	\$ -	\$ 54.6	\$ 54.6	0.0%	N/A	N/A
10/01/08	\$ 3.1	\$ 52.9	\$ 49.8	5.9%	N/A	N/A
10/01/09	\$ 6.6	\$ 65.7	\$ 59.1	10.1%	N/A	N/A

WAYNE COUNTY AIRPORT AUTHORITY ACT 149 HEALTH CARE FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
(Dollar Amounts in Thousands)

Fiscal Year Ended September 30	Annual Required Contributions	Actual Contributions	Percent Contributed
2008	\$ 4,455	\$ 3,972	89.2%
2009	5,358	6,845	127.8%
2010	4,804	5,720	119.1%
2011	5,572	5,329	95.6%

Note: Fiscal Year 2011 Annual Required Contributions include \$153,748 in interest earned on the prior year OPEB asset. Fiscal Year 2010 and 2009 Annual Required Contributions include interest on the net OPEB obligation of \$80,000 and \$39,000 respectively.

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the year ended September 30, 2011

(1) Budgets and Budgetary Accounting

Annual budgets are adopted for the General Fund, special revenue funds, debt service funds and for certain other governmental and proprietary activities. The budgetary comparison schedules included as required supplementary information and as other supplementary information were prepared on the same modified accrual basis used to reflect actual results.

The County Executive prepares and submits a proposed operating budget during June of each year to the Wayne County Commission (the Commission) for the year beginning October 1. After public hearings to obtain taxpayers' comments, the budget is legally enacted through passage of an ordinance by the Commission (the Appropriations Ordinance). The appropriated budget for the General Fund is adopted by function (general government, public safety, public works, etc.) and by activity, generally. The legal level of budgetary control for the special revenue funds and the debt service funds is at the fund level. For the Roads Fund, the budget is prepared in accordance with the State of Michigan Uniform Accounting Procedures Manual for County Road Commissions. The Uniform Accounting Procedures Manual requires that federal grant revenue be included in the accounts and budgets for the Roads Fund.

Amendments that change the County's annual appropriations ordinance require the approval of the Commission. Budget amendments were made after year-end. Certain transfers within line items that do not affect aggregated departmental appropriations may be made without the Commission's approval. Expenditures are required to remain within appropriated amounts. All appropriations lapse at the end of the fiscal year.

For budgetary purposes at year end, encumbrances of the budgeted governmental funds, representing purchase orders, contracts and other commitments, lapse and must be re-appropriated in the following year. All unencumbered appropriations lapse at the end of the year, except for capital projects fund appropriations, which are carried forward until such time as the project is completed or terminated.

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2011**

**OTHER SUPPLEMENTARY INFORMATION -
COMBINING AND INDIVIDUAL FUND
STATEMENTS/SCHEDULES**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS Are Used to Acco Unt for Specific r even Ues th At Are Leg ALLY r estricted for e xpedit Ure for pArtic ULAr pUrposes .

DEBT SERVICE FUNDS Are Used to Acco Unt for the Acc UmULATION of r eso Urces And the pAyment of g ener AL O bLig Ation b ond princip AL And interest from g overnment AL r eso Urces And for Speci AL Assessment b ond princip AL And interest from Speci AL Assessment Levies when the C oUnty is O bLig Ated in Some mAnner for the pAyment .

CAPITAL PROJECTS FUNDS Are Used to Acco Unt for the Acq Uisition And C onstr Uction of mAjor C Apit AL f Aci Lities O ther t hAn t hose f in Anced by p r o p r i e t A r y f U n d s And t r U s t f U n d s .

SPECIAL REVENUE FUNDS

PARKS – This fund is used to account for the operation and maintenance of the Warren Valley and Inkster Valley Golf Courses and the preservation, protection, maintenance and management of Wayne County park grounds and facilities. The fund also includes all marina-related activities, including transient slip, launching, and fishing at Elizabeth Park.

ROUGE DEMONSTRATION PROJECT – This fund accounts for the activities of the Rouge River National Wet Weather Demonstration Project. This project is funded by federal grants and related local municipalities.

LAW ENFORCEMENT – This fund accounts for several law enforcement grant activities, such as safety belt enforcement and criminal law review.

COMMUNITY DEVELOPMENT BLOCK GRANTS – This fund is used to account for the County's community development activities with participating communities to create economic and community development projects. The projects are funded by federal block grant money.

DRUG ENFORCEMENT – This fund accounts for operations of the Drug Enforcement Unit which, through covert operations, enforces State of Michigan drug laws throughout the County and acts in concert with federal law enforcement agencies.

NUTRITION – This fund is used to account for nutritional services provided to home bound senior citizens in western Wayne County and downriver areas.

VETERAN'S TRUST – This fund accounts for emergency funding for indigent veterans provided by the State of Michigan.

ECONOMIC AND NEIGHBORHOOD DEVELOPMENT (E&ND) – 21ST CENTURY – This fund accounts for economic development within Wayne County communities.

COMMUNITY CORRECTIONS – This fund accounts for Alternative Work Force activity and other programs for offenders.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NON-MAJOR GOVERNMENTAL FUNDS

(CONTINUED)

SPECIAL REVENUE FUNDS Are Used to Acco Unt for Specific r even Ues th At Are Leg ALLY r estricted for e xpendit Ure for pArtic ULAr pUrposes .

DEBT SERVICE FUNDS Are Used to Acco Unt for the Acc UmULATION of r eso Urces And the pAyment of g ener AL O bLig Ation b ond princip AL And interest from g overnment AL r eso Urces And for Speci AL Assessment b ond princip AL And interest from Speci AL Assessment Levies when the C oUnty is O bLig Ated in Some mAnner for the pAyment .

CAPITAL PROJECTS FUNDS Are Used to Acco Unt for the Acq Uisition And C onstr Uction of mAJor C Apit AL f Aci Lities O ther t hAn t hose f in Anced by propri et Ary f Unds And t r Ust f Unds .

SPECIAL REVENUE FUNDS, continued

VICTIM WITNESS – This fund accounts for counseling services, community referrals, public information and prevention, notification of court date, and court support offered to victims of crime.

SOLDIERS' RELIEF – This fund accounts for emergency funding for indigent veterans and their families, and for burial relief for eligible veterans.

YOUTH SERVICES – This fund accounts for deterrent programs and other youth services.

COMMUNITY AND ECONOMIC DEVELOPMENT – These funds are used to account for the activities of the County's Economic Development Growth Engine.

BUILDING AUTHORITY – This fund accounts for the operation and maintenance activities of the Building Authority.

STADIUM AND LAND DEVELOPMENT – This fund is used to account for the collection of excise taxes on hotel accommodations and car rentals used for stadium and land development.

ENVIRONMENTAL PROGRAMS – This fund accounts for the activities of the air quality management and land resource management programs.

HEALTH AND FAMILY SERVICES – This fund accounts for Head Start program services.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NON-MAJOR GOVERNMENTAL FUNDS

(CONTINUED)

SPECIAL REVENUE FUNDS Are Used to Acco Unt for Specific r even Ues th At Are Leg ALLY r estricted for e xpedit Ure for pArtic ULAr pUrposes .

DEBT SERVICE FUNDS Are Used to Acco Unt for the Acc UmULATION of r eso Urces And the pAyment of g ener AL O bLig Ation b ond princip AL And interest from g overnment AL r eso Urces And for Speci AL Assessment b ond princip AL And interest f rom Speci AL Assessment Levies when the C oUnty is O bLig Ated in Some mAnner for the pAyment .

CAPITAL PROJECTS FUNDS Are Used to Acco Unt for the Acq Uisition And C onstr Uction of mAjor C Apit AL f Aci Lities O ther t hAn t hose f in Anced by p ropriet Ary f Unds And t r Ust f Unds .

DEBT SERVICE FUNDS

GENERAL DEBT SERVICE – This fund is used to account for the payment of interest and principal on the County’s long-term debt other than that payable from special assessments and debt issued for and serviced primarily by an enterprise fund.

ROADS – This fund is used to account for the debt service associated with the various County Road operations.

WAYNE COUNTY BUILDING AUTHORITY – This fund is used to account for the debt associated with the County’s refunding Bonds for the jails and its capital improvement bonds for various County facilities.

CAPITAL PROJECTS FUNDS

WAYNE COUNTY CONSTRUCTION – This fund is used to account for costs associated with structural repairs of various County facilities and renovations to the Wayne County Prosecutor’s offices.

COUNTY ROADS PROJECTS – This fund is used to account for construction associated with various County road projects.

OTHER CAPITAL PROJECTS – This fund is used to account for miscellaneous capital projects for which a separate fund has not been specifically designated.

This page intentionally left blank.

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

As of September 30, 2011
(in thousands)

	Special Revenue Funds		
	Parks	Rouge Demonstration Project	Law Enforcement
ASSETS:			
Equity in pooled cash and investments	\$ 21,949	46	11,872
Other cash and investments	3	1	-
Due from other funds	-	134	-
Due from component units	8	-	-
Receivables:			
Delinquent property taxes	-	-	-
Accounts receivable	21	1	262
Special assessments	-	-	-
Due from other governmental units	-	631	779
Less allowance for uncollectible accounts	-	-	(438)
Prepayments and deposits	-	-	-
Long-term receivables	-	-	-
Less allowance for uncollectible account:	-	-	-
Restricted equity in pooled cash and investments	-	-	-
Restricted due from component units	-	-	-
	<u>21,981</u>	<u>813</u>	<u>12,475</u>
Total assets			
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Negative equity in pooled cash	\$ -	-	-
Accounts and contracts payable	709	412	81
Due to other funds	-	-	-
Due to component units	-	-	-
Due to other governmental units	-	-	-
Accrued wages and benefits	118	36	68
Other liabilities	201	95	2,673
Deferred revenue	-	-	716
	<u>1,028</u>	<u>543</u>	<u>3,538</u>
Total liabilities			
Fund Balances:			
Nonspendable	-	-	-
Restricted	-	270	10,823
Restricted for debt service	-	-	-
Restricted for capital projects	-	-	-
Committed	-	-	-
Assigned	20,953	-	-
Unassigned	-	-	(1,886)
Total fund balances	<u>20,953</u>	<u>270</u>	<u>8,937</u>
Total liabilities and fund balances	<u>\$ 21,981</u>	<u>\$ 813</u>	<u>\$ 12,475</u>

Special Revenue Funds

Community Development Block Grants	Drug Enforcement	Nutrition	Veteran's Trust
649	-	-	114
-	50	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	50	-	-
-	-	-	-
4,012	7	239	-
-	(3)	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>4,661</u>	<u>104</u>	<u>239</u>	<u>114</u>
-	439	781	-
1,316	19	47	4
-	-	-	-
600	-	-	-
-	-	-	-
12	69	88	-
981	591	154	-
671	74	1	-
<u>3,580</u>	<u>1,192</u>	<u>1,071</u>	<u>4</u>
-	-	-	-
1,081	-	-	110
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	(1,088)	(832)	-
<u>1,081</u>	<u>(1,088)</u>	<u>(832)</u>	<u>110</u>
<u>\$ 4,661</u>	<u>\$ 104</u>	<u>\$ 239</u>	<u>\$ 114</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

As of September 30, 2011
(in thousands)

	<u>Special Revenue Funds</u>		
	<u>Community Corrections</u>	<u>Victim Witness</u>	<u>Soldiers' Relief</u>
ASSETS:			
Equity in pooled cash and investments	\$ -	-	4,561
Other cash and investments	1	-	-
Due from other funds	-	-	-
Due from component units	-	-	-
Receivables:			
Delinquent property taxes	-	-	-
Accounts receivable	-	-	-
Special assessments	-	-	-
Due from other governmental units	583	640	-
Less allowance for uncollectible accounts	-	-	-
Prepayments and deposits	-	-	-
Long-term receivables	-	-	-
Less allowance for uncollectible accounts	-	-	-
Restricted equity in pooled cash and investments	-	-	-
Restricted due from component units	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	584	640	4,561
	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Negative equity in pooled cash	\$ 429	185	-
Accounts and contracts payable	85	-	3
Due to other funds	-	-	-
Due to component units	-	-	-
Due to other governmental units	-	-	-
Accrued wages and benefits	6	45	11
Other liabilities	41	-	5
Deferred revenue	-	389	-
	<hr/>	<hr/>	<hr/>
Total liabilities	561	619	19
Fund Balances:			
Nonspendable	-	-	-
Restricted	23	21	4,542
Restricted for debt service	-	-	-
Restricted for capital projects	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	23	21	4,542
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 584	\$ 640	\$ 4,561
	<hr/>	<hr/>	<hr/>

Special Revenue Funds		
Youth Services	Community & Economic Development	Building Authority
1,552	896	-
-	303	-
-	-	110
-	-	-
-	-	-
-	229	-
-	-	-
-	644	-
-	-	-
-	13	-
-	865	-
-	(386)	-
-	-	-
-	-	-
1,552	2,564	110
-	-	1
251	2,787	-
-	-	-
-	-	-
-	656	-
-	62	-
20	231	-
-	78	-
271	3,814	1
-	13	-
1,281	479	-
-	-	-
-	-	-
-	-	-
-	-	109
-	(1,742)	-
1,281	(1,250)	109
\$ 1,552	\$ 2,564	\$ 110

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

As of September 30, 2011
(in thousands)

	Special Revenue Funds		
	Stadium and Land Development	Environmental Programs	Health and Family Services
ASSETS:			
Equity in pooled cash and investments	\$ 8	4,780	775
Other cash and investments	-	-	-
Due from other funds	-	104	-
Due from component units	-	-	-
Receivables:			
Delinquent property taxes	-	-	-
Accounts receivable	675	433	-
Special assessments	-	-	-
Due from other governmental units	-	47	646
Less allowance for uncollectible accounts	-	-	-
Prepayments and deposits	-	-	670
Long-term receivables	-	-	-
Less allowance for uncollectible accounts	-	-	-
Restricted equity in pooled cash and investments	-	-	-
Restricted due from component units	-	-	-
	<u>683</u>	<u>\$ 5,364</u>	<u>2,091</u>
 Total assets	 <u>683</u>	 <u>\$ 5,364</u>	 <u>2,091</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Negative equity in pooled cash	\$ -	-	-
Accounts and contracts payable	-	58	434
Due to other funds	-	-	-
Due to component units	677	-	-
Due to other governmental units	-	-	-
Accrued wages and benefits	-	30	23
Other liabilities	-	43	-
Deferred revenue	-	-	670
	<u>677</u>	<u>131</u>	<u>1,127</u>
 Total liabilities	 677	 131	 1,127
Fund Balances:			
Nonspendable	-	-	670
Restricted	6	5,233	294
Restricted for debt service	-	-	-
Restricted for capital projects	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>6</u>	<u>5,233</u>	<u>964</u>
 Total fund balances	 <u>6</u>	 <u>5,233</u>	 <u>964</u>
 Total liabilities and fund balances	 <u>\$ 683</u>	 <u>\$ 5,364</u>	 <u>\$ 2,091</u>

General Debt Service	Roads	Wayne County Building Authority
2,576	16	5,877
-	-	-
-	-	-
-	-	-
-	-	-
-	-	382
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>2,576</u>	<u>16</u>	<u>6,259</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
-	-	-
2,576	16	6,259
-	-	-
-	-	-
-	-	-
-	-	-
<u>2,576</u>	<u>16</u>	<u>6,259</u>
\$ 2,576	\$ 16	\$ 6,259

II-152

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

As of September 30, 2011
(in thousands)

	Capital Projects Funds		
	Wayne County Construction	County Roads Projects	Other Capital Projects
ASSETS:			
Equity in pooled cash and investments	\$ 762	-	2,000
Other cash and investments	-	-	-
Due from other funds	-	-	32
Due from component units	-	-	-
Receivables:			
Delinquent property taxes	-	-	-
Accounts receivable	-	-	-
Special assessments	-	-	-
Due from other governmental units	-	-	-
Less allowance for uncollectible accounts	-	-	-
Prepayments and deposits	-	-	-
Long-term receivables	-	-	-
Restricted equity in pooled cash and investments	-	-	26,286
Restricted due from component units	-	-	4,446
Total assets	<u>\$ 762</u>	<u>-</u>	<u>32,764</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Negative equity in pooled cash	\$ -	-	8,724
Accounts and contracts payable	-	-	78
Due to other funds	-	-	1
Due to component units	-	-	1,904
Due to other governmental units	-	-	-
Accrued wages and benefits	-	-	-
Other liabilities	-	-	1,108
Deferred revenue	-	-	-
Total liabilities	-	-	11,815
Fund Balances:			
Nonspendable	-	-	-
Restricted	-	-	-
Restricted for debt service	-	-	-
Restricted for capital projects	762	-	20,949
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>762</u>	<u>-</u>	<u>20,949</u>
Total liabilities and fund balances	<u>\$ 762</u>	<u>\$ -</u>	<u>\$ 32,764</u>

Special Revenue Funds Totals	Debt Service Funds Totals	Capital Projects Funds Totals	Non-major Governmental Funds Totals
\$ 47,202	\$ 8,469	\$ 2,762	\$ 58,433
358	-	-	358
348	-	32	380
8	-	-	8
-	-	-	-
1,671	382	-	2,053
-	-	-	-
8,228	-	-	8,228
(441)	-	-	(441)
683	-	-	683
865	-	-	865
(386)	-	-	(386)
-	-	26,286	26,286
-	-	4,446	4,446
<u>58,536</u>	<u>8,851</u>	<u>33,526</u>	<u>100,913</u>

\$ 1,835	\$ -	\$ 8,724	\$ 10,559
6,206	-	78	6,284
-	-	1	1
1,277	-	1,904	3,181
656	-	-	656
568	-	-	568
5,035	-	1,108	6,143
2,599	-	-	2,599
<u>18,176</u>	<u>-</u>	<u>11,815</u>	<u>29,991</u>
683	-	-	683
24,163	-	-	24,163
-	8,851	-	8,851
-	-	21,711	21,711
-	-	-	-
21,062	-	-	21,062
(5,548)	-	-	(5,548)
<u>40,360</u>	<u>8,851</u>	<u>21,711</u>	<u>70,922</u>
<u>\$ 58,536</u>	<u>\$ 8,851</u>	<u>\$ 33,526</u>	<u>\$ 100,913</u>

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended September 30, 2011
(in thousands)

	Special Revenue Funds		
		Rouge	Law
	Parks	Demonstration	Enforcement
		Project	
REVENUES:			
Taxes:			
Property taxes	\$ 10,295	-	-
Excise taxes	-	-	-
Licenses and permits	73	-	-
Federal grants	-	1,860	18,120
State grants and contracts	45	-	347
Local grants and contracts	-	1,568	-
Charges for services	1,519	1,634	2,729
Interest and rents	70	-	-
Other	171	-	-
Total revenues	<u>12,173</u>	<u>5,062</u>	<u>21,196</u>
EXPENDITURES:			
Current operations:			
Personnel	2,805	717	1,587
Fringe benefits	1,247	367	632
Pension	307	75	174
Materials and supplies	526	18	62
Contractual services	5,235	3,758	5,731
Travel	10	24	59
Operating	525	35	1,178
Rentals	1,098	60	2
Other charges	10	6	267
Capital outlay	3,009	-	71
Debt service	-	-	-
Total expenditures	<u>14,772</u>	<u>5,060</u>	<u>9,763</u>
Excess (deficiency) of revenues over (under) expenditures	(2,599)	2	11,433
OTHER FINANCING SOURCES (USES):			
Transfers in	3,782	-	831
Transfers out	-	-	-
Interfund chargeback recovery (Note 18)	77	22	72
Bond issuance	-	-	-
Proceeds from sale of capital assets	16	-	2
Total other financing sources (uses)	<u>3,875</u>	<u>22</u>	<u>905</u>
Net change in fund balances	1,276	24	12,338
Fund balances at October 1, 2010 (Note 18)	<u>19,677</u>	<u>246</u>	<u>(3,401)</u>
Fund balances at September 30, 2011	<u>\$ 20,953</u>	<u>270</u>	<u>8,937</u>

Special Revenue Funds			
Community Development Block Grant	Drug Enforcement	Nutrition	Veteran's Trust
-	-	-	-
-	-	-	-
-	-	-	-
14,503	1,617	2,690	-
-	-	788	184
-	-	-	-
-	1,500	547	-
1	-	(4)	-
-	-	25	-
14,504	3,117	4,046	184
245	2,357	1,441	-
118	153	490	-
21	174	91	-
6	114	2,388	-
2,261	382	906	170
2	-	161	-
4	34	37	-
79	66	-	-
10,272	64	14	-
-	46	5	-
1	-	-	-
13,009	3,390	5,533	170
1,495	(273)	(1,487)	14
55	-	562	-
-	-	-	-
55	39	93	2
-	-	-	-
-	-	-	-
110	39	655	2
1,605	(234)	(832)	16
(524)	(854)	-	94
1,081	(1,088)	(832)	110
(Continued)			

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended September 30, 2011
(in thousands)

	Special Revenue Funds		
	Community Corrections	Victim Witness	Soldiers' Relief
REVENUES:			
Taxes:			
Property taxes	\$ -	-	1,567
Excise taxes	-	-	-
Licenses and permits	-	-	-
Federal grants	-	345	-
State grants and contracts	2,577	726	-
Local grants and contracts	-	-	-
Charges for services	131	-	-
Interest and rents	-	-	8
Other	-	-	-
Total revenues	<u>2,708</u>	<u>1,071</u>	<u>1,575</u>
EXPENDITURES:			
Current operations:			
Personnel	205	928	190
Fringe benefits	75	430	90
Pension	17	111	20
Materials and supplies	4	-	2
Contractual services	2,387	246	807
Travel	1	21	1
Operating	3	13	5
Rentals	30	-	23
Other charges	1	-	-
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	<u>2,723</u>	<u>1,749</u>	<u>1,138</u>
Excess (deficiency) of revenues over (under) expenditures	(15)	(678)	437
OTHER FINANCING SOURCES (USES):			
Transfers in	-	605	-
Transfers out	-	-	-
Chargeback recovery (Note 18)	37	22	9
Bond issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>37</u>	<u>627</u>	<u>9</u>
Net change in fund balances	22	(51)	446
Fund balances at October 1, 2010 (Note 18)	<u>1</u>	<u>72</u>	<u>4,096</u>
Fund balances at September 30, 2011	<u>\$ 23</u>	<u>21</u>	<u>4,542</u>

Youth Services	Community & Economic Development	Building Authority
3,949	-	-
-	-	-
-	-	-
-	4,867	-
-	-	-
-	7	-
-	60	-
(6)	33	-
-	-	110
<u>3,943</u>	<u>4,967</u>	<u>110</u>
-	1,851	-
-	768	-
-	151	-
-	75	-
1,644	3,643	1
-	30	-
-	278	-
-	226	-
-	2,541	-
-	-	-
-	-	-
<u>1,644</u>	<u>9,563</u>	<u>1</u>
2,299	(4,596)	109
1,248	2,695	-
(3,504)	-	-
16	-	-
-	-	-
-	1,983	-
<u>(2,240)</u>	<u>4,678</u>	<u>-</u>
59	82	109
<u>1,222</u>	<u>(1,332)</u>	<u>-</u>
<u>1,281</u>	<u>(1,250)</u>	<u>109</u>
		(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended September 30, 2011
(in thousands)

	Special Revenue Funds		
	Stadium and Land Development	Environmental Programs	Health and Family Services
REVENUES:			
Taxes:			
Property taxes	\$ -	-	-
Excise taxes	7,112	-	-
Licenses and permits	-	-	-
Federal grants	-	189	25,256
State grants and contracts	-	130	-
Local grants and contracts	-	353	-
Charges for services	-	2,132	-
Interest and rents	-	15	-
Other	-	-	-
Total revenues	7,112	2,819	25,256
EXPENDITURES:			
Current operations:			
Personnel	-	704	490
Fringe benefits	-	307	232
Pension	-	68	48
Materials and supplies	-	13	16
Contractual services	184	1,423	24,427
Travel	-	29	5
Operating	-	34	9
Rentals	6,926	53	5
Other charges	1	-	29
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	7,111	2,631	25,261
Excess (deficiency) of revenues over (under) expenditures	1	188	(5)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	-	-
Chargeback recovery (Note 18)	5	25	82
Bond issuance	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	5	25	82
Net change in fund balances	6	213	77
Fund balances at October 1, 2010 (Note 18)	-	5,020	887
Fund balances at September 30, 2011	\$ 6	5,233	964

Debt Service Funds		
General Debt Service	Roads	Wayne County Building Authority
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
5,120	-	11,150
239	-	-
5,359	-	11,150
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
15,475	5,933	15,836
15,475	5,933	15,836
(10,116)	(5,933)	(4,686)
10,306	5,933	4,687
-	-	-
-	-	-
-	-	-
10,306	5,933	4,687
190	-	1
2,386	16	6,258
2,576	16	6,259
(Continued)		

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended September 30, 2011
(in thousands)

	Capital Projects Funds		
	Wayne County Construction	County Roads Projects	Other Capital Projects
REVENUES:			
Taxes:			
Property taxes	\$ -	-	-
Excise taxes	-	-	-
Licenses and permits	-	-	-
Federal grants	-	-	910
State grants and contracts	-	-	-
Local grants and contracts	-	-	-
Charges for services	-	-	-
Interest and rents	2	-	40
Other	-	-	-
Total revenues	<u>2</u>	<u>-</u>	<u>950</u>
EXPENDITURES:			
Current operations:			
Personnel	-	-	-
Fringe benefits	-	-	-
Pension	-	-	-
Materials and supplies	-	-	-
Contractual services	-	-	552
Travel	-	-	-
Operating	-	-	-
Rentals	-	-	-
Other charges	-	-	985
Capital outlay	-	-	7,143
Debt service	-	-	35
Total expenditures	<u>-</u>	<u>-</u>	<u>8,715</u>
Excess (deficiency) of revenues over (under) expenditures	2	-	(7,765)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(45)	-	-
Chargeback recovery (Note 18)	-	-	-
Bond issuance	-	-	9,026
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(45)</u>	<u>-</u>	<u>9,026</u>
Net change in fund balances	(43)	-	1,261
Fund balances at October 1, 2010 (Note 18)	<u>805</u>	<u>-</u>	<u>19,688</u>
Fund balances at September 30, 2011	<u>\$ 762</u>	<u>-</u>	<u>20,949</u>

Special Revenue Funds Totals	Debt Service Funds Totals	Capital Projects Funds Totals	Non-major Governmental Funds Totals
\$ 15,811	\$ -	\$ -	\$ 15,811
7,112	-	-	7,112
73	-	-	73
69,447	-	910	70,357
4,797	-	-	4,797
1,928	-	-	1,928
10,252	-	-	10,252
117	16,270	42	16,429
306	239	-	545
<u>109,843</u>	<u>16,509</u>	<u>952</u>	<u>127,304</u>
13,520	-	-	13,520
4,909	-	-	4,909
1,257	-	-	1,257
3,224	-	-	3,224
53,205	-	552	53,757
343	-	-	343
2,155	-	-	2,155
8,568	-	-	8,568
13,205	-	985	14,190
3,131	-	7,143	10,274
1	37,244	35	37,280
<u>103,518</u>	<u>37,244</u>	<u>8,715</u>	<u>149,477</u>
6,325	(20,735)	(7,763)	(22,173)
9,778	20,926	-	30,704
(3,504)	-	(45)	(3,549)
556	-	-	556
-	-	9,026	9,026
2,001	-	-	2,001
<u>8,831</u>	<u>20,926</u>	<u>8,981</u>	<u>38,738</u>
15,156	191	1,218	16,565
25,204	8,660	20,493	54,357
<u>\$ 40,360</u>	<u>\$ 8,851</u>	<u>\$ 21,711</u>	<u>\$ 70,922</u>
(Concluded)			

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
PARKS FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ 10,766	10,766	10,295	(471)
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	70	70	73	3
Federal grants	-	-	-	-
State grants and contracts	-	-	45	45
Local grants and contracts	-	-	-	-
Charges for services	1,378	1,378	1,519	141
Interest and rents	150	150	70	(80)
Other	290	290	171	(119)
Total revenues	12,654	12,654	12,173	(481)
EXPENDITURES:				
Current operations:				
Personnel	3,811	3,811	2,805	(1,006)
Fringe benefits	1,405	1,405	1,247	(158)
Pension	809	255	307	52
Materials and supplies	572	572	526	(46)
Contractual services	6,311	5,969	5,235	(734)
Travel	11	11	10	(1)
Operating	498	498	525	27
Rentals	1,178	1,178	1,098	(80)
Other charges	6	6	10	4
Capital outlay	1,835	3,093	3,009	(84)
Debt service	-	-	-	-
Total expenditures	16,436	16,798	14,772	(2,026)
Excess (deficiency) of revenues over (under) expenditures	(3,782)	(4,144)	(2,599)	1,545
OTHER FINANCING SOURCES (USES):				
Transfers in	3,782	3,782	3,782	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	77	77
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	16	16
Total other financing sources (uses)	3,782	3,782	3,875	93
Net change in fund balances	-	(362)	1,276	1,638
Fund balances at October 1, 2010	19,677	19,677	19,677	-
Fund balances at September 30, 2011	\$ 19,677	19,315	20,953	1,638

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
ROUGE DEMONSTRATION PROJECT FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,907	3,005	1,860	(1,145)
State grants and contracts	-	-	-	-
Local grants and contracts	2,378	2,378	1,568	(810)
Charges for services	1,924	1,924	1,634	(290)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	7,209	7,307	5,062	(2,245)
EXPENDITURES:				
Current operations:				
Personnel	797	797	717	(80)
Fringe benefits	333	333	367	34
Pension	170	58	75	17
Materials and supplies	68	68	18	(50)
Contractual services	5,676	5,774	3,758	(2,016)
Travel	28	28	24	(4)
Operating	35	35	35	-
Rentals	91	91	60	(31)
Other charges	11	11	6	(5)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	7,209	7,195	5,060	(2,135)
Excess (deficiency) of revenues over (under) expenditures	-	112	2	(110)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	22	22
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	22	22
Net change in fund balances	-	112	24	(88)
Fund balances at October 1, 2010	246	246	246	-
Fund balances at September 30, 2011	\$ 246	358	270	(88)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
LAW ENFORCEMENT FUND
For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over Under
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	18,777	21,279	18,120	(3,159)
State grants and contracts	613	1,014	347	(667)
Local grants and contracts	(831)	(831)	-	831
Charges for services	2,161	2,354	2,729	375
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	20,720	23,816	21,196	(2,620)
EXPENDITURES:				
Current operations:				
Personnel	1,768	1,728	1,587	(141)
Fringe benefits	676	647	632	(15)
Pension	378	113	174	61
Materials and supplies	154	156	62	(94)
Contractual services	15,272	17,925	5,731	(12,194)
Travel	302	354	59	(295)
Operating	3,083	3,222	1,178	(2,044)
Rentals	33	31	2	(29)
Other charges	651	816	267	(549)
Capital outlay	-	171	71	(100)
Debt service	-	-	-	-
Total expenditures	22,317	25,163	9,763	(15,400)
Excess (deficiency) of revenues over (under) expenditures	(1,597)	(1,347)	11,433	12,780
OTHER FINANCING SOURCES (USES):				
Transfers in	831	831	831	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	72	72
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	2	2
Total other financing sources (uses)	831	831	905	74
Net change in fund balances	(766)	(516)	12,338	12,854
Fund balance at October 1, 2010	(3,401)	(3,401)	(3,401)	-
Fund balance at September 30, 2011	<u>\$ (4,167)</u>	<u>(3,917)</u>	<u>8,937</u>	<u>12,854</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended September 30, 2011
(in thousands)

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	23,310	14,188	14,503	315
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	1	1
Other	-	-	-	-
	<u>23,310</u>	<u>14,188</u>	<u>14,504</u>	<u>316</u>
Total revenues				
EXPENDITURES:				
Current operations:				
Personnel	288	288	245	(43)
Fringe benefits	94	94	118	24
Pension	62	21	21	-
Materials and supplies	-	-	6	6
Contractual services	5,012	1,200	2,261	1,061
Travel	6	6	2	(4)
Operating	9	9	4	(5)
Rentals	-	79	79	-
Other charges	17,814	12,503	10,272	(2,231)
Capital outlay	-	-	-	-
Debt service	187	187	1	(186)
	<u>23,472</u>	<u>14,387</u>	<u>13,009</u>	<u>(1,378)</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	(162)	(199)	1,495	1,694
OTHER FINANCING SOURCES (USES):				
Transfers in	242	242	55	(187)
Transfers out	(79)	-	-	-
Interfund chargeback recovery (Note 18)	-	-	55	55
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>163</u>	<u>242</u>	<u>110</u>	<u>(132)</u>
Total other financing sources (uses)				
Net change in fund balances	1	43	1,605	1,562
Fund balance at October 1, 2010	(524)	(524)	(524)	-
Fund balance at September 30, 2011	<u>\$ (523)</u>	<u>(481)</u>	<u>1,081</u>	<u>1,562</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
DRUG ENFORCEMENT FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	1,617	1,617
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	2,902	2,932	1,500	(1,432)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	2,902	2,932	3,117	185
EXPENDITURES:				
Current operations:				
Personnel	1,125	1,125	2,357	1,232
Fringe benefits	417	417	153	(264)
Pension	240	82	174	92
Materials and supplies	110	115	114	(1)
Contractual services	366	366	382	16
Travel	-	-	-	-
Operating	10	10	34	24
Rentals	75	75	66	(9)
Other charges	558	584	64	(520)
Capital outlay	-	-	46	46
Debt service	-	-	-	-
Total expenditures	2,901	2,774	3,390	616
Excess (deficiency) of revenues over (under) expenditures	1	158	(273)	(431)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	39	39
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	39	39
Net change in fund balances	1	158	(234)	(392)
Fund balance at October 1, 2010	(854)	(854)	(854)	-
Fund balance at September 30, 2011	<u>\$ (853)</u>	<u>(696)</u>	<u>(1,088)</u>	<u>(392)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
NUTRITION FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,466	2,466	2,690	224
State grants and contracts	861	861	788	(73)
Local grants and contracts	-	-	-	-
Charges for services	686	686	547	(139)
Interest and rents	-	-	(4)	(4)
Other	50	50	25	(25)
Total revenues	4,063	4,063	4,046	(17)
EXPENDITURES:				
Current operations:				
Personnel	1,359	1,300	1,441	141
Fringe benefits	419	397	490	93
Pension	197	54	91	37
Materials and supplies	1,790	1,801	2,388	587
Contractual services	647	730	906	176
Travel	178	178	161	(17)
Operating	34	34	37	3
Rentals	-	-	-	-
Other charges	1	1	14	13
Capital outlay	-	-	5	5
Debt service	-	-	-	-
Total expenditures	4,625	4,495	5,533	1,038
Excess (deficiency) of revenues over (under) expenditures	(562)	(432)	(1,487)	(1,055)
OTHER FINANCING SOURCES (USES):				
Transfers in	562	562	562	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	93	93
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	562	562	655	93
Net change in fund balances	-	130	(832)	(962)
Fund balance at October 1, 2010	-	-	-	-
Fund balance at September 30, 2011	\$ -	130	(832)	(962)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
VETERAN'S TRUST FUND

For the Year Ended September 30, 2011
(in thousands)

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	250	250	184	(66)
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>250</u>	<u>250</u>	<u>184</u>	<u>(66)</u>
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	250	250	170	(80)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>250</u>	<u>250</u>	<u>170</u>	<u>(80)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	14	14
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	2	2
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Net change in fund balances	-	-	16	16
Fund balance at October 1, 2010	<u>94</u>	<u>94</u>	<u>94</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ 94</u>	<u>94</u>	<u>110</u>	<u>16</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
COMMUNITY CORRECTIONS FUND

For the Year Ended September 30, 2011
(in thousands)

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	2,671	2,893	2,577	(316)
Local grants and contracts	-	-	-	-
Charges for services	2,052	131	131	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,723</u>	<u>3,024</u>	<u>2,708</u>	<u>(316)</u>
EXPENDITURES:				
Current operations:				
Personnel	942	190	205	15
Fringe benefits	346	79	75	(4)
Pension	195	14	17	3
Materials and supplies	82	11	4	(7)
Contractual services	2,694	2,648	2,387	(261)
Travel	9	6	1	(5)
Operating	30	3	3	-
Rentals	279	32	30	(2)
Other charges	10	10	1	(9)
Capital outlay	5	5	-	(5)
Debt service	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,592</u>	<u>2,998</u>	<u>2,723</u>	<u>(275)</u>
Excess (deficiency) of revenues over (under) expenditures	131	26	(15)	(41)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(130)	-	-	-
Interfund chargeback recovery (Note 18)	-	-	37	37
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(130)</u>	<u>-</u>	<u>37</u>	<u>37</u>
Net change in fund balances	1	26	22	(4)
Fund balance at October 1, 2010	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ 2</u>	<u>27</u>	<u>23</u>	<u>(4)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
VICTIM WITNESS FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	345	345
State grants and contracts	1,523	1,523	726	(797)
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	1,523	1,523	1,071	(452)
EXPENDITURES:				
Current operations:				
Personnel	1,186	1,186	928	(258)
Fringe benefits	480	480	430	(50)
Pension	253	86	111	25
Materials and supplies	6	6	-	(6)
Contractual services	169	169	246	77
Travel	21	21	21	-
Operating	12	12	13	1
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	2,127	1,960	1,749	(211)
Excess (deficiency) of revenues over (under) expenditures	(604)	(437)	(678)	(241)
OTHER FINANCING SOURCES (USES):				
Transfers in	605	605	605	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	22	22
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	605	605	627	22
Net change in fund balances	1	168	(51)	(219)
Fund balance at October 1, 2010	72	72	72	-
Fund balance at September 30, 2011	\$ 73	240	21	(219)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
SOLDIERS' RELIEF FUND

For the Year Ended September 30, 2011
(in thousands)

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES:				
Taxes				
Property taxes	\$ 1,610	1,610	1,567	(43)
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	8	8
Other	-	-	-	-
	<u>1,610</u>	<u>1,610</u>	<u>1,575</u>	<u>(35)</u>
Total revenues				
EXPENDITURES:				
Current operations:				
Personnel	262	251	190	(61)
Fringe benefits	98	94	90	(4)
Pension	56	17	20	3
Materials and supplies	11	11	2	(9)
Contractual services	1,124	1,141	807	(334)
Travel	10	10	1	(9)
Operating	12	17	5	(12)
Rentals	27	27	23	(4)
Other charges	5	-	-	-
Capital outlay	5	5	-	(5)
Debt service	-	-	-	-
	<u>1,610</u>	<u>1,573</u>	<u>1,138</u>	<u>(435)</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	-	37	437	400
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	9	9
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
Total other financing sources (uses)				
Net change in fund balances	-	37	446	409
Fund balance at October 1, 2010	<u>4,096</u>	<u>4,096</u>	<u>4,096</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ 4,096</u>	<u>4,133</u>	<u>4,542</u>	<u>409</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
YOUTH SERVICES FUND

For the Year Ended September 30, 2011
(in thousands)

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES:				
Taxes				
Property taxes	\$ 4,154	4,154	3,949	(205)
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	(6)	(6)
Other	-	-	-	-
	<u>4,154</u>	<u>4,154</u>	<u>3,943</u>	<u>(211)</u>
Total revenues				
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	1,735	1,735	1,644	(91)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
	<u>1,735</u>	<u>1,735</u>	<u>1,644</u>	<u>(91)</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	2,419	2,419	2,299	(120)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,223	1,248	1,248	-
Transfers out	(3,642)	(3,667)	(3,504)	163
Interfund chargeback recovery (Note 18)	-	-	16	16
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>(2,419)</u>	<u>(2,419)</u>	<u>(2,240)</u>	<u>179</u>
Total other financing sources (uses)				
Net change in fund balances	-	-	59	59
Fund balance at October 1, 2010	<u>1,222</u>	<u>1,222</u>	<u>1,222</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ 1,222</u>	<u>1,222</u>	<u>1,281</u>	<u>59</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
COMMUNITY & ECONOMIC DEVELOPMENT

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	14,734	4,933	4,867	(66)
State grants and contracts	-	-	-	-
Local grants and contracts	200	200	7	(193)
Charges for services	-	-	60	60
Interest and rents	-	-	33	33
Other	-	-	-	-
	<u>14,934</u>	<u>5,133</u>	<u>4,967</u>	<u>(166)</u>
Total revenues				
EXPENDITURES:				
Current operations:				
Personnel	1,280	1,251	1,851	600
Fringe benefits	422	412	768	356
Pension	255	80	151	71
Materials and supplies	15	12	75	63
Contractual services	5,188	3,056	3,643	587
Travel	12	12	30	18
Operating	101	101	278	177
Rentals	-	226	226	-
Other charges	10,071	2,449	2,541	92
Capital outlay	-	-	-	-
Debt service	-	-	-	-
	<u>17,344</u>	<u>7,599</u>	<u>9,563</u>	<u>1,964</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	(2,410)	(2,466)	(4,596)	(2,130)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,695	2,695	2,695	-
Transfers out	(285)	(60)	-	60
Interfund chargeback recovery (Note 18)	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	1,983	1,983
	<u>2,410</u>	<u>2,635</u>	<u>4,678</u>	<u>2,043</u>
Total other financing sources (uses)				
Net change in fund balances	-	169	82	(87)
Fund balance at October 1, 2010 (Note 18)	(1,332)	(1,332)	(1,332)	-
Fund balance at September 30, 2011	<u>\$ (1,332)</u>	<u>(1,163)</u>	<u>(1,250)</u>	<u>(87)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
BUILDING AUTHORITY FUND

For the Year Ended September 30, 2011
(in thousands)

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	110	110
	<u>-</u>	<u>-</u>	<u>110</u>	<u>110</u>
Total revenues	<u>-</u>	<u>-</u>	<u>110</u>	<u>110</u>
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	1	1
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	109	109
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	109	109
Fund balance at October 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ -</u>	<u>-</u>	<u>109</u>	<u>109</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
STADIUM AND LAND DEVELOPMENT FUND

For the Year Ended September 30, 2011
(in thousands)

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	6,500	6,500	7,112	612
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	5	5	-	(5)
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>6,505</u>	<u>6,505</u>	<u>7,112</u>	<u>607</u>
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	312	312	184	(128)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	6,193	6,193	6,926	733
Other charges	-	-	1	1
Capital outlay	-	-	-	-
Debt service	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>6,505</u>	<u>6,505</u>	<u>7,111</u>	<u>606</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	1	1
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	5	5
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Net change in fund balances	-	-	6	6
Fund balance at October 1, 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ -</u>	<u>-</u>	<u>6</u>	<u>6</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
ENVIRONMENTAL PROGRAMS FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	189	189
State grants and contracts	510	510	130	(380)
Local grants and contracts	361	361	353	(8)
Charges for services	2,502	2,502	2,132	(370)
Interest and rents	50	50	15	(35)
Other	-	-	-	-
Total revenues	3,423	3,423	2,819	(604)
EXPENDITURES:				
Current operations:				
Personnel	785	785	704	(81)
Fringe benefits	292	292	307	15
Pension	168	57	68	11
Materials and supplies	35	35	13	(22)
Contractual services	1,985	1,985	1,423	(562)
Travel	61	61	29	(32)
Operating	33	33	34	1
Rentals	60	60	53	(7)
Other charges	5	5	-	(5)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	3,424	3,313	2,631	(682)
Excess (deficiency) of revenues over (under) expenditures	(1)	110	188	78
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	25	25
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	25	25
Net change in fund balances	(1)	110	213	103
Fund balance at October 1, 2010	5,020	5,020	5,020	-
Fund balance at September 30, 2011	<u>\$ 5,019</u>	<u>5,130</u>	<u>5,233</u>	<u>103</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
HEALTH AND FAMILY SERVICES FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	23,820	24,389	25,256	867
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>23,820</u>	<u>24,389</u>	<u>25,256</u>	<u>867</u>
EXPENDITURES:				
Current operations:				
Personnel	524	524	490	(34)
Fringe benefits	185	185	232	47
Pension	112	38	48	10
Materials and supplies	18	20	16	(4)
Contractual services	22,913	23,480	24,427	947
Travel	12	12	5	(7)
Operating	15	15	9	(6)
Rentals	20	20	5	(15)
Other charges	22	22	29	7
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>23,821</u>	<u>24,316</u>	<u>25,261</u>	<u>945</u>
Excess (deficiency) of revenues over (under) expenditures	(1)	73	(5)	(78)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	82	82
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
Net change in fund balances	(1)	73	77	4
Fund balance at October 1, 2010	<u>887</u>	<u>887</u>	<u>887</u>	<u>-</u>
Fund balance at September 30, 2011	<u>\$ 886</u>	<u>960</u>	<u>964</u>	<u>4</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
GENERAL DEBT SERVICE FUND

For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	119	5,120	5,120	-
Other	868	868	239	(629)
	<u>987</u>	<u>5,988</u>	<u>5,359</u>	<u>(629)</u>
Total revenues				
	<u>987</u>	<u>5,988</u>	<u>5,359</u>	<u>(629)</u>
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	31,589	31,589	15,475	(16,114)
	<u>31,589</u>	<u>31,589</u>	<u>15,475</u>	<u>(16,114)</u>
Total expenditures				
	<u>31,589</u>	<u>31,589</u>	<u>15,475</u>	<u>(16,114)</u>
Excess (deficiency) of revenues over (under) expenditures	(30,602)	(25,601)	(10,116)	15,485
OTHER FINANCING SOURCES (USES):				
Transfers in	30,792	25,791	10,306	(15,485)
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
	<u>30,792</u>	<u>25,791</u>	<u>10,306</u>	<u>(15,485)</u>
Net change in fund balances	190	190	190	-
Fund balances at October 1, 2010	<u>2,386</u>	<u>2,386</u>	<u>2,386</u>	<u>-</u>
Fund balances at September 30, 2011	<u>\$ 2,576</u>	<u>2,576</u>	<u>2,576</u>	<u>-</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
ROADS DEBT SERVICE FUND

For the Year Ended September 30, 2011
(in thousands)

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	5,933	5,933	5,933	-
	<u>5,933</u>	<u>5,933</u>	<u>5,933</u>	<u>-</u>
Total expenditures	<u>5,933</u>	<u>5,933</u>	<u>5,933</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(5,933)	(5,933)	(5,933)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	5,933	5,933	5,933	-
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>5,933</u>	<u>5,933</u>	<u>5,933</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances at October 1, 2010	<u>16</u>	<u>16</u>	<u>16</u>	<u>-</u>
Fund balances at September 30, 2011	<u>\$ 16</u>	<u>16</u>	<u>16</u>	<u>-</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
WAYNE COUNTY BUILDING AUTHORITY DEBT SERVICE FUND
For the Year Ended September 30, 2011
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	\$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	7,314	7,314	11,150	3,836
Other	-	-	-	-
Total revenues	<u>7,314</u>	<u>7,314</u>	<u>11,150</u>	<u>3,836</u>
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	7,314	7,314	15,836	8,522
Total expenditures	<u>7,314</u>	<u>7,314</u>	<u>15,836</u>	<u>8,522</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(4,686)	(4,686)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,687	4,687
Transfers out	-	-	-	-
Interfund chargeback recovery (Note 18)	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,687</u>	<u>4,687</u>
Net change in fund balances	-	-	1	1
Fund balances at October 1, 2010	<u>6,258</u>	<u>6,258</u>	<u>6,258</u>	<u>-</u>
Fund balances at September 30, 2011	<u>\$ 6,258</u>	<u>6,258</u>	<u>6,259</u>	<u>1</u>

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NON-MAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS Are Used to Account for Operations that are financed and operated in a manner similar to private business enterprises - where the costs of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges or where periodic determination of net income is appropriate for accountability purposes.

NORTHEAST SEWAGE DISPOSAL SYSTEMS – This fund records the fiscal activities associated with operation and maintenance of the sewage treatment facilities. Costs are recovered through development of usage rates which are billed to the local communities served.

CSO BASINS – This fund is used to account for activities related to the construction of combined sewer overflow (CSO) basins in the cities of River Rouge, Inkster, Redford and Dearborn Heights to reduce wet weather overflow to the rivers and increase the flow to the sewage treatment plants.

JAIL COMMISSARY – This fund is used to account for the revenues and expenditures associated with the operation of the commissary at the County's jails.

PARKING LOTS – This fund is used to account for activities related to County employee subsidized parking.

WETLAND MITIGATION – This fund is used to account for the marketing of environmental credits earned by the conversion of County owned land.

COPY CENTER – This fund accounts for printing and copying services provided by the Office of the County Clerk to various County departments, other governmental and private establishments, and for the reproduction of certain court records for the general public.

This page intentionally left blank.

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
As of September 30, 2011
(in thousands)

	Northeast Sewage Disposal System	CSO Basins	Jail Commissary	Parking Lots	Wetlands Mitigation	Copy Center	Total Non-major Enterprise Funds
ASSETS:							
Current assets:							
Unrestricted current assets:							
Equity in pooled cash and investments	\$ 76	-	588	20	-	-	\$ 684
Other cash and investments	-	-	49	-	-	-	49
Due from other funds	-	-	-	-	-	-	-
Receivables:							
Accounts	-	-	-	2	-	-	2
Due from other governmental units	3,433	2,962	-	-	-	-	6,395
Less allowance for uncollectible accounts	-	-	-	-	-	-	-
Prepayment and deposits	2	-	-	-	-	-	2
Restricted assets:							
Equity in pooled cash and investments	545	3,374	-	-	-	-	3,919
Total current assets	4,056	6,336	637	22	-	-	11,051
Non-current assets:							
Restricted assets:							
Equity in pooled cash and investments	1,908	2,778	-	-	-	-	4,686
Accounts receivable	-	2,804	-	-	-	-	2,804
Bond principal due from municipalities	1,632	17,277	-	-	-	-	18,909
Capital assets:							
Non-depreciable	11	-	-	1,423	155	-	1,589
Depreciable, net	3,548	-	-	62	-	1	3,611
Other assets	8	221	-	-	-	-	229
Total non-current assets	7,107	23,080	-	1,485	155	1	31,828
Total assets	\$ 11,163	29,416	637	1,507	155	1	\$ 42,879
LIABILITIES AND NET ASSETS:							
Current liabilities:							
Payable from unrestricted current assets:							
Negative equity in pooled cash	\$ -	2,647	-	-	-	531	\$ 3,178
Accounts and contracts payable	10	96	2	-	-	-	108
Accrued wages and benefits	-	-	-	-	-	-	-
Current portion of long-term obligations	-	-	-	-	-	2	2
Other liabilities	5,356	9	117	-	-	-	5,482
Payable from restricted current assets:							
Current portion of long-term obligations	531	3,055	-	-	-	-	3,586
Accrued interest	14	319	-	-	-	-	333
Total current liabilities	5,911	6,126	119	-	-	533	12,689
Noncurrent liabilities:							
Payable from restricted non-current assets:							
Accounts payable	165	3,245	-	-	-	-	3,410
Long-term obligations - bonds payable	1,101	16,119	-	-	-	-	17,220
Other long-term obligations	-	102	-	-	-	53	155
Total non-current liabilities	1,266	19,466	-	-	-	53	20,785
Total liabilities	7,177	25,592	119	0	-	586	33,474
Net Assets:							
Invested in capital assets, net of related debt	1,927	-	-	1,485	155	1	3,568
Restricted for bond programs	3,906	3,495	-	-	-	-	7,401
Unrestricted	(1,847)	329	518	22	-	(586)	(1,564)
Total net assets	3,986	3,824	518	1,507	155	(585)	9,405
Total liabilities and net assets	\$ 11,163	29,416	637	1,507	155	1	\$ 42,879

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended September 30, 2011
(in thousands)

	Northeast		Jail	Parking	Wetlands	Copy	Total
	Sewage Disposal	CSO Basins	Commissary	Lots	Mitigation	Center	Non-major Enterprise Funds
	System						
OPERATING REVENUES:							
Sewage disposal charges	\$ 20,002	40	-	-	-	-	\$ 20,042
Other charges for services	-	1,085	2,806	25	-	1	3,917
Total operating revenues	20,002	1,125	2,806	25	-	1	23,959
OPERATING EXPENSES:							
Personnel	-	-	-	-	-	23	23
Fringe benefits	-	-	-	-	-	31	31
Pension	-	-	-	-	-	7	7
Materials and supplies	52	89	618	-	-	-	759
Contractual services	20,641	1,242	1,017	10	-	9	22,919
Miscellaneous operating	402	110	(1)	-	-	(53)	458
Rentals	287	15	-	-	-	(40)	262
Other charges	-	-	874	2	-	-	876
Depreciation and amortization	352	-	-	4	-	4	360
Total operating expenses	21,734	1,456	2,508	16	-	(19)	25,695
Operating income (loss)	(1,732)	(331)	298	9	-	20	(1,736)
Non-operating revenues (expenses)							
Investment earnings (loss)	23	163	1	-	-	-	187
Collections from participating local units	61	972	-	-	-	199	1,232
Interest expense	(80)	(1,132)	-	-	-	-	(1,212)
Total non-operating revenues (expenses)	4	3	1	-	-	199	207
Net income (loss) before transfers	(1,728)	(328)	299	9	-	219	(1,529)
Transfers in	-	157	-	-	-	-	157
Transfers out	-	(157)	-	-	-	-	(157)
Interfund chargeback recovery (Note 18)	3	5	7	5	-	9	29
Change in net assets	(1,725)	(323)	306	14	-	228	(1,500)
Net assets at October 1, 2010	5,711	4,147	212	1,493	155	(813)	10,905
Net assets at September 30, 2011	\$ 3,986	3,824	518	1,507	155	(585)	\$ 9,405

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2011
(in thousands)

	Northeast Sewage Disposal System	CSO Basins	Jail Commissary	Parking Lots	Wetlands Mitigation	Copy Center	Total Non-major Enterprise Funds
Cash flows from operating activities:							
Receipts from customers	\$ 18,569	1,196	2,956	28	-	1	\$ 22,750
Payments to suppliers	(20,266)	(1,392)	(2,464)	(12)	-	(10)	(24,144)
Payments to employees and payments for benefits	-	-	-	-	-	(43)	(43)
Internal activity - receipts from other funds	-	-	-	-	-	100	100
Net cash provided by (used in) operating activities	(1,697)	(196)	492	16	-	48	(1,337)
Cash flows from capital and related financing activities:							
Repayment of long-term debt	(525)	(3,106)	-	-	-	-	(3,631)
Proceeds from issuance of long-term debt	14	171	-	-	-	-	185
Bond principal received from municipalities	511	2,934	-	-	-	-	3,445
Interest received from participating local units	61	972	-	-	-	199	1,232
Interest paid	(63)	(1,142)	-	-	-	-	(1,205)
Net cash provided used in capital and related financing activities	(2)	(171)	-	-	-	199	26
Cash flows from non-capital financing activities:							
Interfund chargeback recovery	3	5	7	5	0	9	29
Net cash provided used in capital and related financing activities	3	5	7	5	0	9	29
Cash flows from investing activities:							
Investment earnings (loss)	23	163	1	-	-	-	187
Net cash provided by investing activities	23	163	1	-	-	-	187
Net decrease in cash and cash equivalents	(1,673)	(199)	500	21	-	256	(1,095)
Cash and cash equivalents at October 1, 2010	4,202	3,704	137	(1)	-	(787)	7,255
Cash and cash equivalents at September 30, 2011	<u>\$ 2,529</u>	<u>3,505</u>	<u>637</u>	<u>20</u>	<u>-</u>	<u>(531)</u>	<u>\$ 6,160</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating income (loss)	\$ (1,732)	(331)	298	9	-	20	\$ (1,736)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:							
Depreciation and amortization	352	-	-	4	-	4	360
Decreases (increases) in current assets:							
Accounts receivable	-	861	150	3	-	-	1,014
Due from other funds	-	-	-	-	-	100	100
Due from other governmental units	(1,433)	(790)	-	-	-	-	(2,223)
Other current assets	1	-	-	-	-	-	1
Increases (decreases) in current liabilities:							
Accounts and contracts payable	15	(41)	(15)	-	-	-	(41)
Accrued wages and benefits	-	-	-	-	-	(3)	(3)
Other liabilities	1,100	105	59	-	-	(94)	1,170
Increase (Decrease) in noncurrent other liabilities	-	-	-	-	-	21	21
Net cash provided by (used in) operating activities	<u>\$ (1,697)</u>	<u>(196)</u>	<u>492</u>	<u>16</u>	<u>-</u>	<u>48</u>	<u>\$ (1,337)</u>
Cash and cash equivalents at September 30, 2011 consists of the following:							
Equity in pooled cash and investments	\$ 76	-	588	20	-	-	684
Negative equity in pooled cash	-	(2,647)	-	-	-	(531)	(3,178)
Other cash and investments	-	-	49	-	-	-	49
Restricted assets:							
Equity in pooled cash and equivalents	2,453	6,152	-	-	-	-	8,605
Total cash and investments	<u>\$ 2,529</u>	<u>3,505</u>	<u>637</u>	<u>20</u>	<u>-</u>	<u>(531)</u>	<u>\$ 6,160</u>



COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS Are Used to Account for the financing of goods or services provided by one department or Agency to other departments or Agencies of the County And to other government AL Units, on a Cost-Reimbursement Basis.

CENTRAL SERVICES – This fund is used to distribute the County's costs of internal services provided by the Department of Technology and the Building and Grounds Division of the Department of Public Services.

ENVIRONMENT – This fund is used to distribute costs to the various sewage districts, drains, and other Department of Public Services - Environment activities.

LONG-TERM DISABILITY – This fund is used to accumulate and disburse monies related to long-term disability claims.

GENERAL HEALTH – This fund is used to accumulate and disburse monies related to employee health benefits.

WORKERS' COMPENSATION SELF INSURANCE – This fund is used to accumulate and disburse monies related to worker's compensation claims.

GENERAL LIABILITY – This fund is used to accumulate and disburse monies related to property insurance costs.

EQUIPMENT LEASE FINANCING – This fund is used to account for the costs of financing acquisitions of real property, machinery and equipment. The fund recovers costs by billing user departments.

BUILDING AND GROUNDS MAINTENANCE – This fund is used to account for the maintenance of all County General Fund buildings.

This page intentionally left blank.

CHARTER COUNTY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

As of September 30, 2011
(in thousands)

	<u>Central Services</u>	<u>Environment</u>	<u>Long-Term Disability</u>	<u>General Health</u>
ASSETS:				
Current assets:				
Equity in pooled cash and investments	\$ 3,680	1,231	466	6,623
Other cash and investments	1	1	-	-
Due from other funds	-	-	-	-
Due from component units	-	-	-	-
Receivables:				
Due from other governmental units	95	-	-	-
Supplies inventory, at cost	-	-	-	-
Prepayments and deposits	206	-	-	-
Total current assets	<u>3,982</u>	<u>1,232</u>	<u>466</u>	<u>6,623</u>
Non-current assets:				
Capital assets:				
Non-depreciable	-	24	-	-
Depreciable, net	2,267	397	-	-
Other Assets:				
Long-term receivables	-	-	-	-
Total non-current assets	<u>2,267</u>	<u>421</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 6,249</u></u>	<u><u>1,653</u></u>	<u><u>466</u></u>	<u><u>6,623</u></u>
LIABILITIES AND NET ASSETS:				
Negative equity in pooled cash	\$ -	-	-	-
Accounts and contracts payable	1,534	6	-	2,437
Accrued wages and benefits	117	71	40	6
Current portion of long-term obligations	335	288	-	-
Other liabilities	1,283	12	331	4,125
Deferred revenue	85	-	-	-
Total current liabilities	<u>3,354</u>	<u>377</u>	<u>371</u>	<u>6,568</u>
Non-current liabilities:				
Other liabilities	1,546	869	-	-
Total non-current liabilities	<u>1,546</u>	<u>869</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,900</u>	<u>1,246</u>	<u>371</u>	<u>6,568</u>
Net assets:				
Invested in capital assets, net of related debt	2,267	421	-	-
Unrestricted	(918)	(14)	95	55
Total net assets	<u>1,349</u>	<u>407</u>	<u>95</u>	<u>55</u>
Total liabilities and net assets	<u><u>\$ 6,249</u></u>	<u><u>1,653</u></u>	<u><u>466</u></u>	<u><u>6,623</u></u>

CHARTER COUNTY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

As of September 30, 2011
(in thousands)

<u>Workers'</u> <u>Compensation</u> <u>Self Insurance</u>	<u>General</u> <u>Liability</u>	<u>Equipment</u> <u>Lease</u> <u>Financing</u>	<u>Building</u> <u>and Grounds</u> <u>Maintenance</u>	<u>Totals</u>
11,462	199	-	-	\$ 23,661
-	-	-	1	3
-	-	-	-	-
-	-	-	-	-
-	-	-	-	95
-	-	-	-	-
-	-	-	-	206
<u>11,462</u>	<u>199</u>	<u>-</u>	<u>1</u>	<u>23,965</u>
-	-	30,525	-	30,549
-	-	4,986	2,180	9,830
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>35,511</u>	<u>2,180</u>	<u>40,379</u>
<u>11,462</u>	<u>199</u>	<u>35,511</u>	<u>2,181</u>	<u>\$ 64,344</u>
-	-	30,444	1,718	\$ 32,162
71	257	-	114	4,419
2	-	-	227	463
-	-	-	709	1,332
8,132	503	-	335	14,721
-	-	-	-	85
<u>8,205</u>	<u>760</u>	<u>30,444</u>	<u>3,103</u>	<u>53,182</u>
17	-	-	2,860	5,292
<u>17</u>	<u>-</u>	<u>-</u>	<u>2,860</u>	<u>5,292</u>
<u>8,222</u>	<u>760</u>	<u>30,444</u>	<u>5,963</u>	<u>58,474</u>
-	-	35,511	2,180	40,379
<u>3,240</u>	<u>(561)</u>	<u>(30,444)</u>	<u>(5,962)</u>	<u>(34,509)</u>
<u>3,240</u>	<u>(561)</u>	<u>5,067</u>	<u>(3,782)</u>	<u>5,870</u>
<u>11,462</u>	<u>199</u>	<u>35,511</u>	<u>2,181</u>	<u>\$ 64,344</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended September 30, 2011
(in thousands)

	Central Services	Environment	Long-Term Disability	General Health
OPERATING REVENUES:				
Charges for services	\$ 20,458	4,354	758	103,896
Rentals and expense recoveries	-	182	-	-
Total operating revenues	<u>20,458</u>	<u>4,536</u>	<u>758</u>	<u>103,896</u>
OPERATING EXPENSES:				
Personnel	2,458	1,519	-	-
Fringe benefits	1,969	1,301	-	-
Pension	374	332	-	-
Materials and supplies	20	60	-	32
Contractual services	6,521	1,004	48	713
Travel	12	9	-	-
Miscellaneous operating	2,641	82	781	103,829
Rentals	2,323	148	-	-
Other charges	5	-	-	11
Depreciation and amortization	794	55	-	-
Total operating expenses	<u>17,117</u>	<u>4,510</u>	<u>829</u>	<u>104,585</u>
Operating income (loss)	<u>3,341</u>	<u>26</u>	<u>(71)</u>	<u>(689)</u>
Non-operating revenues (expenses):				
Investment earnings (loss)	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>3,341</u>	<u>27</u>	<u>(71)</u>	<u>(689)</u>
Transfers in	-	-	-	-
Transfers out	(4,225)	-	-	-
Interfund chargeback recovery (Note 18)	<u>78</u>	<u>39</u>	<u>7</u>	<u>67</u>
Change in net assets	(806)	66	(64)	(622)
Net assets at October 1, 2010, restated (Note 18)	<u>2,155</u>	<u>341</u>	<u>159</u>	<u>677</u>
Net assets at September 30, 2011	<u><u>\$ 1,349</u></u>	<u><u>407</u></u>	<u><u>95</u></u>	<u><u>55</u></u>

CHARTER COUNTY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended September 30, 2011
(in thousands)

Workers' Compensation Self Insurance	General Liability	Equipment Lease Financing	Building and Grounds Maintenance	Totals
3,917	2,625	-	14,127	\$ 150,135
-	-	1,228	1,830	3,240
<u>3,917</u>	<u>2,625</u>	<u>1,228</u>	<u>15,957</u>	<u>153,375</u>
46	-	-	5,141	9,164
37	-	-	3,871	7,178
6	-	-	1,318	2,030
-	-	-	874	986
512	42	7	1,949	10,796
-	-	-	79	100
1,928	3,149	-	3,989	116,399
-	-	-	206	2,677
-	-	-	20	36
-	-	509	167	1,525
<u>2,529</u>	<u>3,191</u>	<u>516</u>	<u>17,614</u>	<u>150,891</u>
<u>1,388</u>	<u>(566)</u>	<u>712</u>	<u>(1,657)</u>	<u>2,484</u>
-	-	(80)	(17)	(96)
<u>1,388</u>	<u>(566)</u>	<u>632</u>	<u>(1,674)</u>	<u>2,388</u>
-	-	5,164	1,290	6,454
-	-	-	-	(4,225)
<u>43</u>	<u>5</u>	<u>-</u>	<u>102</u>	<u>341</u>
1,431	(561)	5,796	(282)	4,958
<u>1,809</u>	<u>-</u>	<u>(729)</u>	<u>(3,500)</u>	<u>912</u>
<u>3,240</u>	<u>(561)</u>	<u>5,067</u>	<u>(3,782)</u>	<u>\$ 5,870</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2011
(in thousands)

	Central Services	Environment	Long-term Disability	General Health
Cash flows from operating activities:				
Receipts for interfund services provided	\$ 20,458	4,536	758	103,896
Receipts from interfund loans	-	-	-	-
Payments to employees and payments for benefits	(10,257)	(3,789)	10	4
Payments to suppliers	(12,534)	(453)	(829)	(103,024)
Receipts from component units	26	-	-	-
Net cash provided by (used in) operating activities	<u>(2,307)</u>	<u>294</u>	<u>(61)</u>	<u>876</u>
Cash flows from noncapital financing activities:				
Long-term receivable	-	-	-	-
Interfund chargeback recovery	78	39	7	67
Transfers (to) from other funds	<u>(4,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital and related financing activities	<u>(4,147)</u>	<u>39</u>	<u>7</u>	<u>67</u>
Cash flows from capital and related financing activities:				
Repayment of long-term debt	-	-	-	-
Advances from other funds	-	288	-	-
Disposition of capital assets	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>23</u>	<u>288</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Investment earnings (loss)	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(6,431)	622	(54)	943
Cash and cash equivalents at October 1, 2010	<u>10,112</u>	<u>610</u>	<u>520</u>	<u>5,680</u>
Cash and cash equivalents at September 30, 2011	<u>\$ 3,681</u>	<u>1,232</u>	<u>466</u>	<u>6,623</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 3,341	26	(71)	(689)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	794	55	-	-
(Increases) decreases in current assets:				
Due from other funds	-	-	-	-
Due from component units	26	-	-	-
Other assets	133	-	-	-
Increases (decreases) in current liabilities:				
Accounts and contracts payable	(764)	(4)	-	1,061
Accrued wages and benefits	(441)	12	10	4
Other liabilities	(381)	854	-	500
Compensated absences payable	(2,173)	(255)	-	-
(Decrease) in noncurrent other liabilities	<u>(2,842)</u>	<u>(394)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (2,307)</u>	<u>294</u>	<u>(61)</u>	<u>876</u>
Cash and cash equivalents at September 30, 2011 consists of the following:				
Equity in pooled cash and investments	\$ 3,680	1,231	466	6,623
Negative equity in pooled cash	-	-	-	-
Other cash and investments	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total cash and investments	<u>\$ 3,681</u>	<u>1,232</u>	<u>466</u>	<u>6,623</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2011

(in thousands)				
Workers' Compensation Self Insurance	General Liability	Equipment Lease Financing	Building and Grounds Maintenance	Totals
3,917	2,625	1,228	15,957	\$ 153,375
-	58	1,750	1,290	3,098
(89)	-	-	(11,483)	(25,604)
(3,033)	(3,025)	(7)	(7,139)	(130,044)
-	-	-	-	26
795	(342)	2,971	(1,375)	851
-	-	-	2,861	2,861
43	5	-	102	341
-	-	5,164	1,290	2,229
43	5	5,164	4,253	5,431
-	-	-	(1,428)	(1,428)
-	-	-	-	288
-	-	-	-	23
-	-	-	(1,428)	(1,117)
-	-	(80)	(17)	(96)
-	-	(80)	(17)	(96)
838	(337)	8,055	1,433	5,069
10,624	536	(38,499)	(3,150)	(13,567)
11,462	199	(30,444)	(1,717)	\$ (8,498)
1,388	(566)	712	(1,657)	\$ 2,484
-	-	509	167	1,525
-	58	1,750	1,290	3,098
-	-	-	-	26
-	-	-	-	133
(28)	(81)	-	(22)	162
-	-	-	1	(414)
(565)	247	-	-	655
-	-	-	(9)	(2,437)
-	-	-	(1,145)	(4,381)
795	(342)	2,971	(1,375)	\$ 851
11,462	199	-	-	\$ 23,661
-	-	(30,444)	(1,718)	(32,162)
-	-	-	1	3
11,462	199	(30,444)	(1,717)	\$ (8,498)

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FIDUCIARY FUNDS

FIDUCIARY FUNDS Are comprised of pension (And other employee benefit) trust funds And Agency funds. pension (And other employee benefit) trust funds Are Used to Account for Assets held by the County in a Trustee Capacity. Agency funds Are Used to Account for Assets held by the County As An Agent for individuals, Private Organizations, Other governments And/or Other funds.

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

EMPLOYEES – This fund accounts for the monies accumulated under the employee defined benefit pension plan.

CIRCUIT COURT COMMISSIONERS BAILIFFS' RETIREMENT SYSTEM – This fund accounts for monies accumulated under the Circuit Court Bailiffs' retirement system.

DEFINED CONTRIBUTION PLAN – This fund accounts for monies accumulated under the employee defined contribution retirement plan.

AGENCY FUNDS

TRUST AND AGENCY – This fund is used to account for miscellaneous trust and agency fund activity not specifically earmarked for another fund.

UNDISTRIBUTED TAX – This fund is used to account for current tax collections and their subsequent disbursement to other governmental units.

LIBRARY PENAL FINES – This fund is used to account for monies received by District Courts from court fines and disbursed to public libraries.

OFFICE OF THE COUNTY CLERK – This fund is used to account for monies received by the County Clerk including bonds and various fees. Disbursements include attorney fees, restitution payments, garnishments, and jury fees.

RETAINAGES – This fund is used to account for monies retained from contractors involved with County projects. Disbursements are made to the contractor upon successful completion of the project.

IMPREST PAYROLL – This fund is used to account for employee payroll withholdings and their subsequent disbursement.

IMPREST RETIREMENT PAYROLL – This fund is used to account for monthly benefit payments to retirees.

CHARTER COUNTY OF WAYNE, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND (OTHER EMPLOYEE BENEFIT) TRUST FUNDS

As of September 30, 2011
(in thousands)

	Employees	Circuit Court Commissioners Bailiffs'	Defined Contribution Plan	Total Pension and (Other Employee Benefit) Trust Funds
ASSETS:				
Equity in pooled cash and investments	\$ 1,726	4	437	\$ 2,167
Due from component units	13	-	-	13
Receivables:				
Accounts receivable	2,311	-	-	2,311
Accrued interest receivable	1,036	-	-	1,036
Total receivables	3,347	-	-	3,347
Retirement investments:				
Equity securities	389,875	4,036	166,585	560,496
Debt securities	112,800	72	110,866	223,738
Money market funds	17,410	50	-	17,460
Other investments	173,540	-	27,795	201,335
Total retirement investments	693,625	4,158	305,246	1,003,029
Prepayments and deposits	16	-	-	16
Depreciable capital assets, net	15	-	-	15
Total assets	<u>\$ 698,742</u>	<u>4,162</u>	<u>305,683</u>	<u>\$ 1,008,587</u>
LIABILITIES:				
Accounts and contracts payable	\$ 681	-	18	\$ 699
Accrued wages and benefits	56	-	-	56
Other liabilities	780	-	-	780
Due to broker for securities purchased	1,790	-	-	1,790
Total liabilities	<u>\$ 3,307</u>	<u>-</u>	<u>18</u>	<u>\$ 3,325</u>
NET ASSETS:				
Net assets held in trust for pension benefits	<u>\$ 695,435</u>	<u>4,162</u>	<u>305,665</u>	<u>\$ 1,005,262</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND (OTHER EMPLOYEE BENEFIT) TRUST FUNDS

For the Year Ended September 30, 2011
(in thousands)

	Employees	Circuit Court Commissioners Bailiffs'	Defined Contribution Plan	Total Pension and (Other Employee Benefits) Trust Funds
ADDITIONS:				
Investment income (loss):				
Net depreciation in fair market value	\$ (22,852)	(445)	(4,860)	\$ (28,157)
Interest and dividends	18,051	32	5,835	23,918
Other investment income	2,606	-	385	2,991
Investment expenses	(4,640)	-	-	(4,640)
Net investment income (loss)	(6,835)	(413)	1,360	(5,888)
Retirement contributions:				
Employer	13,428	29	17,214	30,671
Employee	15,874	15	5,906	21,795
Total additions	22,467	(369)	24,480	46,578
DEDUCTIONS:				
Administrative expenses:				
Personnel	1,107	-	-	1,107
Fringe benefits	915	-	-	915
Pension	297	-	-	297
Materials and supplies	82	-	-	82
Contractual services	506	50	477	1,033
Travel	82	-	-	82
Rentals	184	-	-	184
Depreciation and amortization	3	-	-	3
Other charges	17	-	-	17
Total administrative expenses	3,193	50	477	3,720
Participant benefits	132,438	164	29,152	161,754
Total participant benefits	132,438	164	29,152	161,754
Total deductions	135,631	214	29,629	165,474
Change in net assets	(113,164)	(583)	(5,149)	(118,896)
Net assets at October 1, 2010	808,599	4,745	310,814	1,124,158
Net assets at September 30, 2011	<u>\$ 695,435</u>	<u>4,162</u>	<u>305,665</u>	<u>\$ 1,005,262</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS

As of September 30, 2011
(in thousands)

	Trust and Agency	Undistrib- uted Tax	Library Penal Fines	Office of the County Clerk	Retain- ages	Imprest Payroll	Imprest Retirement Payroll	Total Agency Funds
ASSETS:								
Equity in pooled cash and investments	\$ 2,230	135,426	493	10,556	2,109	1,511	4,379	\$ 156,704
Other cash and investments	897	-	-	-	616	-	-	1,513
Accounts receivable	7,682	-	-	-	-	-	-	7,682
Total assets	<u>\$ 10,809</u>	<u>135,426</u>	<u>493</u>	<u>10,556</u>	<u>2,725</u>	<u>1,511</u>	<u>4,379</u>	<u>\$ 165,899</u>
LIABILITIES:								
Accounts and contracts payable	\$ 62	1,488	-	86	9	-	1,295	\$ 2,940
Due to other governmental units	80	-	-	-	-	1,147	9	1,236
Accrued wages and benefits	-	-	-	-	-	343	3,070	3,413
Undistributed taxes	-	133,938	-	-	-	-	-	133,938
Retainage	-	-	-	-	2,716	-	-	2,716
Other liabilities	10,667	-	493	10,470	-	21	5	21,656
Total liabilities	<u>\$ 10,809</u>	<u>135,426</u>	<u>493</u>	<u>10,556</u>	<u>2,725</u>	<u>1,511</u>	<u>4,379</u>	<u>\$ 165,899</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended September 30, 2011
(in thousands)

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
TRUST AND AGENCY				
ASSETS:				
Equity in pooled cash and investments	\$ 9,927	1,638,748	1,646,445	\$ 2,230
Other cash and investments	780	897	780	897
Receivables:				
Accounts	2,426	4,560,744	4,555,488	7,682
Due from other funds	-	2,380,042	2,380,042	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 13,133</u>	<u>8,580,431</u>	<u>8,582,755</u>	<u>\$ 10,809</u>
LIABILITIES:				
Accounts and contracts payable	\$ 46	18,354	18,338	\$ 62
Due to other funds	-	19,552	19,552	-
Due to other governmental units	82	32,880	32,882	80
Other liabilities	13,005	21,188	23,526	10,667
	<u>13,005</u>	<u>21,188</u>	<u>23,526</u>	<u>10,667</u>
Total liabilities	<u>\$ 13,133</u>	<u>91,974</u>	<u>94,298</u>	<u>\$ 10,809</u>
UNDISTRIBUTED TAX				
ASSETS:				
Equity in pooled cash and investments	\$ 140,018	1,583,368	1,587,960	\$ 135,426
Receivables:				
Accounts	-	770,054	770,054	-
Due from other funds	-	942,116	942,116	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 140,018</u>	<u>3,295,538</u>	<u>3,300,130</u>	<u>\$ 135,426</u>
LIABILITIES:				
Accounts and contracts payable	\$ 706	331,574	330,792	\$ 1,488
Undistributed taxes	139,312	1,390,815	1,396,189	133,938
	<u>139,312</u>	<u>1,390,815</u>	<u>1,396,189</u>	<u>133,938</u>
Total liabilities	<u>\$ 140,018</u>	<u>1,722,389</u>	<u>1,726,981</u>	<u>\$ 135,426</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, CONTINUED
For the Year Ended September 30, 2011
(in thousands)

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
LIBRARY PENAL FINES				
ASSETS:				
Equity in pooled cash and investments	\$ 667	1,985	2,159	\$ 493
Other cash and investments	-	-	-	-
	<u>667</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 667</u>	<u>1,985</u>	<u>2,159</u>	<u>\$ 493</u>
LIABILITIES:				
Accounts and contracts payable	\$ -	-	-	\$ -
Other liabilities	667	4,018	4,192	493
	<u>667</u>	<u>4,018</u>	<u>4,192</u>	<u>493</u>
Total liabilities	<u>\$ 667</u>	<u>4,018</u>	<u>4,192</u>	<u>\$ 493</u>
OFFICE OF THE COUNTY CLERK				
ASSETS:				
Equity in pooled cash and investments	\$ 8,655	48,588	46,687	\$ 10,556
Other cash and investments	25	-	25	-
Receivables:				
Accounts	-	14,659	14,659	-
Due from other funds	-	19,979	19,979	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,680</u>	<u>83,226</u>	<u>81,350</u>	<u>\$ 10,556</u>
LIABILITIES:				
Accounts and contracts payable	\$ 160	13,472	13,546	\$ 86
Other liabilities	8,520	30,021	28,071	10,470
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 8,680</u>	<u>43,493</u>	<u>41,617</u>	<u>\$ 10,556</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, CONTINUED
For the Year Ended September 30, 2011
(in thousands)

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
RETAINAGES				
ASSETS:				
Equity in pooled cash and investments	\$ 1,447	1,485	823	\$ 2,109
Other cash and investments	866	1	251	616
Receivables:				
Accounts	-	1,405	1,405	-
	-	-	-	
Total assets	<u>\$ 2,313</u>	<u>2,891</u>	<u>2,479</u>	<u>\$ 2,725</u>
LIABILITIES:				
Accounts and contracts payable	\$ 9	536	536	\$ 9
Retainage	2,304	1,479	1,067	2,716
Total liabilities	<u>\$ 2,313</u>	<u>2,015</u>	<u>1,603</u>	<u>\$ 2,725</u>
IMPREST PAYROLL				
ASSETS:				
Equity in pooled cash and investments	\$ 1,555	266,497	266,541	\$ 1,511
Receivables:				
Due from other funds	-	259,860	259,860	-
Total assets	<u>\$ 1,555</u>	<u>526,357</u>	<u>526,401</u>	<u>\$ 1,511</u>
LIABILITIES:				
Accounts and contracts payable	\$ -	19,936	19,936	\$ -
Due to other funds	-	19,195	19,195	-
Due to other governmental units	1,222	63,682	63,757	1,147
Accrued wages and benefits	319	458,253	458,229	343
Other liabilities	14	19,230	19,223	21
Total liabilities	<u>\$ 1,555</u>	<u>580,296</u>	<u>580,340</u>	<u>\$ 1,511</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, CONTINUED
For the Year Ended September 30, 2011
(in thousands)

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
IMPREST RETIREMENT PAYROLL				
ASSETS:				
Equity in pooled cash and investments	\$ 4,467	263,093	263,181	\$ 4,379
Receivables:				
Due from other funds	-	215	215	-
Total assets	<u>\$ 4,467</u>	<u>263,308</u>	<u>263,396</u>	<u>\$ 4,379</u>
LIABILITIES:				
Accounts and contracts payable	\$ 1,259	15,762	15,726	\$ 1,295
Due to other governmental units	-	15,653	15,644	9
Accrued wages and benefits	3,208	380,025	380,163	3,070
Other liabilities	-	2,015	2,010	5
Total liabilities	<u>\$ 4,467</u>	<u>413,455</u>	<u>413,543</u>	<u>\$ 4,379</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Equity in pooled cash and investments	\$ 166,736	3,803,764	3,813,796	\$ 156,704
Other cash and investments	1,671	898	1,056	1,513
Receivables:				
Accounts	2,426	5,346,862	5,341,606	7,682
Due from other funds	-	3,602,212	3,602,212	-
Total assets	<u>\$ 170,833</u>	<u>12,753,736</u>	<u>12,758,670</u>	<u>\$ 165,899</u>
LIABILITIES:				
Accounts and contracts payable	\$ 2,180	399,634	398,874	\$ 2,940
Due to other funds	-	38,747	38,747	-
Due to other governmental units	1,304	112,215	112,283	1,236
Accrued wages and benefits	3,527	838,278	838,392	3,413
Undistributed taxes	139,312	1,390,815	1,396,189	133,938
Retainage	2,304	1,479	1,067	2,716
Other liabilities	22,206	76,472	77,022	21,656
Total liabilities	<u>\$ 170,833</u>	<u>2,857,640</u>	<u>2,862,574</u>	<u>\$ 165,899</u>

(Concluded)

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS

DISCRETELY PRESENTED COMPONENT UNITS Are entities that are Leg ALLy Sep Ar Ate from the C o Unty b Ut for Which the C o Unty is f in Anc i ALLy Acco Unt Ab Le, or t heir r eLAtionships with the C o Unty Are S Uch th At Exc LUSion Wo ULd CAUse the C o Unty 's f in Anc i AL St At ements to be m is Le Ad ing or Incomp Lete . d iscrete Ly p resented C omponent Units Are r eported in A Sep Ar Ate C o LUmn to Emph Asize th At t hey Are Leg ALLy Sep Ar Ate from the C o Unty .

DETROIT-WAYNE COUNTY STADIUM AUTHORITY (DWCSA) – This authority was incorporated by the County in August of 1996 under the provisions of Act 31 for the purpose of acquiring, building, furnishing, equipping, owning, improving, enlarging, operating and/or maintaining one or more stadia. The DWCSA's Articles of Incorporation provide for a six-member board ("the Commission"). Each member of the Commission is appointed by the Wayne County Executive.

DRAINAGE DISTRICTS (CHAPTER 8, 20 AND 21) – Each of the drainage districts is a separate legal entity, with the power to contract, to sue and to be sued, and to hold, manage, and dispose of real and personal property. Drainage districts are established to provide for the construction, maintenance and funding of drains, sewers and equipment used in water management and flood control. Drainage districts are governed by Act No. 40 of the Public Acts of 1956. The full faith and credit of the County is generally given for the long-term debt of the drainage districts.

PROBATE COURT presides over matters related to the settlement of estates and trusts; appoints guardians and conservators for minors and other legally incapacitated persons, and has jurisdiction over numerous other matters, such as mental illness, communicable diseases, substance abuse and certain child custody issues.

ECONOMIC DEVELOPMENT CORPORATION OF WAYNE COUNTY (EDC) – This separate legal entity was established pursuant to Michigan Public Act 338 of 1974. Its 11-member board is appointed by the Wayne County Executive. The EDC acts on behalf of and at the direction of Wayne County. Services include financial packaging, site location services, and low-cost financing to businesses locating or expanding in the County. The EDC's primary fiscal activity is to provide administration of federal grants on behalf and for the benefit of Wayne County.

WAYNE COUNTY-DETROIT CDE, INC. (CDE) – The CDE is an IRS Section 501(c) (3) Michigan corporation and a qualified community development entity that was granted new market tax credits (NTMC) allocation authority from the U.S. Treasury's Community Development Financial Institutions Fund (CDFI Fund). CDE, Inc. must comply with various rules and regulations of the CDFI Fund and Section 45D of the IRS Code, and must ensure that the NTMC's are used for investment in low-income communities in Wayne County. The County Executive has appointed six of the eleven board members.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS

(CONTINUED)

DISCRETELY PRESENTED COMPONENT UNITS Are entities that are Leg ALLy Sep Ar Ate from the CoUnty bUt for Which the CoUnty is fIn AncI ALLy Acco Unt AbLe, or tHeIr r eLAtionships with the CoUnty Are S UCh th At Exc LUSion WoULD CAUse the CoUnty 's fIn AncI AL St Atements to be mIsLeAdIng or Incomp Lete . d iscrete Ly pResented Component Units Are r eported in A Sep Ar Ate Co LUmN to Emph Asize th At t hey Are Leg ALLy Sep Ar Ate from the CoUnty .

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION (GWEDC) – The GWEDC was created as a separate legal entity in November 2004 through an inter-local agreement between the EDC of Wayne County, the EDC of the City of Taylor and the EDC of the City of Detroit. The purpose of the GWEDC is to administer economic development programs and functions in Michigan, such as the One-Stop Center. The GWEDC is governed by an Executive Committee and a Board of Directors. The County Executive appoints the members of the Executive Committee and six of the ten board members. The entity is primarily funded by contributions from the County.

BROWNFIELD REDEVELOPMENT AUTHORITY (BRA) – The BRA was established by State enabling legislation. The BRA will assist the Wayne County Department of Public Services - Environment and the various Wayne County communities involved with the Urban Recovery Partnership to facilitate the redevelopment of unproductive, contaminated and/or blighted property by providing tax incentives.

HEALTHCHOICE OF MICHIGAN (HEALTHCHOICE) – HealthChoice was established under the Municipal Health Corporations Act of 1987 to manage a health care program benefiting employees of County businesses that are unable to provide health benefits to their employees. HealthChoice administers the program in conjunction with a non-profit corporation; a third-party administrator; and Patient Care Management System, a unit of the County. HealthChoice Board members are County elected or County appointed officials.

WAYNE REGIONAL JOBS AND ECONOMIC GROWTH FOUNDATION (WRJEGF) – The Foundation is an IRS Section 501(c)(3) Michigan organization formed to raise funds to support and encourage job and economic development opportunities, projects, and initiatives; and corporations, charities and other organizations that promote the growth of businesses in Wayne County.

DEVELOPMENT CORPORATION OF WAYNE COUNTY (DCWC) – The DCWC is an IRS Section 501(c)(3) Michigan foundation formed to facilitate, plan, organize, promote, manage and administer programs and activities designed to foster local Wayne County neighborhood community improvement and development, with emphasis on improving opportunities for low and moderate income individuals and families within Wayne County. The DCWC will obtain and maintain qualification as a Community Housing Development Corporation, under applicable state and federal laws and regulations. The foundation is funded solely by grants from the County.

WAYNE COUNTY LAND BANK CORPORATION (LAND BANK) – The Land Bank was established by State enabling legislation and was incorporated through an intergovernmental agreement between the Michigan Land Bank Fast Track Authority and the Wayne County Treasurer. Its purpose is to acquire, assemble, manage and/or dispose of real property, or rights and interests in real (such as tax reverted) property to develop/rehabilitate that property and promote economic growth; to quiet title to property; to issue bonds; and provide for financing acquisition, assembly, disposition and quieting of title to property.

This page intentionally left blank.

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
As of September 30, 2011
(in thousands)

	<u>DWCSA</u>	<u>Chapter 8</u>	<u>Chapter 20</u>	<u>Chapter 21</u>	<u>Probate Court</u>	<u>EDC</u>
ASSETS:						
Current assets:						
Equity in pooled cash and investments	\$ -	4,609	7,315	1,263	1,421	259
Other cash and investments	7,427	-	-	-	-	5,471
Due from primary government	677	-	-	-	-	1,904
Receivables:						
Accounts receivable	-	115	-	-	19	70
Special assessments	-	587	924	1,940	-	-
Due from other governmental units	-	261	-	203	-	-
Less allowance for uncollectable accounts	-	(149)	-	-	-	-
Inventory - real property held for sale	-	-	-	-	-	9
Prepayments and deposits	-	-	-	-	78	372
Total current assets	8,104	5,423	8,239	3,406	1,518	8,085
Non-current assets:						
Restricted assets:						
Equity in pooled cash and investments	-	-	-	251	-	-
Capital assets:						
Non-depreciable	-	-	8,363	-	-	-
Depreciable, net	-	-	15,688	10,893	1,147	-
Bond issuance costs, net of amortization	505	146	-	-	-	-
Long-term receivable from primary government	64,945	-	-	-	-	-
Special assessments receivable	-	4,101	893	-	-	-
Total non-current assets	65,450	4,247	24,944	11,144	1,147	-
Total assets	<u>\$ 73,554</u>	<u>9,670</u>	<u>33,183</u>	<u>14,550</u>	<u>2,665</u>	<u>8,085</u>
LIABILITIES AND NET ASSETS:						
Current liabilities:						
Negative equity in pooled cash (note 4)	\$ -	-	-	-	-	-
Accounts and contracts payable	-	448	564	100	44	586
Accrued wages and benefits	-	-	10	8	212	-
Due to primary government	-	-	-	-	-	7,102
Due to other governmental units	-	-	104	-	-	-
Accrued interest	600	68	31	6	-	-
Current portion of long-term obligations	2,619	587	943	1,974	195	-
Unearned revenue	-	3,504	999	-	67	194
Other liabilities	-	21	1,311	190	182	7
Total current liabilities	3,219	4,628	3,962	2,278	700	7,889
Non-current liabilities:						
Non-current portion of long-term obligations	62,631	4,101	893	-	-	-
Other liabilities	-	-	125	86	2,529	-
Total non-current liabilities	62,631	4,101	1,018	86	2,529	-
Total liabilities	65,850	8,729	4,980	2,364	3,229	7,889
Net assets:						
Invested in capital assets, net of related debt	-	-	22,234	8,953	1,147	-
Restricted net assets:						
Bond programs	6,503	-	1,817	2,191	-	-
Capital projects	587	-	-	-	-	-
Unrestricted	614	941	4,152	1,042	(1,711)	196
Total net assets	7,704	941	28,203	12,186	(564)	196
Total liabilities and net assets	<u>\$ 73,554</u>	<u>\$ 9,670</u>	<u>\$ 33,183</u>	<u>\$ 14,550</u>	<u>\$ 2,665</u>	<u>\$ 8,085</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS

As of September 30, 2011
(in thousands)

CDE	GWEDC	BRA	Health Choice	RJEGF	DCWC	Land Bank	Total Non-major Discretely Presented Component Units
-	73	-	-	-	-	694	\$ 15,634
347	176	-	6,095	503	-	86	20,105
-	-	-	-	-	-	600	3,181
207	90	-	3,533	15	-	-	4,049
-	-	-	-	-	-	-	3,451
-	-	234	-	-	-	-	698
-	-	-	-	-	-	-	(149)
-	-	-	-	-	-	129	138
2	6	-	94	3	-	-	555
556	345	234	9,722	521	-	1,509	47,662
-	-	-	-	-	-	-	251
-	-	-	119	-	-	-	8,482
-	-	-	10	-	-	6	27,744
-	-	-	-	-	-	-	651
-	-	-	-	-	-	-	64,945
-	-	-	-	-	-	-	4,994
-	-	-	129	-	-	6	107,067
556	345	234	9,851	521	-	1,515	\$ 154,729
-	-	88	68	-	-	-	\$ 156
-	126	171	-	63	-	195	2,297
-	-	-	4,004	-	-	30	4,264
-	-	-	-	-	-	-	7,102
-	-	-	-	-	-	-	104
-	-	-	-	-	-	-	705
-	-	-	-	-	-	91	6,409
-	-	-	2,122	505	-	-	7,391
162	3	-	-	-	-	761	2,637
162	129	259	6,194	568	-	1,077	31,065
-	-	-	-	-	-	-	67,625
-	-	-	-	-	-	347	3,087
-	-	-	-	-	-	347	70,712
162	129	259	6,194	568	-	1,424	101,777
-	-	-	129	-	-	6	32,469
-	-	-	-	-	-	-	10,511
-	-	-	-	-	-	-	587
394	216	(25)	3,528	(47)	-	85	9,385
394	216	(25)	3,657	(47)	-	91	52,952
\$ 556	\$ 345	\$ 234	\$ 9,851	\$ 521	\$ -	\$ 1,515	\$ 154,729

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2011
(in thousands)

	<u>DWCSA</u>	<u>Chapter 8</u>	<u>Chapter 20</u>	<u>Chapter 21</u>	<u>Probate Court</u>	<u>EDC</u>
EXPENSES	\$ 3,855	3,243	3,123	3,705	10,689	578
PROGRAM REVENUES:						
Charges for services	4,147	1,350	1,635	2,104	774	424
Operating grants and contributions	<u>-</u>	<u>291</u>	<u>301</u>	<u>97</u>	<u>8,323</u>	<u>-</u>
Total program revenues	<u>4,147</u>	<u>1,641</u>	<u>1,936</u>	<u>2,201</u>	<u>9,097</u>	<u>424</u>
Net (expense) / program revenue	<u>292</u>	<u>(1,602)</u>	<u>(1,187)</u>	<u>(1,504)</u>	<u>(1,592)</u>	<u>(154)</u>
GENERAL REVENUES:						
Investment earnings (loss)	-	14	18	4	-	-
Other revenue	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>25</u>
Total general revenues	<u>3</u>	<u>14</u>	<u>18</u>	<u>4</u>	<u>11</u>	<u>25</u>
Change in net assets	295	(1,588)	(1,169)	(1,500)	(1,581)	(129)
Net assets at October 1, 2010 (Note 18)	<u>7,409</u>	<u>2,529</u>	<u>29,372</u>	<u>13,686</u>	<u>1,017</u>	<u>325</u>
Net assets at September 30, 2011	<u>\$ 7,704</u>	<u>941</u>	<u>28,203</u>	<u>12,186</u>	<u>(564)</u>	<u>196</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2011
(in thousands)

CDE	GWEDC	BRA	Health Choice	RJEGF	DCWC	Land Bank	Total Non-major Discretely Presented Component Units
174	403	1,530	20,782	136	85	3,834	\$ 52,137
95	-	-	21,842	-	-	222	32,593
-	150	1,636	-	110	29	3,880	14,817
95	150	1,636	21,842	110	29	4,102	47,410
(79)	(253)	106	1,060	(26)	(56)	268	(4,727)
-	1	1	3	-	1	1	43
300	30	-	72	16	-	-	457
300	31	1	75	16	1	1	500
221	(222)	107	1,135	(10)	(55)	269	(4,227)
173	438	(132)	2,522	(37)	55	(178)	57,179
394	216	(25)	3,657	(47)	-	91	\$ 52,952

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT STATISTICAL

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the County's overall financial health.

CONTENTS

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

DEBT CAPACITY

These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt, and the County's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

FINANCIAL TRENDS

CHARTER COUNTY OF WAYNE, MICHIGAN
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

Table 1

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities										
Invested in capital assets, net of related debt	\$ 935,810	\$ 950,521	\$ 974,539	\$ 982,356	\$ 1,039,751	\$ 1,073,350	\$ 1,120,350	\$ 1,197,506	\$ 1,121,201	\$ 1,132,156
Restricted	523,918	257,459	192,002	193,203	125,823	86,318	78,499	89,283	116,567	107,936
Unrestricted	(478,256)	(149,046)	(99,313)	(14,199)	82,709	66,706	31,745	(100,261)	14,882	9,136
Total governmental activities net assets	\$ 981,472	\$ 1,058,934	\$ 1,067,228	\$ 1,161,360	\$ 1,248,283	\$ 1,226,374	\$ 1,230,594	\$ 1,186,528	\$ 1,252,650	\$ 1,249,228
Business-type activities										
Invested in capital assets, net of related debt	\$ 168,370	\$ 167,770	\$ 159,735	\$ 159,655	\$ 160,424	\$ 180,638	\$ 215,294	\$ 213,588	\$ 210,961	\$ 218,772
Restricted	152,559	172,408	185,445	200,105	211,789	188,935	27,757	8,860	5,598	23,508
Unrestricted	11,036	6,509	7,274	15,761	22,295	22,332	226,294	263,049	284,801	275,036
Total business-type activities net assets	\$ 331,965	\$ 346,687	\$ 352,454	\$ 375,521	\$ 394,508	\$ 391,905	\$ 469,345	\$ 485,497	\$ 501,360	\$ 517,316
Primary government										
Invested in capital assets, net of related debt	\$ 1,104,180	\$ 1,118,291	\$ 1,134,274	\$ 1,142,011	\$ 1,200,175	\$ 1,253,988	\$ 1,335,644	\$ 1,411,094	\$ 1,332,162	\$ 1,350,928
Restricted	676,477	429,867	377,447	393,308	337,612	275,253	106,256	98,143	122,165	131,444
Unrestricted	(467,220)	(142,537)	(92,039)	1,562	105,004	89,038	258,039	162,788	299,683	284,172
Total primary government net assets	\$ 1,313,437	\$ 1,405,621	\$ 1,419,682	\$ 1,536,881	\$ 1,642,791	\$ 1,618,279	\$ 1,699,939	\$ 1,672,025	\$ 1,754,010	\$ 1,766,544

Source: Statement of Net Assets

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

Table 2

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
Legislative	\$ 9,707	\$ 9,736	\$ 10,697	\$ 11,873	\$ 9,871	\$ 8,972	\$ 9,189	\$ 10,177	\$ 11,412	\$ 11,876
Judicial	123,555	126,507	109,282	119,539	98,345	96,897	97,825	96,132	95,642	108,709
General government	168,753	133,484	150,409	131,833	174,234	151,149	145,811	153,569	138,171	129,032
Public safety	171,762	165,646	165,074	177,999	177,762	166,593	155,603	155,073	143,033	140,377
Public works	5,896	6,021	7,353	7,290	7,510	6,992	7,214	1,405	1,361	1,612
Highways, streets and bridges	115,882	129,005	136,775	142,452	140,230	164,345	153,093	155,502	136,368	191,950
Health and welfare	930,262	944,892	935,874	979,211	950,270	944,029	901,419	898,802	810,848	847,542
Recreation and cultural	21,198	23,005	27,006	30,925	27,310	32,173	29,385	21,382	25,316	20,370
Community and economic development	25,578	27,105	20,338	20,780	17,763	17,966	-	-	-	-
Non-departmental *	-	-	-	-	-	16,057	26,348	68,457	16,194	10,556
Interest on long-term debt	40,864	21,610	17,880	21,111	18,465	27,412	24,700	21,852	18,524	20,396
Total governmental activities net expenses	1,613,457	1,587,011	1,580,688	1,643,013	1,621,760	1,632,585	1,550,587	1,582,351	1,396,869	1,482,420
Business-type activities										
Sewage Disposal Systems	106,191	93,217	100,010	96,723	92,064	157,499	93,033	94,529	88,812	88,384
Jail Commissary	2,510	2,224	2,230	2,545	2,149	1,648	1,187	1,617	1,519	1,894
Parking Lots	15	71	143	143	107	114	204	219	204	274
Wetlands Mitigation	-	-	3	-	1	1	5	3	18	349
Copy Center	(20)	660	762	722	320	23	-	-	-	-
Total business-type activities expenses	108,696	96,172	103,148	100,133	94,641	159,285	94,429	96,368	90,553	90,901
Total primary government expenses	\$ 1,722,153	\$ 1,683,183	\$ 1,683,836	\$ 1,743,146	\$ 1,716,401	\$ 1,791,870	\$ 1,645,016	\$ 1,678,719	\$ 1,487,422	\$ 1,573,321
Program Revenues										
Governmental activities:										
Charges for services:										
Legislative	\$ 2,243	\$ 2,251	\$ 2,232	\$ 1,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40
Judicial	20,350	19,250	20,028	19,460	22	2	-	-	-	-
General government	128,693	93,650	88,063	78,978	82,763	111,035	110,026	98,695	53,754	51,979
Public safety	36,136	34,554	38,496	42,122	30,437	26,020	27,283	21,876	31,025	31,649
Public works	5,190	5,234	6,240	6,324	6,609	5,973	6,030	166	150	283
Highways, streets and bridges	5,278	900	1,859	10,966	8,078	6,649	6,441	2,516	14,058	12,517
Health and welfare	33,781	33,543	15,179	14,555	14,518	24,881	30,723	28,000	36,017	31,930
Recreation and cultural	2,672	1,344	3,397	2,605	2,631	5,713	3,681	5,025	3,604	4,386
Community and economic development	465	582	607	862	758	1,321	-	-	-	-
Non-departmental *	-	-	-	-	-	-	1,367	3,016	7,831	2,513
Operating grants and contributions	934,242	926,294	873,408	880,502	869,537	878,985	872,743	866,483	788,897	796,511
Capital grants and contributions	20,935	20,762	17,232	24,411	15,347	12,681	10,281	18,963	8,278	8,998
Total governmental activities program revenues	\$ 1,189,985	\$ 1,138,364	\$ 1,066,741	\$ 1,082,397	\$ 1,030,700	\$ 1,073,260	\$ 1,068,575	\$ 1,044,740	\$ 943,614	\$ 940,806

* - The non-departmental function has been reclassified to more specific line items.

Source: Statement of Activities

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 2

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Business-type activities:										
Charges for services:										
Sewage Disposal Systems	\$ 85,276	\$ 74,171	\$ 70,745	\$ 70,645	\$ 68,162	\$ 67,553	\$ 68,001	\$ 68,028	\$ 65,806	\$ 65,172
Jail Commissary	2,806	2,392	1,641	2,745	2,405	1,314	1,314	1,218	1,387	1,427
Parking Lots	25	64	143	142	226	197	174	314	483	274
Wetlands Mitigation	-	-	-	-	-	-	-	3	7	62
Copy Center	1	219	226	540	329	247	-	-	-	-
Operating grants and contributions	5,330	13,154	6,569	5,486	6,161	7,071	7,121	9,287	4,415	8,580
Capital grants and contributions	-	-	58	640	17,467	3,317	335	1,508	1,890	1,406
Total business-type activities program revenues	93,438	90,000	79,382	80,198	94,750	79,699	76,945	80,358	73,988	76,921
Total primary government revenues	\$ 1,283,423	\$ 1,228,364	\$ 1,146,123	\$ 1,162,595	\$ 1,125,450	\$ 1,152,959	\$ 1,145,520	\$ 1,125,098	\$ 1,017,602	\$ 1,017,727
Net revenue (expense)										
Governmental activities	(423,472)	(448,647)	(513,947)	(591,060)	(559,325)	(482,012)	(537,611)	(453,255)	(453,255)	(541,614)
Business-type activities	(15,258)	(6,172)	(20,751)	(14,443)	(64,535)	(14,730)	(19,423)	(10,195)	(16,565)	(13,980)
Total primary government net revenue (expense)	\$ (438,730)	\$ (454,819)	\$ (534,698)	\$ (605,503)	\$ (623,860)	\$ (496,742)	\$ (557,034)	\$ (463,450)	\$ (469,820)	\$ (555,594)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes	\$ 323,986	\$ 349,385	\$ 381,351	\$ 401,764	\$ 485,554	\$ 484,636	\$ 465,466	\$ 382,482	\$ 378,551	\$ 362,891
Investment earnings	21,175	20,875	21,525	28,390	37,697	33,317	29,597	21,817	28,435	30,947
State sales tax	55,052	43,966	5,455	21,701	21,985	-	-	31,687	36,295	39,683
Airport parking taxes	9,203	9,333	12,553	15,276	13,866	12,696	10,170	7,228	6,690	13,031
Other revenue	13,036	9,969	12,378	25,517	47,658	24,456	20,845	28,319	6,817	7,920
Excise	7,112	6,522	6,454	8,408	7,403	-	-	-	-	-
Contributed assets	-	-	-	(27,004)	-	-	-	-	-	-
Gain on reduction in note payable	-	-	52,716	-	-	-	-	-	-	-
Transfers	-	(100)	(87)	(359)	(1,195)	-	-	(45)	(111)	-
Chargeback recovery	5,387	-	-	-	-	-	-	-	-	-
Special item	(65,326)	-	-	-	-	-	-	-	-	-
Total governmental activities	369,625	439,950	492,345	473,693	612,968	555,105	526,078	471,488	456,677	454,472
Business-type activities:										
Investment earnings	428	305	612	661	2,417	2,148	1,156	102	499	511
Other revenue	-	-	-	-	-	-	175	-	-	201
Transfers of capital assets	-	-	-	-	(1,118)	-	-	-	-	-
Contributed assets	-	-	-	(71)	-	-	-	-	-	-
Transfers in (out)	-	100	87	359	1,195	-	-	45	111	-
Chargeback recovery	108	-	-	-	-	-	-	-	-	-
Total business-type activities	536	405	699	949	2,494	2,148	1,331	147	610	712
Total primary government	\$ 370,161	\$ 440,355	\$ 493,044	\$ 474,642	\$ 615,462	\$ 557,253	\$ 527,409	\$ 471,635	\$ 457,287	\$ 455,184
Change in Net Assets										
Governmental activities	\$ (53,847)	\$ (8,697)	\$ (21,602)	\$ (117,367)	\$ 53,643	\$ 73,093	\$ (11,533)	\$ 18,233	\$ 3,422	\$ (87,142)
Business-type activities	(14,722)	(5,767)	(20,052)	(13,494)	(62,041)	(12,582)	(18,092)	(10,048)	(15,955)	(13,268)
Total primary government	\$ (68,569)	\$ (14,464)	\$ (41,654)	\$ (130,861)	\$ (8,398)	\$ 60,511	\$ (29,625)	\$ 8,185	\$ (12,533)	\$ (100,410)

Source: Statement of Activities

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Table 3

(in thousands)										
Fiscal Year										
	2011 (a)	2010	2009	2008	2007	2006	2005	2004	2003	2002
General fund										
Reserved	\$ -	\$ 89,513	\$ 75,813	\$ 36,106	\$ 4,230	\$ 7,857	\$ 5,558	\$ 2,034	\$ 16,243	\$ 2,717
Nonspendable	33,184	-	-	-	-	-	-	-	-	-
Restricted	9,888	-	-	-	-	-	-	-	-	-
Committed	3,000	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(127,953)									
Unreserved	-	(116,029)	(68,949)	(10,606)	21,148	15,842	18,079	17,066	14,517	27,706
Total general fund	<u>\$ (81,881)</u>	<u>\$ (26,516)</u>	<u>\$ 6,864</u>	<u>\$ 25,500</u>	<u>\$ 25,378</u>	<u>\$ 23,699</u>	<u>\$ 23,637</u>	<u>\$ 19,100</u>	<u>\$ 30,760</u>	<u>\$ 30,423</u>
All other governmental funds										
Reserved	\$ -	\$ 93,540	\$ 72,964	\$ 109,062	\$ 121,622	\$ 116,089	\$ 53,910	\$ 50,624	\$ 71,896	\$ 65,274
Nonspendable	33,045	-	-	-	-	-	-	-	-	-
Restricted	294,318	-	-	-	-	-	-	-	-	-
Committed	6,232	-	-	-	-	-	-	-	-	-
Assigned	21,062	-	-	-	-	-	-	-	-	-
Unassigned	(18,722)	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	14,000	(289)	(6,507)	33,025	22,448	81,510	49,648	33,272	31,668
Total all other governmental funds	<u>\$ 335,935</u>	<u>\$ 107,540</u>	<u>\$ 72,675</u>	<u>\$ 102,555</u>	<u>\$ 154,647</u>	<u>\$ 138,537</u>	<u>\$ 135,420</u>	<u>\$ 100,272</u>	<u>\$ 105,168</u>	<u>\$ 96,942</u>

(a) - In fiscal year 2011, the County adopted GASB 54 which changed the fund balance classification. Prior balances have not been restated to reflect GASB 54.

Source: Balance Sheet - Governmental Funds

See accompanying accountant's report.

This page intentionally left blank.

CHARTER COUNTY OF WAYNE, MICHIGAN
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal years
(modified accrual basis of accounting)
(Unaudited)

Table 4

	(in thousands)				
	Fiscal Year				
	2011	2010	2009	2008	2007
Revenues					
Taxes	\$ 380,326	\$ 403,582	\$ 395,446	\$ 432,714	\$ 498,060
Licenses and permits	602	587	480	274	431
Federal grants	107,288	90,395	72,988	81,062	72,779
State grants and contracts	822,212	819,310	792,731	793,348	795,048
Local grants and contracts	16,336	14,634	15,141	17,306	19,008
Charges for services	155,087	115,724	94,594	100,410	98,636
Investment earnings	20,540	19,754	19,873	25,285	33,371
Other	8,665	8,870	24,333	24,917	32,382
Total revenues	1,511,056	1,472,856	1,415,586	1,475,316	1,549,715
Expenditures					
Legislative	8,805	8,865	10,697	11,629	11,807
Judicial	102,776	107,464	89,615	100,370	98,130
General government	137,061	114,967	127,117	124,885	134,865
Public safety	142,316	145,476	156,011	167,469	161,972
Public works	708	786	1,217	1,098	1,051
Highways, streets and bridges	64,029	73,583	83,631	89,833	87,022
Health and welfare	937,002	946,259	938,830	985,003	955,338
Recreation and cultural	22,336	23,907	28,268	29,821	20,921
Non-departmental *	-	-	-	-	-
Community and economic development	3,384	5,856	5,407	12,802	1,800
Capital outlay	44,233	54,267	23,553	47,688	12,954
Debt service:					
Principal	21,305	19,208	20,519	27,756	20,293
Interest	21,564	13,365	8,568	9,671	17,912
Other	959	494	915	2,159	578
Total expenditures	1,506,478	1,514,497	1,494,348	1,610,184	1,524,643
Excess of revenues over (under) expenditures	4,578	(41,641)	(78,762)	(134,868)	25,072
Other financing sources (uses)					
Transfers in	145,088	141,747	209,589	249,506	318,947
Transfers out	(130,428)	(138,747)	(211,838)	(231,988)	(304,769)
Chargeback recovery	4,783	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(90,278)
Bond issuance	210,026	39,840	31,944	64,045	66,395
Bond premium	-	46	462	1,158	1,583
Bond discount	-	(187)	-	-	-
Proceeds from sale of capital assets	2,132	25	89	176	839
Other financing sources	-	-	-	-	-
Total other financing sources (uses)	231,601	42,724	30,246	82,897	(7,283)
Net change in fund balances	\$ 236,179	\$ 1,083	\$ (48,516)	\$ (51,971)	\$ 17,789
Debt service as a percentage of noncapital expenditures	2.9%	2.2%	2.0%	2.4%	2.5%

* - The non-departmental function has been reclassified to more specific line items.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal years
(modified accrual basis of accounting)
(Unaudited)

Table 4

(in thousands)				
Fiscal Year				
2006	2005	2004	2003	2002
\$ 472,551	\$ 444,819	\$ 366,881	\$ 349,422	\$ 329,480
295	362	257	244	256
74,348	86,857	73,030	66,666	55,463
772,603	762,754	809,759	751,244	788,538
23,279	25,186	21,601	23,132	18,995
115,191	133,187	118,980	123,714	141,038
29,924	27,193	19,819	23,309	24,292
22,402	17,909	17,784	22,274	25,525
1,510,593	1,498,267	1,428,111	1,360,005	1,383,587
10,992	11,024	11,370	11,399	11,869
96,628	97,596	94,200	93,707	107,008
124,876	109,079	117,704	109,917	121,991
151,343	150,354	149,489	137,391	135,373
1,164	1,318	1,405	1,362	1,611
94,821	102,428	106,791	86,605	141,318
948,725	901,866	895,239	810,142	866,151
25,100	28,149	21,938	23,916	20,217
17,666	26,348	21,665	23,259	10,556
-	-	-	-	-
11,846	13,412	16,150	44,849	37,107
19,959	19,949	19,290	18,274	18,497
18,305	18,568	18,530	18,338	18,283
9	17	69	16	6
1,521,434	1,480,108	1,473,840	1,379,175	1,489,987
(10,841)	18,159	(45,729)	(19,170)	(106,400)
295,941	329,148	176,072	149,135	178,018
(282,441)	(308,148)	(147,980)	(135,141)	(154,018)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
520	526	1,081	13,740	19,775
-	-	-	-	-
14,020	21,526	29,173	27,734	43,775
\$ 3,179	\$ 39,685	\$ (16,556)	\$ 8,564	\$ (62,625)
2.5%	2.6%	2.6%	2.7%	2.5%

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

REVENUE CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN
Taxable Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Table 5

(4) For Tax Levy	Residential Property	Commercial Property	Industrial Property	Developmental Property	Agricultural Property	Personal Property	(1) (2) Total Taxable Value	General Operating Direct Tax Rate	(3) Estimated Actual Value	Taxable Value as a Percentage of Estimated Actual Value
December 1, 2002	26,365,491,443	5,875,885,769	3,395,825,746	18,349,348	21,616,517	6,228,017,436	41,905,186,259	7.8220	107,601,019,802	38.94%
December 1, 2003	27,748,871,755	6,201,281,779	3,617,393,177	16,505,210	21,987,876	5,733,303,676	43,339,343,473	7.8220	113,946,834,620	38.03%
December 1, 2004	29,645,812,559	6,483,133,612	3,816,523,698	27,730,216	23,624,451	5,921,105,201	45,917,929,737	7.8220	120,386,762,122	38.14%
July 1, 2005	31,508,172,159	6,775,008,713	3,936,157,162	26,933,363	24,849,832	6,037,978,810	48,309,100,039	1.8828	125,359,817,812	38.54%
December 1, 2005	31,508,172,159	6,775,008,713	3,936,157,162	26,933,363	24,849,832	6,037,978,810	48,309,100,039	5.9392	125,359,817,812	38.54%
July 1, 2006	33,607,446,027	7,105,243,493	3,963,530,779	28,056,401	15,819,058	5,852,263,246	50,572,359,004	3.7655	128,803,281,446	39.26%
December 1, 2006	33,607,446,027	7,105,243,493	3,963,530,779	28,056,401	15,819,058	5,852,263,246	50,572,359,004	4.0565	128,803,281,446	39.26%
July 1, 2007	35,348,119,661	7,711,741,307	4,071,361,238	54,478,431	17,351,454	5,793,352,706	52,996,404,797	5.6483	132,254,579,368	40.07%
December 1, 2007	35,348,119,661	7,711,741,307	4,071,361,238	54,478,431	17,351,454	5,793,352,706	52,996,404,797	2.1737	132,254,579,368	40.07%
July 1, 2008	35,071,782,855	8,123,588,100	4,089,688,255	54,599,620	17,185,476	5,562,061,827	52,918,906,133	5.6483	127,441,315,314	41.52%
December 1, 2008	35,071,782,855	8,123,588,100	4,089,688,255	54,599,620	17,185,476	5,562,061,827	52,918,906,133	2.1737	127,441,315,314	41.52%
July 1, 2009	32,889,053,263	8,276,471,682	4,092,418,840	54,757,162	18,233,322	5,658,628,433	50,989,562,702	5.6483	114,693,804,624	44.46%
December 1, 2009	32,889,053,263	8,276,471,682	4,092,418,840	54,757,162	18,233,322	5,658,628,433	50,989,562,702	2.1737	114,693,804,624	44.46%
July 1, 2010	29,572,602,004	7,895,948,318	3,826,614,479	8,416,870	17,491,534	5,261,408,874	46,582,482,079	5.6483	101,296,707,068	45.99%
December 1, 2010	29,572,602,004	7,895,948,318	3,826,614,479	8,416,870	17,491,534	5,261,408,874	46,582,482,079	2.1737	101,296,707,068	45.99%
July 1, 2011	27,509,235,231	7,811,532,677	3,392,393,971	6,768,953	17,926,585	4,867,569,724	43,605,427,141	5.6483	92,828,383,320	46.97%
December 1, 2011	27,509,235,231	7,811,532,677	3,392,393,971	6,768,953	17,926,585	4,867,569,724	43,605,427,141	2.1737	92,828,383,320	46.97%

- (1) The Taxable Valuation against which the tax levy is applied to is determined as of the December 31 prior to the July 1 or December 1 on which the taxes are levied. Taxable value is a result of a ballot proposal passed by the electorate in the state of Michigan in 1994. Taxable value increases are limited to (following adjustment for additions or losses) the rate of inflation or 5% whichever is less. The taxable value limit does not apply to a property in the year following a transfer of ownership (sale).
- (2) Beginning in fiscal year 1996, the ad valorem millage is based on the Taxable Value rather than the State Equalized Valuation. "SEV" represents 50% of the true cash value, in accordance with Michigan Public Act 409 of 1965, and Article IX, Section 3 of the Michigan Constitution.
- (3) The County assesses property annually. Estimated actual value is the State Equalized Valuation multiplied by two.
- (4) The County's charter millage was gradually shifted from a December 1 levy to a July 1 levy during fiscal years 2005, 2006, and 2007. In 2008 and each year thereafter, 100% of the County's charter millage will be levied on July 1.

Source: Wayne County Assessment and Equalization Division

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Direct and Overlapping Property Tax Rates
Last Ten Years
(Unaudited)

Table 6

		Fiscal year									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
County direct rates											
	General	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012
	Soldiers Relief	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368
	Parks	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459
	Jail	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381
	Total direct rate	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220
Overlapping Rates											
	Huron-Clinton Metro Authority	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2154	0.2161	0.2170
	Wayne County Transit Authority	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5980	0.5980	0.5980	0.6000
^	Wayne County Zoological Authority	0.1000	0.1000	0.1000	0.1000	-	-	-	-	-	-
&	Cities (34)										
	Low	12.1537	11.4365	11.4353	11.4351	11.5149	11.5683	11.3865	12.0064	12.0063	12.0269
	High	48.7258	42.9414	38.9496	35.4641	34.2434	35.9706	36.3511	37.6525	38.0275	39.0000
&	Village (0)	-	-	-	14.3000	14.3000	14.2996	14.3000	13.7000	13.6995	13.7500
&	Townships (9)										
	Low	4.0000	2.3660	2.3660	0.5908	0.5943	0.5943	0.5961	2.6812	2.7880	2.7872
	High	17.7079	16.9349	14.0429	13.6179	13.6179	13.4306	13.2917	15.1199	15.1276	14.9288
	School Districts (39)										
	Low	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	17.9586
	High	33.5000	33.5000	33.5000	33.5000	33.5000	33.5000	30.6236	30.7696	31.8000	31.1900
	Intermediate School Districts (4)										
	Monroe	3.7675	4.7541	4.7541	4.7541	4.7541	4.7541	4.4644	4.4644	4.7700	4.7922
	Oakland	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.1780	3.3991	3.4224
	Washtenaw	3.9745	3.9745	3.9745	3.9745	3.9745	3.9745	3.9970	3.9350	3.0552	3.0738
	Wayne	3.4643	3.4643	3.4643	3.4643	3.4643	3.4643	3.3678	3.3678	3.4643	3.4643
	Community Colleges (3)										
	Henry Ford	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	2.4596	2.4596	2.4735
	Schoolcraft	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.8024	1.8043
	Wayne County	2.2408	2.4769	2.4769	2.4769	2.4769	2.4769	2.4769	2.4844	2.4862	2.4862
	DDAs (4)										
	Detroit	0.9887	0.9887	0.9887	0.9887	0.9887	0.9887	0.9887	0.9895	0.9895	0.9895
*	Hamtramck	1.8251	1.8251	1.8251	1.8251	1.8380	2.0000	-	-	-	-
	Northville	1.8255	1.8360	1.8360	1.8360	1.8406	1.8617	1.9365	1.9664	1.9664	1.9956
**	Wyandotte	-	-	-	-	-	-	-	-	1.7688	1.7688
	Library (7)										
	Bacon Memorial (Wyandotte)	1.5362	1.5362	1.5362	1.5362	1.5362	1.5362	1.5466	1.5446	-	1.5562
	Belleville	0.7000	0.7000	-	-	-	-	-	-	-	-
	Canton	1.5437	1.5437	1.4980	1.4980	1.5437	1.5437	1.5554	1.5331	1.5635	1.5766
	Grosse PTE	1.5412	1.5412	1.5412	1.5412	1.5412	1.5413	1.5000	1.5000	1.5829	1.6074
	Northville	1.1573	1.1573	0.9573	0.9573	0.9573	0.9573	0.9573	0.9664	0.9785	0.9859
	Plymouth	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656
	Redford	0.9233	0.9233	0.9233	0.9233	0.9233	0.9233	0.9314	0.9368	0.9497	0.9623

Source: Wayne County Assessment and Equalization Division

* Abolished in tax year 2002 - 2005 and re-established in tax year 2006.

** Elected not to levy the millage tax year 2004 - 2011.

^ The Wayne County Zoological Authority was established pursuant to Public Act 49 of 2008, and formed to allow for continuing zoological services for the students, residents and visitors of the County of Wayne.

& Grosse Pointe Township was a civil township that included the Village of Grosse Pointe Shores. On February 24, 2009, the residents of the Village of Grosse Pointe Shores voted to incorporate as a city.

Millage is rate per \$1,000 of taxable value

CHARTER COUNTY OF WAYNE, MICHIGAN
Principal Property Taxpayers
Fiscal Year 2011
(Unaudited)

Table 7

Company	Line of Business	2011				2002			
		(2)	Percentage of			(2)	Percentage of		
		Total	Assessment	Rank	Value	Total	Assessment	Rank	Value
DTE Energy	Utility	\$ 733,682,944	1	1.58	%	\$ 1,258,564,506	2	2.34	%
Ford Motor Company	Automotive	626,537,521	2	1.35		1,955,127,091	1	3.63	
Chrysler Group LLC	Automotive	332,126,118	3	0.72		409,708,622	3	0.76	
Vanguard health systems-Hospitals		249,651,559	4	0.54					
MGM Grand Detroit LLC	Casino	213,156,620	5	0.46					
United States Steel	Steel	174,618,757	6	0.38					
Auto Alliance Int'l Inc.	Automotive	174,195,887	7	0.38		177,121,387	7	0.33	
Marathon Oil	Petroleum	149,839,137	8	0.32					
Riverfront Holdings Inc.	Real Estate Agents	144,923,711	9	0.31					
Michigan Consolidated Gas	Utility	139,545,005	10	0.30					
General Motors Corp.*	Automotive					385,182,664	4	0.72	
National Steel Corporation	Steel					230,197,318	5	0.43	
Rouge Steel Company	Steel					177,403,800	6	0.33	
Comcast Cablevision	Cablevision					83,026,092	8	0.15	
Marshall Fields	Retail					63,623,655	9	0.12	
Detroit Entertainment	Entertainment					63,038,044	10	0.12	
Total		\$ 2,938,277,259		6.33	%	\$ 4,802,993,179		8.93	%
Total State Equalized Value (S.E.V.) (1)		\$ 46,414,191,660				\$ 53,800,509,901			

(1) The State Equalized Value (SEV) for the County's fiscal year 2011, which commenced on October 1, 2010 was determined as of December 31, 2009. SEV for fiscal year 2002 was determined as of December 31, 2000.

(2) Total assessments do not include abated properties.

* General Motors Corp and below were top ten property taxpayers in 2002, but not in 2011.

Source: Wayne County Assessment and Equalization Division.

See accompanying accountant's report.

Table 8

CHARTER COUNTY OF WAYNE, MICHIGAN
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

For Tax <u>Levy</u>	Fiscal <u>Year</u>	Total <u>Tax Levy</u>	Current Tax <u>Collection</u>	Percent of Tax Levy Collected <u>Before</u> <u>Delinquent</u>	Reimbursed From Delinquent <u>Tax Fund</u>	Total Tax <u>Collection</u>	Ratio of Total Collection to <u>Levy</u>	Delinquent Personal <u>Taxes</u>
December 1, 2001	2002	\$ 287,676,785	\$ 259,463,887	90.19	\$21,899,454	\$ 281,363,341	97.81	\$ 6,313,444
December 1, 2002	2003	300,248,968	271,149,093	90.31	21,332,863	292,481,956	97.41	7,767,012
December 1, 2003	2004	311,960,682	283,716,208	90.95	22,631,265	306,347,473	98.20	5,613,209
December 1, 2004	2005	328,113,000	296,814,625	90.46	24,205,435	321,020,060	97.84	7,092,940
July 1, 2005 (1)	2005	92,643,222	83,447,086	90.07	7,474,124	90,921,210	98.14	1,722,012
December 1, 2005	2006	250,479,822	225,616,195	90.07	20,207,818	245,824,013	98.14	4,655,809
July 1, 2006 (2)	2006	187,524,292	171,249,952	91.32	15,076,602	186,326,554	99.36	1,197,738
December 1, 2006	2007	173,099,347	158,076,878	91.32	13,916,863	171,993,741	99.36	1,105,606
July 1, 2007 (3)	2007	270,595,792	246,986,570	91.28	22,354,091	269,340,661	99.54	1,255,131
December 1, 2007	2008	105,231,697	96,050,333	91.28	8,693,258	104,743,591	99.54	488,106
July 1, 2008	2008	269,898,620	243,448,556	90.20	24,209,879	267,658,435	99.17	2,240,185
December 1, 2008	2009	104,960,575	94,569,478	90.10	9,925,198	104,494,676	99.56	465,899
July 1, 2009	2009	259,894,498	233,419,680	89.81	19,677,427	253,097,107	97.38	1,358,327
December 1, 2009	2010	101,070,158	90,774,320	89.81	7,652,333	98,426,653	97.38	528,238
July 1, 2010	2010	237,876,581	210,510,671	88.50	23,279,790	233,790,461	98.28	2,126,196
December 1, 2010	2011	92,507,559	81,865,261	88.50	9,053,252	90,918,513	98.28	826,854
July 1, 2011	2011	229,883,572	205,109,080	89.22	**	**	**	**

Source: Wayne County Treasurer's Office

See accompanying accountant's report.

(1) 2005 Tax Year is 1/3 tax rate shift of county charter rate from December 1 to July 1

(2) 2006 Tax Year is 2/3 tax rate shift of county charter rate from December 1 to July 1

(3) 2007 Tax Year is full tax rate shift of county charter rate from December 1 to July 1

** The July 1, 2011 levy becomes delinquent on March 1, 2012. Collections reported above on this levy are from the levy date through January 23, 2012.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

DEBT CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)
(in thousands)

Table 9

Fiscal year	Governmental Activities				Business-Type Activities		Total Primary Government	Total Personal Income	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Sewer Bonds	Revenue Bonds				
2002	\$ 131,299	\$ 84,843	\$ 53,069	\$ 66,418	\$ 264,089	\$ 5,789	\$ 605,507	58,140,958	1.04%	294.22
2003	204,732	3,566	84,800	63,394	251,350	5,378	613,220	57,971,977	1.06%	298.84
2004	183,855	3,294	135,000	15,382	236,719	4,952	579,202	59,889,040	0.97%	283.23
2005	165,505	3,007	142,400	14,055	221,841	4,511	551,319	60,106,108	0.92%	270.79
2006	146,836	2,702	139,800	12,809	209,452	4,066	515,665	62,456,166	0.83%	254.78
2007	132,949	-	180,000	11,639	211,233	3,605	539,426	61,793,069	0.87%	268.50
2008	170,973	-	319,000	10,540	196,193	7,429	704,135	62,865,991	1.12%	355.26
2009	183,450	-	376,560	-	178,844	26,479	765,333	62,581,021	1.22%	392.48
2010	199,188	-	131,060	6,098	161,783	33,714	531,843	73,675,241	0.72%	276.14
2011	389,924	-	355,355	3,545	152,302	35,229	936,355	40,280,421	2.32%	514.20

Source: Wayne County Department of Management and Budget.

For population and per capita person income data see Table 14, Demographic and Economic Statistics.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Ratio of Net General Bonded Debt to Taxable Value and
Net Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Table 10

*					
Fiscal Year	Population	Taxable Value To Fund Operations in Fiscal Year	Net Bonded Debt	Net Bonded Debt as a Percentage of Taxable Value	Net Bonded Debt Per Capita
2002	2,052,396	\$ 39,686,041,102	\$ 771,793,219	1.94	\$ 376.04
2003	2,044,832	41,905,186,259	788,049,544	1.88	385.39
2004	2,035,701	43,339,343,473	798,858,655	1.84	392.42
2005	2,024,183	45,917,929,737	757,276,595	1.65	374.11
2006	2,009,204	48,309,100,039	717,144,569	1.48	356.93
2007	1,981,654	50,572,359,004	737,510,822	1.46	372.17
2008	1,949,929	52,996,404,797	204,087,542	0.39	104.66
2009	1,938,141	52,918,906,133	1,022,477,000	1.93	527.56
2010	1,897,499	50,989,562,702	718,669,000	1.41	378.75
2011	1,797,901	46,582,482,079	1,118,181,000	2.40	621.94

Source: SEMCOG and Wayne County Department of Management and Budget.

* Taxable value is as of December valuation for that fiscal year. For example, fiscal year 2011 taxable value shown above is the 2010 taxable value.

See accompanying accountant's report.

This page intentionally left blank.

CHARTER COUNTY OF WAYNE, MICHIGAN
Direct and Overlapping Governmental Activities Debt
As of September 30, 2011
(in thousands)
(Unaudited)

Table 11

Indebtedness:

The following table sets forth the indebtedness of the County as of September 30, 2011:

Debt Carrying the County's Limited Tax General Obligation:

Building Authority Bonds ⁽¹⁾	\$ 239,660
Capital Improvement Bonds	124,235
Tax Anticipation Notes ⁽²⁾	-
Installment Purchase Agreements	14,376
Stadium Authority Bonds ⁽⁴⁾	67,725
Drainage Districts Bonds and Notes	8,445
Michigan Transportation Fund Bonds	13,735
Delinquent Tax Notes	354,355
Airport Hotel Revenue Bonds	108,140
Sewage Disposal Bonds	187,510
Total Debt Carrying the County's Limited Tax Pledge	1,118,181

Other Debt:

Brownfield Revolving Loan Fund Note	1,000
Capital Lease Obligations	3,545
Metro Airport Revenue Bonds	2,026,685
Hotel Debt (Capital Loans)	4,862
Willow Run Notes	570
Airport Installment Purchase Agreement ⁽³⁾	4,354
Total Other Debt	2,041,016
Gross Direct Debt	\$ 3,159,197

Deductions:

Brownfield Revolving Loan Fund Note ⁽⁶⁾	1,000
Capital Lease Obligations ⁽⁶⁾	3,545
Metro Airport Revenue Bonds ⁽³⁾	2,026,685
Hotel Debt (Capital Loans) ⁽⁸⁾	4,862
Willow Run Notes ⁽³⁾	570
Airport Installment Purchase Agreement ⁽³⁾	4,354
Stadium Authority Bonds ⁽⁴⁾	67,725
Drainage Districts Bonds ⁽⁵⁾	8,445
Michigan Transportation Fund Bonds ⁽⁶⁾	13,735
Delinquent Tax Notes ⁽⁷⁾	354,355
Airport Hotel Revenue Bonds ⁽⁸⁾	108,140
Sewage Disposal Bonds ⁽⁸⁾	187,510
Total Deductions	2,780,926
Net Direct Debt	\$ 378,271

- (1) Payable from lease rentals which constitute full faith and credit obligations of the County.
- (2) Notes were issued on December 17, 2010 and repaid on September 30, 2011.
- (3) Payable solely from airport revenues, passenger facility charges, or direct airline pledges.
- (4) Motor vehicle rental and hotel tax revenues are projected to be sufficient to cover debt service.
- (5) Payments from benefited local communities or properties are projected to be sufficient to cover debt service, based on experience.
- (6) Revenues from the State of Michigan Transportation Fund are projected to be sufficient to cover debt service, based on experience.
- (7) Delinquent tax revenues are projected to be sufficient to cover debt service, based on experience.
- (8) User fees or payments from benefited local communities are projected to be sufficient to cover debt service, based on experience.
- (9) Payable primarily from Airport Hotel revenues.

Source: Wayne County Department of Management and Budget, Accounting Division

See accompanying accountant's report.

Overlapping Debt:

Property in the County is currently taxed for a proportionate share of outstanding debt obligations of overlapping governmental entities including school districts, cities, villages and townships within the County of Wayne, the Regional Educational Service Agency and Wayne County Community College. The table below shows the County's outstanding tax supported overlapping debt as of September 30, 2011.

OVERLAPPING DEBT	
As of September 30, 2011	
(in thousands)	
School Districts	3,429,710
Cities and Villages	1,735,555
Townships	264,517
Libraries	26,104
Community Colleges	8,325
Total Overlapping Debt	<u>\$ 5,464,211</u>

Source: Municipal Advisory Council of Michigan

Debt Statement Summary:

The following table shows the County's net direct and overlapping debt as of September 30, 2011:

NET DIRECT AND OVERLAPPING DEBT	
As of September 30, 2011	
(in thousands)	
Direct debt:	
Gross Principal amount	\$ 3,159,197
Less amount payable from other sources	<u>2,780,926</u>
Net direct debt	378,271
Overlapping debt	<u>5,464,211</u>
Net direct and overlapping debt	<u>\$ 5,842,482</u>

Source: Municipal Advisory Council of Michigan and Wayne County Department of Management and Budget

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Legal Debt Margin Information
September 30, 2011
(Unaudited)

Table 12

Tax Year	State Equalized Valuation (SEV)	General Purpose Debt Limit (10% of SEV)	Tax-Supported Debt Outstanding	Legal Debt Margin	Percent of Debt Outstanding to SEV
2002	53,800,509,901	5,380,050,990	771,793,219	4,608,257,771	1.43%
2003	56,973,417,310	5,697,341,731	788,049,544	4,909,292,187	1.38%
2004	60,193,381,061	6,019,338,106	798,858,655	5,220,479,451	1.33%
2005	62,679,908,906	6,267,990,891	757,018,978	5,510,971,913	1.21%
2006	64,401,640,723	6,440,164,072	717,144,569	5,723,019,503	1.11%
2007	66,127,289,684	6,612,728,968	737,510,822	5,875,218,146	1.12%
2008	63,720,657,657	6,372,065,766	897,026,602	5,475,039,164	1.41%
2009	57,346,902,312	5,734,690,231	1,022,477,000	4,712,213,231	1.78%
2010	50,648,353,534	5,064,835,353	718,669,000	4,346,166,353	1.42%
2011	46,414,191,660	4,641,419,166	1,118,181,000	3,523,238,166	2.41%

Source: Wayne County Department of Management and Budget.

CHARTER COUNTY OF WAYNE, MICHIGAN
Pledged - Revenue Coverage
Last Ten Fiscal Years
(Unaudited)
(in thousands)

Table 13

Fiscal year	Water and Sewer Revenue Bonds						Special Assessment Bonds			
	Gross *	Operating **	Net	Debt service		Coverage	Special Assessment	Debt Service		Coverage
	Revenues	Expenses	Revenue	Principal	Interest			Principal	Interest	
2002	13,522	10,172	3,350	410	179	5.69	2,058	1,530	528	1.00
2003	14,801	14,282	519	425	167	0.88	2,016	1,570	480	0.98
2004	15,289	15,929	(640)	440	153	(1.08)	2,074	1,610	430	1.02
2005	14,552	15,374	(822)	455	139	(1.38)	2,036	1,655	381	1.00
2006	15,895	15,325	570	460	128	0.97	2,038	1,700	338	1.00
2007	15,659	15,408	251	475	116	0.42	2,042	1,750	292	1.00
2008	38,354	34,513	3,841	490	269	5.06	2,050	1,805	242	1.00
2009	39,603	36,138	3,465	630	458	3.19	2,045	1,850	195	1.00
2010	34,945	32,115	2,830	1,000	864	1.52	2,049	1,905	144	1.00
2011	84,903	82,681	2,222	1,925	1,090	0.74	2,325	2,100	225	1.00

Note:

For fiscal years 2007 and prior, Water and Sewer revenue bond information is presented for the Northeast System only, since other debt was general obligation. In December, 2008 the Downriver Sewer System issued a Revenue Bond, 2007 D, in the amount of \$4.3 million for capital improvements. The first principal payment was not due until May, 2009. However, since interest payments were made during FY2008, the Gross Revenues and Operating Expenses of the larger Downriver Sewer System are included in 2008 and thereafter, accounting for the large increase in reported Revenues and Expenses. The Rouge Valley Sewer System issued a Revenue Bond SRF 5350-01 for up to \$19.8 million for the Short Term Corrective Action Plan. In the previous years, Rouge Valley did not have revenue bonds. This project was 40% funded by federal ARRA funds, and debt to the system was not incurred until October, 2010. The first principal payment of the new bond is not due until May, 2012 but interest payments began during 2011. The inclusion of Rouge Valley Revenues and Expenses for Fiscal Year 2011 and thereafter results in the large increase in those categories for Fiscal Year 2011.

Re: Special Assessment increases: 3 Chapter 8 Drainage District issued bonds on September 30, 2010 with Special Assessments approved by the respective Drainage Districts to collect funds for the debt repayment.

* Gross Revenues calculated based on total operating revenues.

** Operating Expenses calculated based on total operating expenses less non-cash items (i.e. Depreciation)

Source: Department of Environment

See accompanying accountant's report.

This page intentionally left blank.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

DEMOGRAPHIC AND ECONOMIC INFORMATION

CHARTER COUNTY OF WAYNE, MICHIGAN
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 14

Year	Population				Per Capita Personal Income			Michigan Median Age	Wayne County Average Unemployment Rate
	Michigan	Change From Prior Period	Wayne County	Change From Prior Period	U.S.	Michigan	Wayne County		
2001	10,003,243	0.47%	2,058,087	-0.03%	30,562	29,945	28,250	35.1	6.1
2002	10,038,165	0.35%	2,052,396	-0.28%	30,795	30,231	28,246	35.1	7.3
2003	10,068,311	0.30%	2,044,832	-0.37%	31,466	31,138	29,288	35.1	8.6
2004	10,093,398	0.25%	2,035,701	-0.45%	33,072	31,730	29,526	35.1	8.6
2005	10,100,833	0.07%	2,024,183	-0.57%	34,685	32,804	30,855	35.1	8.7
2006	10,095,643	-0.05%	2,009,204	-0.74%	36,629	33,847	30,755	36.8	8.4
2007	10,071,822	-0.24%	1,981,654	-1.37%	38,611	35,086	31,724	37.2	8.7
2008	10,003,422	-0.68%	1,949,929	-1.60%	39,751	35,299	32,094	38.0	9.9
2009	9,969,727	-0.34%	1,925,848	-1.23%	39,138	34,025	38,256	38.5	16.0
2010	9,883,640	-0.86%	1,820,584	-5.47%	39,945	34,691	22,125	38.9	14.5

Source: U.S. Census Bureau, SEMCOG and Michigan Department of Labor and Economic Growth-Bureau of Labor Market Information & Strategic Initiatives

** Fiscal year 2011 statistics are not available

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Principal Employers
Current Year and Ten Years Ago
(Unaudited)

Table 15

<u>Employer</u>	2010 **			2001		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Ford Motor Company	33,000	1	4.54%	47,200	1	5.30%
Detroit Public Schools	13,039	2	1.79%	20,050	2	2.25%
City of Detroit	12,472	3	1.72%	19,000	3	2.13%
Henry Ford Health System	11,767	4	1.62%	11,086	8	1.24%
Detroit Medical Center	10,502	5	1.45%	12,395	6	1.39%
U.S. Government	8,564	6	1.18%	13,708	5	1.54%
U.S. Postal Service	6,655	7	0.92%	8,385	10	0.94%
State Of Michigan	6,320	8	0.87%	9,060	9	1.02%
Oakwood Healthcare Inc.	5,833	9	0.80%	11,528		1.29%
Wayne State University	5,152	10	0.80%			0.00%
Daimler Chrysler Corp.				14,244	4	1.60%
General Motors Corp				11,528	7	1.29%
	<u>113,304</u>		<u>15.69%</u>	<u>178,184</u>		<u>19.99%</u>

Total: Wayne County Employment 2010 & 2001

726,408

891,345

** The information for 2011 will not be available until 2012. As such, the information in this table will be reported on a one year lag.

Source: Michigan Labor Market Information: Labor & Economic Growth , Crain's Detroit Business: Book of Lists January 2002 and Dece
(Employee totals are based on full-time equivalents.)

See accompanying accountant's report.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2011

OPERATING INFORMATION

CHARTER COUNTY OF WAYNE, MICHIGAN
Full-time County Government Employees by Function / Program
Last Ten Fiscal Years
(Unaudited)

Table 16

	Wayne County Employees ⁽⁴⁾									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Function/Program</u>										
Legislative										
Board of Commissioners	36	42	42	48	29	83	89	81	75	84
Auditor General's Office	12	15	15	18	16	15	14	17	21	23
Judicial										
All court and court related actives	696	650	687	712	751	750	737	737	697	871
General government										
Treasurer's Office (5)	72	69	34	39	80	81	89	83	78	78
Tax Assessment	32	37	44	47	45	49	46	49	50	50
Tax Billings/collections (5)	4	5	35	40	7	7	8	8	0	0
Budgeting	10	9	9	11	18	16	9	16	9	10
Purchasing	15	18	21	22	23	26	29	27	25	25
Central Accounting	29	36	36	40	44	42	44	37	50	54
Central Administration	55	52	66	66	63	57	59	66	68	71
Other Financial Administration	85	94	119	114	103	115	121	131	113	133
Data Processing	32	34	48	35	49	49	52	52	35	46
Building Maintenance	88	87	107	120	122	130	135	144	147	143
County Clerk	256	264	251	262	276	293	285	277	277	274
Register of Deeds	65	78	85	91	90	89	100	78	87	76
Prosecuting Attorney	284	244	268	292	295	308	300	309	302	287
Corporation Counsel	53	68	84	89	90	93	88	76	67	75
Public safety										
Homeland Security (6)	5	5	10	10	10	-	-	-	-	-
Sheriff's Department										
Arresting Powers (2)	235	194	286	330	1149	409	386	697	744	773
Civilian	58	50	64	75	123	126	139	139	0	0
Jails & Detention Facilities (2), (3)	962	1057	1098	1250	20	744	744	711	698	658
Firefighters	0	0	0	0	0	0	0	0	0	64
Public works										
Public works	107	80	82	88	108	132	162	202	206	205
Sewage Disposal	66	70	73	79	114	105	107	101	106	112
Airport (1)	0	0	0	0	0	0	0	0	6	661
Highways, streets and bridges										
Administration	20	16	15	16	14	20	40	42	39	37
Engineering	87	91	121	126	130	141	145	151	157	169
Maintenance	329	351	371	414	447	508	582	606	598	592
Health and welfare (3)	358	462	471	474	623	623	776	559	492	487
Recreation and cultural										
Parks	60	65	70	66	76	82	78	72	67	68
Libraries	24	33	37	37	38	42	77	44	44	41
Community and economic development (6)	75	33	37	40	35					
Other (6)	-	-	-	-	202	261	296	307	297	308
Total	4,210	4,309	4,686	5,051	5,190	5,396	5,737	5,819	5,555	6,475

- (1) Wayne County operated the Airports until August 9, 2002. Pursuant to Public Act 90 (the Authority Act), the Michigan Public Acts of 2002 (effective March 26, 2002), the Airport Authority (a component unit of the County) has operational jurisdiction of the Airports, with the exclusive right, responsibility, and authority to occupy, operate, control and use them.
- (2) In 2007, all Sheriff's Deputies (including those who worked in corrections facilities) were reported in Arresting Powers only, in error. For 2008, and future years deputies working in corrections have been accumulated in Jails & Detention Facilities.
- (3) In 2007 and prior years, all Juvenile Detention Facility employees were included in Health and Welfare. In 2008, and future years they are reported in Jails & Detention Facilities.
- (4) Number of full-time active employees as of March 12. Excludes Probate and Third Circuit Court Judges, as they are considered employees of the State of Michigan.
- (5) Prior to 2008, the tax billing and collections division of the Treasurer's Office were included in the Treasurer's office line.
- (6) Prior to 2007, the community and economic development and homeland security functions were included in "Other".

Source: Wayne County Department of Management & Budget
See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

Table 17

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Function</u>										
Police										
Physical Arrests	1,415	961	662	1,869	2,219	1,820	1,972	2,075	2,188	2,230
Bookings	1,415	961	662	535	692	1,820	1,972	2,075	2,188	2,230
Parking Violations	193	147	51	51	23	110	132	141	94	87
Traffic Violations	23,083	23,730	20,908	22,926	18,930	23,469	24,359	24,387	25,133	26,741
Incidents	4,337	4,443	3,282	7,089	6,987	15,923	16,767	16,310	17,301	17,685
Crash Reports	62	60	57	95	331	276	291	303	311	330
Culture and recreation (1)										
Rounds of Golf - Warren Valley	31,658	44,463	55,220	61,479	42,154	47,482	60,486	60,819	61,917	64,817
Picnic Permits	944	952	940	986	1,019	1,004	1,042	1,048	1,059	1,013
Aquatic Center Attendance	40,502	56,516	42,107	48,588	45,879	43,278	54,583	32,185	22,332	43,592
Nankin Mills Center - (program attendance)	8,502	12,760	14,503	13,207	13,239	17,524	19,509	17,890	16,105	13,360
Crosswinds Marsh (program attendance)	2,819	4,559	5,437	3,951	3,518	3,647	3,172	2,620	2,413	2,734
Highways, streets and bridges										
Street resurfacing asphalt (tons)	48,305	11,942	1,852	26,202	44,658	76,420	42,143	92,932	64,677	93,932
Street resurfacing (miles)	29	26	19	17	16	14	7	20	14	20
Snow removing salt (tons)	94,966	52,570	74,131	191,748	98,243	120,000	93,886	151,342	184,544	56,172
Ditching program (Linear feet)	21,163	48,291	46,653	53,402	55,433	86,620	121,385	86,620	86,345	85,900
Ditching program (miles)	4	9	9	10	11	16	23	16	16	16
Emergency road repairs (tons)	4,389	3,155	4,111	4,345	3,122	2,670	4,808	4,426	3,090	3,000
Forestry Section										
Tree removal	6,745	9,389	6,839	5,497	1,947	2,900	2,869	3,087	5,700	8,000
Tree planting & trimming	1,881	2,093	1,746	2,133	1,183	875	1,956	688	450	4,700

(1) Statistics prior to 2008 are based on a calendar year. Statistics accumulated for 2008 and subsequent years are based on the fiscal year, with the exception of the Aquatic Center that is based on fiscal year in all ten years presented.

Source: Various county departments

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Unaudited)

Table 18

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Function</u>										
Public safety										
Stations - Road Patrol	1	1	1	1	1	1	1	1	1	1
Police Services Automobiles	44	50	48	53	59	62	62	62	62	62
Marine Safety (Boats and Vans)	20	20	22	15	14	13	13	13	13	13
Jail Automobiles	23	23	23	26	12	21	21	21	21	21
Motorcycles (1)	11	5	5	3	25	25	33	45	45	35
Culture and recreation										
Pavilions	20	16	14	14	14	14	14	14	14	14
Golf Courses	2	2	2	2	2	2	2	2	2	2
Playscapes	19	16	14	14	13	13	13	13	13	13
Soccer Fields	23	25	25	25	25	25	25	24	24	23
Picnic Areas	5	7	9	9	9	9	9	9	17	17
Baseball Diamonds	25	26	26	26	26	26	26	26	26	26
Highways, streets and bridges										
Traffic signal (maintained)	130	90	138	141	97	48	40	48	50	46
Traffic signs (installed)	2,028	2,244	2,818	2,824	2,708	2,500	4,435	2,500	2,500	2,300

Source: Various County departments

(1) Secondary Roads decreased the number of Motorcycles leased after 2007. In the past the County has leased these items for one year terms.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Revenues by Source and Expenses by Type - Pension Trust Funds
Required Supplementary Information
Last Ten Fiscal Years
(amounts in thousands)

Table 19

Fiscal Year Ended 9/30	Revenues by Source				Expenses by Type			
	Contributions		Investment		Admini- stration		Total	
	Employee	Employer	Income	Total	Benefits			
Wayne County Employee's Retirement System								
2002	\$ 17,468	\$ 45	\$ 47,450	\$ 64,963	\$ 100,186	\$ 6,946	\$ 107,132	
2003	5,897	3,002	107,666	116,565	105,035	5,816	110,851	
2004	2,445	7,374	86,293	96,112	107,875	5,953	113,828	
2005	4,159	11,106	138,194	153,459	111,284	6,739	118,023	
2006	7,590	12,663	93,135	113,388	110,872	6,548	117,420	
2007	7,834	15,398	144,677	167,909	110,419	6,928	117,347	
2008	70,096	18,420	(148,973)	(60,457)	111,048	6,945	117,993	
2009	74,414	32,559	(14,882)	92,091	120,962	7,228	128,190	
2010	29,499	35,401	59,173	124,073	131,743	7,157	138,900	
2011	15,874	13,428	(2,195)	27,107	132,438	7,824	140,262	
Wayne County Circuit Court Commissioners Bailiff's Retirement System								
2002	\$ 27	\$ 68	\$ 134	\$ 229	\$ 144	\$ 10	\$ 154	
2003	27	63	520	610	124	10	134	
2004	27	44	286	357	124	-	124	
2005	26	29	522	577	124	11	135	
2006	25	50	587	662	123	12	135	
2007	34	38	1,467	1,539	123	13	136	
2008	31	36	(1,869)	(1,802)	144	27	171	
2009	28	38	(268)	(202)	145	40	185	
2010	21	38	233	292	151	45	196	
2011	15	29	(412)	(368)	165	50	215	

Ten year historical trend is required supplementary information.

Note: Effective December 1, 1997, the Wayne County Common Pleas Bailiff's Retirement System was merged with the Wayne County Employee's Retirement System.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
 Analysis of Funding Progress - Pension Trust Funds
 Required Supplementary Information
 Last Ten Fiscal Years
 (Unaudited)
 (amounts in thousands)

Table 20

Fiscal Year Ended <u>9/30</u>	Net Assets Available for Benefit as Used by <u>the Actuaries</u>	Pension Benefit <u>Obligation</u>	Percentage <u>Funded</u>	Unfunded (Excess) Pension Benefit <u>Obligation</u>	Annual Covered <u>Payroll</u>	Unfunded Pension Benefit Obligation as a Percentage <u>of Covered Payroll</u>
Wayne County Employee's Retirement System						
2001	\$ 1,042	\$ 979	106%	\$ (63.00)	\$ 294.00	0%
2002	1,043	1,011	103%	(32)	309	0%
2003	997	1,008	99%	11	289	4%
2004	910	960	95%	50	343	14%
2005	891	969	92%	78	299	26%
2006	895	1,000	90%	105	320	33%
2007	948	1,170	81%	222	325	68%
2008	985	1,339	74%	354	330	107%
2009	971	1,444	67%	473	298	159%
2010	901	1,502	60%	601	277	217%
Wayne County Circuit Court Commissioners Bailiff's Retirement System						
2001	\$ 4,391	\$ 3,789	116%	\$ (602.00)	\$ 714.00	-
2002	4,367	3,527	124%	(840)	714	-
2003	4,403	3,557	124%	(846)	714	-
2004	4,437	3,584	124%	(853)	714	-
2005	4,661	3,314	141%	(1,347)	600	-
2006	5,056	3,278	154%	(1,778)	600	-
2007	5,626	3,614	156%	(2,012)	700	-
2008	5,859	3,367	174%	(2,492)	651	-
2009	5,795	3,287	176%	(2,508)	547	-
2010	5,569	2,499	223%	(3,070)	312	-

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligations, and unfunded pension benefits in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the plan's funding status on a going-concern basis. Analysis of the percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

Note: The Wayne County Common Pleas Court Bailiff's Retirement System was merged with the Wayne County Employee's Retirement System, effective December 1, 1997.

See accompanying accountant's report.

This page intentionally left blank.



CHARTER COUNTY OF WAYNE, MICHIGAN
500 GRISWOLD STREET DETROIT, MICHIGAN 48226

WWW.WAYNECOUNTY.COM