

**CHARTER COUNTY
OF WAYNE, MICHIGAN**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2007**

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

CHARTER COUNTY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2007

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INTRODUCTORY

The introductory section contains:

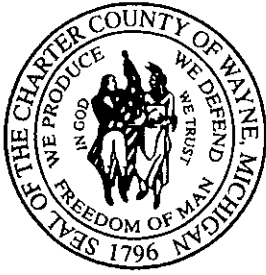
Letter of Transmittal

List of Principal County Officials

Wayne County Commissioners

Organizational Chart

*Certificate of Achievement for
Excellence in Financial Reporting*



Robert A. Ficano County Executive

January 31, 2008

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

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2007.

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, 2007. 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 33 cities, including the City of Detroit, 10 townships, 1 village, and 41 public school districts. Its population of approximately 2 million makes it the most populous County in the State of Michigan and the 11th 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 on a partisan basis for two-year terms. The Commission serves as the legislative branch of the County. It is responsible for establishing policy and 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 law enforcement 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.

The County has primary funding responsibility for the Third Circuit and Probate Courts, although both are legally separate entities and are reported as discrete component units. 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 25 judges for the resolution of general civil cases. The criminal division is assigned 32 judges and has sole jurisdiction over felonies and high misdemeanors. The family court division 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.

DEPARTMENT OF MANAGEMENT AND BUDGET • ADMINISTRATION

600 RANDOLPH • DETROIT, MICHIGAN 48226 • (313) 224-0696 • FAX (313) 224-5093

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 Division in the Department of Management and Budget on or before March 1st of each year. The Budget 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 taxpayers' comments, 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

Michigan (the "State") has now lost net jobs each year since about 2002. Its unemployment rate is 7.2 percent, the highest in the nation (only Mississippi comes close with 6.7 percent). Between June and July of 2007, the State lost 20,000 jobs. It has lost 70,000 since July of last year. The state is also losing people, especially the young adult population, to other states.

In July 2007, the Governor amended the Michigan Business Tax (MBT), by 145 Public Act (PA) 2007. PA 145 imposes a 4.95 percent business income tax and a modified gross receipts tax at the rate of 0.8 percent. Insurance companies and financial institutions pay alternate taxes. Although the primary purpose of PA 145 was to institute an MBT surcharge, PA 145 also makes some additional changes. It is a more effective tax for Michigan businesses, as it rewards investment in capital, jobs and research and development and it provides small business and personal property tax relief. Additionally, the tax provides credits for those businesses that invest in Michigan. The MBT was enacted January 1, 2008. It replaced the Single Business Tax, which expired on December 31, 2007.

Between state and local property taxes, sales taxes, income taxes, and business taxes, the State taxes, for its own budgetary benefit, 11.2 percent of the total state economy, which is above the national average, according to the Tax Foundation. Despite this above average taxing posture, the State was unable to balance its books and projected a revenue shortfall of \$1.8 billion. Therefore, to balance the budget, the State increased the 3.9 percent income tax rate to 4.35 percent; added a new six-cent tax on personal and business services; and made some other modest reforms and spending cuts including school employee health insurance and pension benefits.

Locally, the County posted the highest rate of home foreclosures among major metropolitan areas in the nation during the year, seven times higher than the national average. Detroit (the County Seat) had one of the three highest foreclosure rates among the nation's 100 largest metropolitan areas during the first six months of the year. Detroit reported one foreclosure filing for every 29 households, which ranks it second in the nation. The metropolitan area, which encompasses the County, reported 28,705 foreclosure filings, which translates into a 26 percent increase from the previous six-month period and nearly double the number reported in the first six months of 2006. All combined, Michigan placed second among the 50 states in foreclosures from a year ago. The County Treasurer continues his efforts to reach out to taxpayers to inform them about options for saving their homes, including providing legal and financial services. Additionally, homeowners are put in touch with community groups who may be able to provide further assistance during these tough economic times.

The current economic doldrums do not diminish our outlook for the future. We envision a Wayne County thriving with an expanded Cobo Hall Convention Center (the Center), an Airport City, and mass transit from Detroit to Ann Arbor (Washtenaw County).

The North American International Auto Show provides a huge annual economic impact to this region, ranging from hotels to restaurants to exhibit companies and retail everywhere. Many businesses and families reap the benefit of this show year in and year out. The goal is to keep that revenue stable and here in Michigan for the continued benefit to our economy. In order to do so, the County must find a way to make Cobo Hall more financially attractive to new conventions and exhibitions. As part of this effort, County Executives, Robert Ficano and L. Brooks Patterson (Oakland County), the Governor, and the Detroit Mayor, have been in numerous discussions throughout the year in an effort to make Cobo a larger, renovated facility. The latest proposal provides for a \$595 million dollar plan for the expansion of the Center. The renovation would include a 120,000 square foot expansion, aimed at keeping the auto show in the Motor City. A key piece of the plan is creating a tax-free zone at Cobo. The tax-free status could help lure additional conventions, saving buyers from paying the six percent sales tax on boats, cars, electronics and other big-ticket items.

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 Detroit Metropolitan Airport (the Airport) and the fact that it is not land-locked. The Aerotropolis has become a reality through the transformation of business from ground transport to air transport. The Airport has become the Central Business District (CBD) providing employment, shopping, entertainment, and business meeting destinations, and spin-off businesses have sprung up around this new CBD in clusters of both radial and string formations. 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.

Expected returns for a community with the development of an Aerotropolis include an international business presence; an increase in tax base; an increase in travelers to the region; construction jobs; a high-income white-collar work force covering office, research, technology, retail and commercial; and an increase in local material purchases. Local spending will increase with the Aerotropolis becoming a destination place for business, and travelers visiting the area for purposes other than business will partake of shopping and attractions that are provided. The vision of the Aerotropolis of Wayne County is to transform approximately 1,200 acres of underutilized, County-owned land in close proximity to the airport into a high quality, mixed-use business and high-technology development.

On December 7, 2007 the County Executive announced the Pinnacle Race Course project in Huron Township, a largely rural community bordering the Airport. The \$142 million Pinnacle project is a key to boosting a sprawling Airport City project intended for development at the Airport. The horseracing facility will begin infrastructure and other improvements to the 1,200 acres within Airport City borders. The Huron project will bring some 1,400 race track jobs and ultimately, multiple developments in three phases over the next couple of years, including shopping, restaurants and other growth. The first races are scheduled for next July. It is expected there will be 165 race days.

Perception can often shape reality. If Wayne County is perceived as a good place for employment, leisure activities, education and more, it becomes a stronger magnet to attract investors, entrepreneurs and visitors.

Property tax is the County's largest revenue source representing 63 percent of total General Fund revenue. In December 2004, Public Act 357 was enacted to provide a new funding mechanism to replace state revenue sharing payments. The new mechanism involved a gradual three-year shift of the County property tax millage from a winter tax levy to a summer tax levy. In 2006, 2/3 of the County's allocated mills were levied in the summer. In 2007, 100 percent of the County's allocated mills were levied in the summer. Each year hereafter, all of the County's allocated mills will be levied in the summer. Additionally, each county was required to establish a restricted fund to be known as the Revenue Sharing Reserve Fund (RSRF). Public Act 357 required

the County to fund the RSRF by annually transferring an amount equal to 1/3 of the County's December 2004 general tax levy into this fund, as follows:

- 1/3 from the County's December 2004 property tax levy
- 1/3 from the County's December 2005 property tax levy
- 1/3 from the County's December 2006 property tax levy

This method of distribution sunsets in 2009.

Managing for Results

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. Beginning in November 2006, a draft set of nine strategic priorities and goals were developed by the County Executive (CEO) and the strategic planning team (Corporate Review Committee). In subsequent strategic planning sessions, the CEO reviewed and discussed the strategic priorities with all executive branch departments and identified areas where the County would need to focus its attention and resources over the next three to five years to ensure the successful, sound, and stable delivery of County services to a rapidly growing and changing community. County departments met with their customers, employees, community boards, and other stakeholders to identify issues and trends for consideration by the Corporate Review Committee. The Corporate Review Committee reviewed submissions from County departments and grouped them into like categories for consideration by the CEO. In January 2008, the County implemented its first five-year plan under the MFR system. The County will utilize its MFR principles to ensure successful updating and implementation of its strategic plan. For fiscal year 2009, the County will begin its budgeting for results efforts by requiring forecasts as part of the budgeting process. This process will allow the County to better align resources with need. In addition, it will help to identify efficiencies, which will ultimately allow for resources to be relocated to other areas.

In order to facilitate this tool, the County entered into a partnership with GovMax. Developed by Sarasota County, GovMax is a web-based application that integrates strategic planning, business planning, performance management and budgeting. In addition, this application is supplemented with the Performance Management Information System (PMIS). This system, at the most basic level will be the repository for departmental strategic plans, (mission, programs and services, etc.) as well as performance metric data. It will interface with GovMax and provide reports so that the office of the CEO, the Commission, staff and citizens can quickly and easily access information about the services provided by the County. Implementation of these systems began in July 2007. Continuous enhancements are expected during fiscal year 2007-08.

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, the annual budget, 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 Office of Management and Budget's Strategic Business Plan identifies the development and implementation of a formal long-term financial plan by 2009 as Strategic Result #1. In the short-term, the County continues to focus on the following eight issues discussed more fully below: 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; and Maintain Reserves and Reserve Funds at Appropriate Levels.

The County's long-term fiscal outlook remains strong. However, in the short-term, revenue growth is projected to be lower than expenditure growth in several funds, including the General Fund, which will require corrective measures to be taken, as described below. The County has little general obligation debt and all outstanding debt is within conservative guidelines. In fiscal 2007, the County returned to the bond market to refinance some of its existing debt. As a result, the 1991 Fiscal Stabilization Bonds, the 1994A Wayne County Building Authority Refunding Bond and the 1995 River Rouge CSO Bonds were refinanced with a total General Fund savings of \$3,583,072.

The County is in negotiations to purchase the Wayne County Building, which it currently occupies. If the negotiations are successful, the County intends to issue additional bonds for such purchase. The County also anticipates issuing additional bonds to comply with GASB 45, referenced in the Employee Benefits footnote of the financial statements. Under Government Accounting Standard Board Statements 43 and 45, *Other Postemployment Benefits* (OPEB), the County is required to disclose its net OPEB obligation in its fiscal year 2007-08 Comprehensive Annual Financial Report. As of October 1, 2007, the County's OPEB unfunded liability was projected at \$1.3 billion. It is anticipated that bonds totaling approximately \$961 million will be issued during fiscal year 2008, as part of the County's plan to fully fund this obligation.

Unreserved, undesignated fund balance in the General Fund of \$21.1 million (4.6 % of expenditures), falls below the policy guidelines set by the Government Financial Officers Association 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 as well as the cuts in State revenue sharing. The County plans 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 and with an excellent quality of life. This plan, when developed, will be one that shifts the emphasis from bottom line financial concerns to service delivery within a longer-term financial planning horizon. The Long-Term Financial Plan (Plan) will include:

- An assessment of the County's demographic and economic environment
- Preparation of a 10-year projection of operating costs and capital spending requirements
- Identification of options for addressing the financial gap between revenues and spending requirements
- Development of financial planning principles and supporting policies to guide future budgets

Ensure Long-Term Financial Sustainability

Recognizing that the County can only count on the revenues of 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 Plan 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.

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. Transforming Underdeveloped Residential and Business Opportunities (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 addition to TURBO, 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 from the City of Detroit, and three additional board members named by the County Executive. The County's Land Bank will "bank" tax-reverted properties and help redevelop the properties. The County Treasurer receives approximately 1,000 foreclosed properties per year. As of September 2007, there were \$298.3 million in commitments to develop property under the Land Bank/TURBO program.

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.

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.

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 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 this liability. Beginning with the County's fiscal year 2008 Comprehensive Annual Financial Report, the County will have to officially calculate its OPEB liability, establish the Annual Required Contribution (ARC) payment and either budget the ARC at its full level or record the difference as a liability on its financial statements. Based upon a recent actuarial valuation, the County's unfunded actuarial accrued liability, (UAAL) for OPEB is estimated to be approximately \$1.3 billion. This assumes that the County continues to pay for these benefits on the pay-as-you-go basis. As such, the assumed rate of return used in this calculation is 4.0 percent. Should the County establish a Trust Fund and prefund at least 75 percent of this obligation through the use of debt, it will be able to change this assumption to 8.0 percent and the UAAL would drop to an estimated \$709.9 million, which would result in projected savings to the County of \$650.0 million.

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 2008. 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 improve 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, 2006. 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 2006 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 thirteenth year in a row, the County received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2006. 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, 2006. 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.

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



Christa J. McLellan
Director of Financial Reporting

LIST OF PRINCIPAL COUNTY OFFICIALS

COUNTY EXECUTIVE

Robert A. Ficano

DEPUTY COUNTY EXECUTIVE

Azzam E. Elder

CHIEF OPERATING OFFICER

Bella I. Marshall

CHIEF FINANCIAL OFFICER

Carla E. Sledge, CPA, CGFM

CHIEF OF STAFF

Nancy E. Mouradian

DEPARTMENT HEADS

Children & Family Services

Sue Hamilton-Smith

Management & Budget

Carla E. Sledge, CPA, CGFM

Corporation Counsel

Judge Edward M. Thomas

Personnel/Human Resources

Timothy R. Taylor

Environment

Kurt L. Heise

Public Services

James Jackson

Health & Human Services

Edith Killins

Senior Citizens & Veterans Affairs

Kevin F. Kelley

Homeland Security/Emergency Management

James P. Buford

Technology

Larry L. Simmons, Sr.

Economic and Neighborhood Development

Dr. Mulugetta Birru

OTHER ELECTED OFFICIALS

Circuit Court

Chief Judge Mary Beth Kelly

Register of Deeds

Bernard J. Youngblood

County Clerk

Cathy M. Garrett

Sheriff

Warren C. Evans

Probate Court

Chief Judge Milton L. Mack, Jr.

Treasurer

Raymond J. Wojtowicz

Prosecuting Attorney

Kym L. Worthy

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Director

Ronald C. Yee

WAYNE COUNTY COMMISSIONERS

Jewel C. Ware
Chairwoman
4th District

Edward A. Boike, Jr.
Vice Chair
15th District

Kay Beard
Vice Chair Pro Tempore
12th District

Timothy P. Killeen
1st District

Bernard Parker
2nd District

Moe Blackwell
3rd District

Ilona Varga
5th District

Keith D. Williams
6th District

Burton Leland
7th District

Alisha R. Bell
8th District

Philip M. Cavanagh
9th District

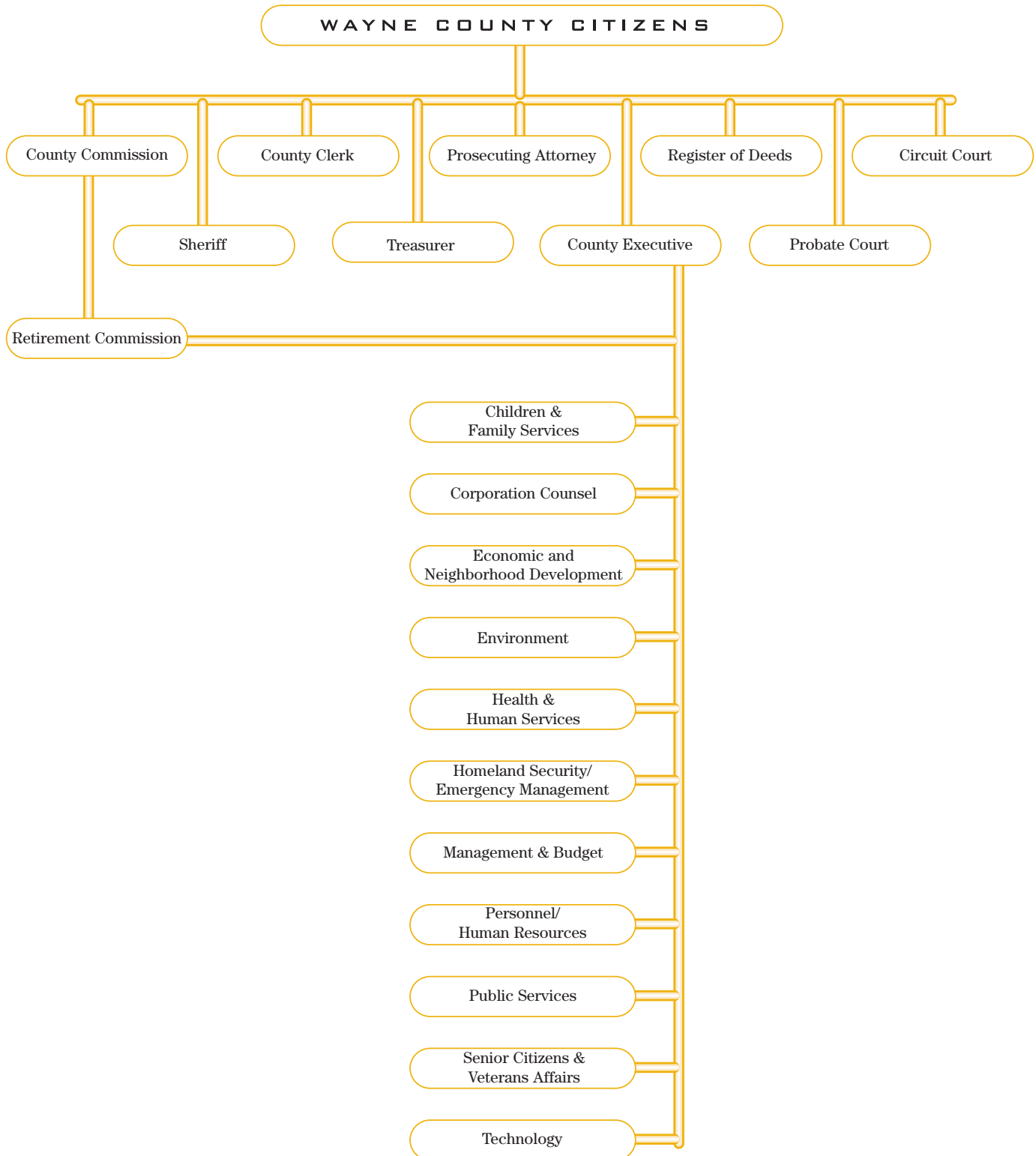
Laura Cox
10th District

Kevin McNamara
11th District

Gary Woronchak
13th District

Joseph Palamara
14th District

ORGANIZATIONAL CHART



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, 2006

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.



Charles S. Cox

President

Jeffrey R. Enen

Executive Director

FINANCIAL

The financial section contains:

Independent Auditors' 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*

FINANCIAL

Independent Auditor's Report

To the Board of Commissioners
 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, 2007, 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 5.47 percent and 33.55 percent of the assets and revenues, respectively, of the governmental activities. We also did not audit the financial statements of the following entities, which represent the following percents of total aggregate discretely presented component unit assets and revenue:

	Percent of <u>Assets</u>	Percent of <u>Revenue</u>
Detroit-Wayne County Stadium Authority	15.35%	1.37%
Wayne County-Detroit Community Development Entity, Inc.	.01%	.01%
Greater Wayne County Economic Development Corporation	.02%	.15%
Metropolitan Growth and Development Corporation	.03%	.03%
Health Choice of Michigan	.13%	1.79%
Regional Jobs and Economic Growth	.002%	.02%
Development Corporation of Wayne County	.06%	.33%

We also did not audit the financial statements of the Pension Trust Funds, which represent 77.58 percent and 39.49 percent of the assets and revenues, 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, Detroit-Wayne County Stadium Authority, Wayne County-Detroit Community Development Entity, Inc., Greater Wayne County Economic Development Corporation, Metropolitan Growth and Development Corporation, Health Choice of Michigan, 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 Board of Commissioners
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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In addition, all portions of the audit were conducted in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, except for the following:

- 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 Regional Jobs and Economic Growth Foundation
- Detroit/Wayne County Stadium Authority
- Development Corporation of Wayne County
- Health Choice of Michigan
- Detroit CDE, Inc.

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, 2007 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 January 31, 2008 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 Board of Commissioners
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 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 supplemental 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 nonmajor budgetary comparison schedules, combining balance sheets, and combining statements of revenue, expenditures, and changes in fund balance 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, 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.

Plante & Moran, PLLC

January 31, 2008

**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, 2007. 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-9 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, 2007, by \$1.6 billion (net assets). Of this amount, \$105.0 million, (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$24.5 million (a 1.5 percent increase) for the fiscal year ended September 30, 2007. Net assets of governmental activities increased by \$21.9 million (1.8 percent increase), while net assets of the business-type activities increased by \$2.6 million (6.6 percent increase). At September 30, 2007, the County's governmental funds reported combined ending fund balances of \$180 million, an increase of \$17.8 million in comparison to the prior year. Approximately \$29.3 million is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*), while \$24.9 million is *designated* for amounts to be expended on the Medicaid population.
- At the end of the year, unreserved, undesignated fund balance for the General Fund amounted to \$21.1 million, or 4.6 percent of total General Fund expenditures.
- The County's total long-term obligations increased by \$18 million (4.5 percent) during the year. This increase primarily represents the net difference of delinquent tax notes, \$226 million issued, \$185.3 repaid; offset by the net difference between payments on bonds of \$82.9 and the issuance of refunding bonds of \$66.4 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 fourteen 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 Districts
- Chapter 21 Drainage District
- Probate Court
- Economic Development Corporation of Wayne County
- Wayne County-Detroit CDE, Inc.
- Greater Wayne County Economic Development Corporation
- Metropolitan Growth and Development Corporation
- Brownfield Redevelopment Authority
- HealthChoice of Michigan
- Wayne Regional Jobs and Economic Growth Foundation
- Development Corporation of Wayne County
- 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*.

The County maintains 33 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, and Juvenile Justice and Abuse/Neglect, all of which are considered to be major funds. Data from the other 28 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 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.

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 central services, 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.

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, four 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, the Rouge Valley Sewage Disposal System and the CSO Basins. Data from the five 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-179 to II-184.

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-185 to II-191 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-127 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-128 to II-135 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-136.

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 \$1.6 billion at September 30, 2007.

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

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2007	2006	2007	2006	2007	2006
Current assets	\$ 641,738	\$ 598,879	\$ 98,737	\$ 85,501	\$ 740,475	\$ 684,380
Capital assets, net	1,184,339	1,223,579	345,667	358,051	1,530,006	1,581,630
Other non-current assets	32,065	31,293	197,618	196,401	229,683	227,694
Total assets	1,858,142	1,853,751	642,022	639,953	2,500,164	2,493,704
Current liabilities	209,601	240,775	48,895	50,962	258,496	291,737
Non-current liabilities	400,258	386,602	198,620	197,085	598,878	583,687
Total liabilities	609,859	627,377	247,515	248,047	857,374	875,424
Net assets:						
Invested in capital assets, net of related debt	1,039,751	1,073,350	160,424	180,638	1,200,175	1,253,988
Restricted	125,823	86,318	211,789	188,935	337,612	275,253
Unrestricted	82,709	66,706	22,294	22,333	105,003	89,039
Total net assets	<u>\$1,248,283</u>	<u>\$1,226,374</u>	<u>\$ 394,507</u>	<u>\$ 391,906</u>	<u>\$1,642,790</u>	<u>\$1,618,280</u>

By far the largest portion of the County's net assets for Governmental Activities and Business-type Activities combined, (\$1.2 billion, or 73 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 \$53.8 million in net assets invested in capital assets, net of related debt, which was primarily due to depreciation on County capital assets of \$81.8 million and issuance of new capital related debt of \$83.3 million (including refunding debt) offset by payments on capital related debt of \$79.5 million (including the refunding of capital debt), and capital asset additions of \$30.2 million.

An additional portion of the County's net assets (\$337.6 million, or 20.5 percent) represents resources that are subject to external restrictions on how they may be used. There was an increase of \$39.5 million in restricted net assets reported in connection with the County's governmental activities. This increase was related to greater restrictions for net assets related to mental health programs of \$46.5 million, an increase in restrictions for delinquent tax administration of \$9.3 million, an increase in restrictions for improvements for Roads of \$6.5 million and improvements to County parks of \$12.9 million. These increases were offset by a reduction in amounts reserved for bond programs of \$28.4 million due to the use of cash reserves to refund outstanding debt and other reductions for bond programs, a reduction of restrictions for capital projects (\$3.3 million) due to the use of cash reserves to fund renovations to the County Jail (Division I) and the 640 Temple building. In addition, there was an increase of \$19.7 million of net assets restricted for business-type activities, which is due to unspent proceeds from new debt issued for Sewage Disposal System improvements.

The remaining balance of unrestricted net assets (\$105.0 million, 6.4 percent) may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets increased by \$16.0

million due to positive current year operations in governmental funds of \$18.8 million, positive operations in the Delinquent Tax Revolving Fund of \$17.1 million, combined with the increase to restricted net assets, discussed above.

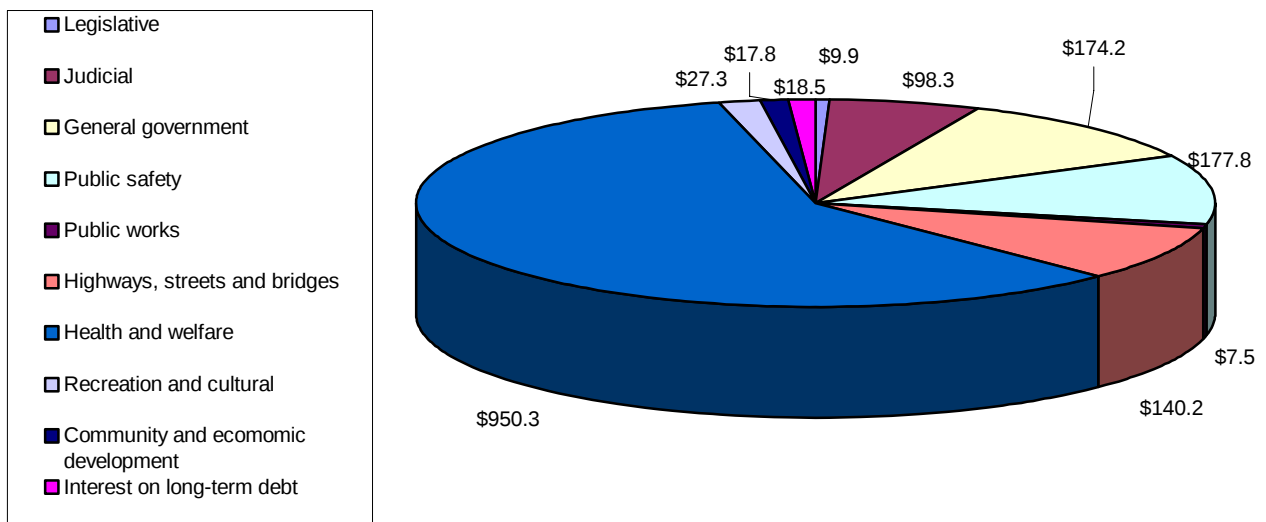
Charter County of Wayne, Michigan
Change in Net Assets - Primary Government
For the Year Ended September 30 (in thousands)

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 145,815	\$ 164,019	\$ 71,121	\$ 69,311	\$ 216,936	\$ 233,330
Operating grants and contributions	869,537	872,845	6,161	7,071	875,698	879,916
Capital grants and contributions	15,347	12,681	17,467	3,316	32,814	15,997
General revenues:						
Property taxes	485,554	455,109	-	-	485,554	455,109
Sales taxes	21,985	22,252	-	-	21,985	22,252
Excise taxes	7,403	7,274	-	-	7,403	7,274
Airport parking taxes	13,866	12,698	-	-	13,866	12,698
Investment earnings	37,697	33,317	2,417	2,148	40,114	35,465
Other revenue and amortization of bond issuance costs	47,660	24,456	(1,118)	-	46,542	24,456
Transfers in (out)	(1,195)	-	1,195	-	-	-
Total revenues	<u>1,643,669</u>	<u>1,604,651</u>	<u>97,243</u>	<u>81,846</u>	<u>1,740,912</u>	<u>1,686,497</u>
Expenses:						
Legislative	9,871	8,972	-	-	9,871	8,972
Judicial	98,345	96,897	-	-	98,345	96,897
General government	174,234	155,202	-	-	174,234	155,202
Public safety	177,762	166,593	-	-	177,762	166,593
Public works	7,510	6,992	-	-	7,510	6,992
Highways, streets and bridges	140,230	164,345	-	-	140,230	164,345
Health and welfare	950,270	932,319	-	-	950,270	932,319
Recreation and cultural	27,310	32,173	-	-	27,310	32,173
Community and economic development	17,763	17,966	-	-	17,763	17,966
Interest on long-term debt	18,465	27,412	-	-	18,465	27,412
Sewage Disposal Systems	-	-	92,065	157,500	92,065	157,500
Jail Commissary	-	-	2,149	1,648	2,149	1,648
Parking Lots	-	-	107	114	107	114
Wetlands Mitigation	-	-	320	-	320	-
Copy Center	-	-	-	23	-	23
Total expenses	<u>1,621,760</u>	<u>1,608,871</u>	<u>94,641</u>	<u>159,285</u>	<u>1,716,401</u>	<u>1,768,156</u>
Change in net assets	21,909	(4,220)	2,602	(77,439)	24,511	(81,659)
Net assets at October 1	<u>1,226,374</u>	<u>1,230,594</u>	<u>391,905</u>	<u>469,345</u>	<u>1,618,279</u>	<u>1,699,939</u>
Net assets at September 30	<u>\$ 1,248,283</u>	<u>\$ 1,226,374</u>	<u>\$ 394,507</u>	<u>\$ 391,906</u>	<u>\$ 1,642,790</u>	<u>\$ 1,618,280</u>

Governmental activities. Governmental activities increased the County's net assets by \$21.9 million. Key elements of this increase are as follows:

- *Charges for services revenue* decreased approximately \$18.2 million, related to an \$8.5 million reduction in revenue received from foreclosed property auctions, \$5.8 million reduction in internal service fund charges for services revenue related to reimbursements for Corporation Counsel services, \$1.1 million reduction in Register of Deeds recording fees received due to the declined real estate market. These decreases are offset by a \$4.4 million increase in billings for contract police services.
- *Capital grants and contributions* increased approximately \$2.7 million due to increased reimbursement for road infrastructure projects.
- *Property taxes* increased by \$30.4 million over the prior year due to a 4.7 percent increase in the taxable value of the region's property. In addition, airport parking tax revenue also increased by \$1.2 million over the prior year.
- *Investment earnings* increased by \$4.4 million over the prior year due to an increase in the average interest rate earned on investments from 4.6871 percent in fiscal year 2006 to 4.8344 percent in fiscal year 2007.
- *Other revenue* increased \$23.2 million due to a \$10.5 million decrease in Mental Health reserves for amounts due to providers, a \$7 million reduction in the liability for delinquent tax litigation, and a \$4.9 million increase in billings to local communities for roads infrastructure.
- *General Government* expense increased by \$19.0 million, due to a payment of \$23.1 from cash reserves used to refund debt, a \$2.3 million loss on the refunding of the debt, \$4.6 million of additional expenses related to the refunded debt, a \$2.4 million increase in workers' compensation claims, offset by a \$13.1 million decrease in litigation expenses.

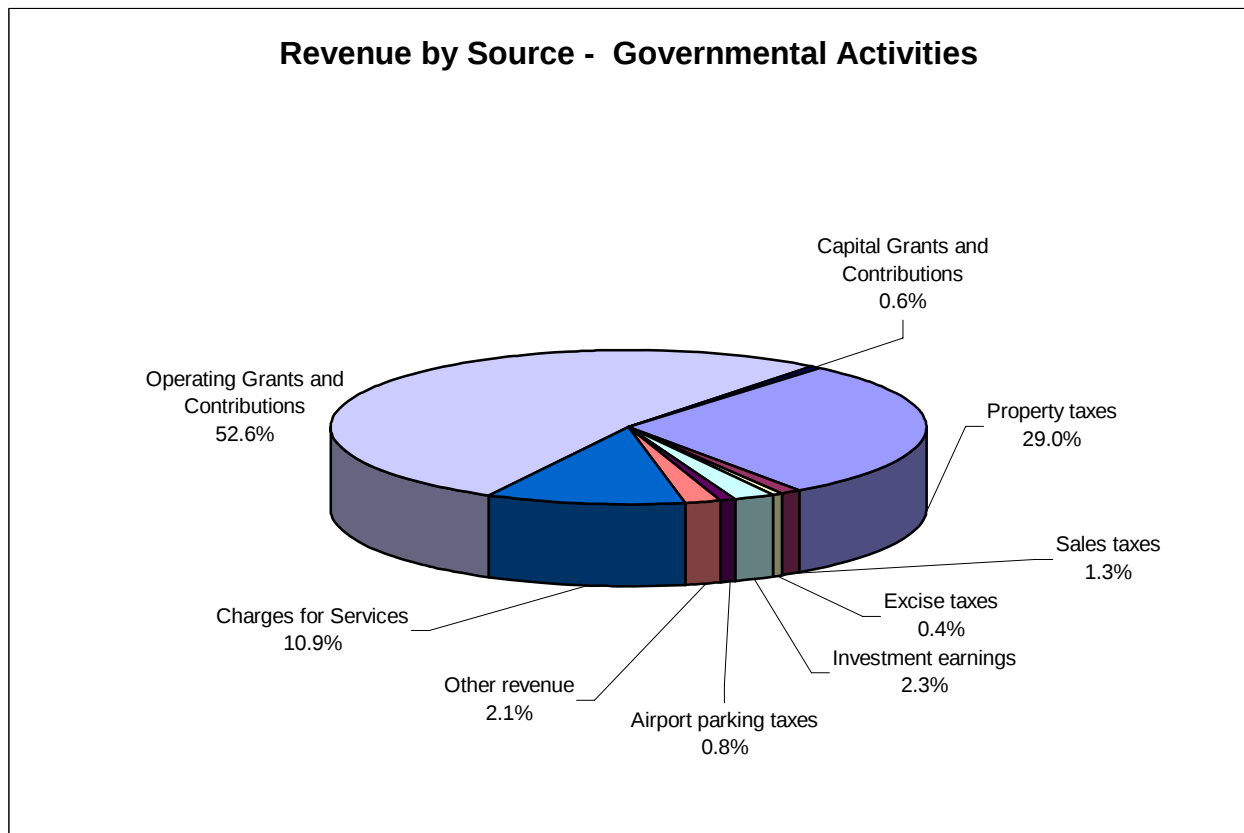
Summary of Expenses - Governmental Activities



- *Public Safety* expense increased by \$11.2 million related mainly to increased personnel costs in the Sheriff's Office, including the County Jails. The largest component of this increase is \$3.1 million in accrued retroactive pay increases due to settlement of labor contracts and \$2.9 million in overtime costs. In addition, the County purchased an additional \$1.6 million of non-capital equipment and supplies for Homeland Security use.
- *Highways, Streets and Bridges* expense decreased by \$24.1 million mainly due to a \$15.7 million decrease in the depreciation of roads infrastructure and other assets, a \$4.4 million reduction in

personnel costs due to staff reduction and \$4.0 million decrease due to the completion of certain roads projects.

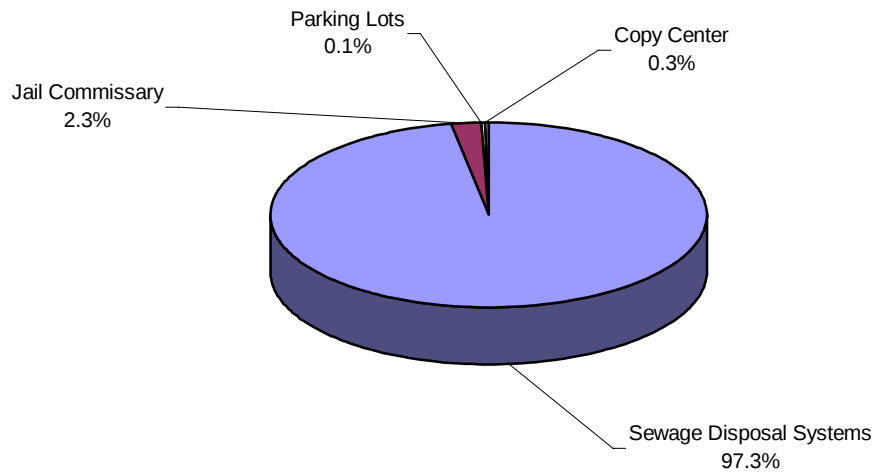
- *Health and Welfare* expense increased by \$18.0 million due to increased personnel costs of \$4.7 million related to the addition of six new court-based juvenile programs and an increase of \$10.3 million in provider payments due to an increased number of juveniles placed in the Care Management Organization program.
- *Recreation and cultural* expenses decreased \$4.9 million due to a \$1.4 million reduction in the cost of operating the County golf courses due to the privatization of the golf course management and a \$3.3 million reduction in park maintenance projects.
- Expenses for the *legislative, judicial, public works, and community and economic development* functions of the County remained relatively flat and increased by a total of 2.0 percent over the prior year. This increase is not attributable to any individually significant items.



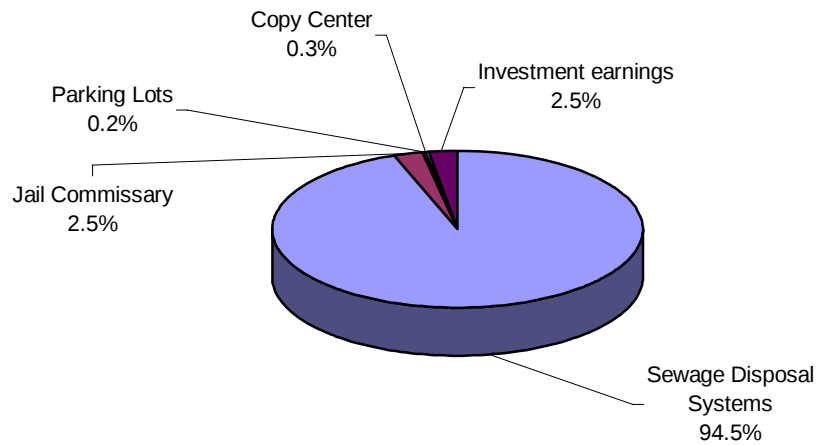
Business-type activities. The business-type activities increased the County's net assets by \$2.6 million for the year. This increase resulted primarily from the following:

- *Capital contributions* in the Downriver Sewage Disposal System of \$17.3 million, which relates to the amount to be contributed from local communities through payments on new bond issuances.
- *Depreciation expense* of \$15 million, which was not recouped through sewage disposal rates.

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, *unreserved 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 \$180 million, an increase of \$17.8 million in comparison with the prior year. Approximately 16.3 percent of this balance (\$29.3 million) constitutes unreserved, undesignated fund balance, which is available for spending at the County's discretion. Approximately, 46.1 percent of this amount (\$83.0 million) is reserved for long-term assets, mainly the negative equity in the County's pooled cash accounts, accumulated by certain funds with deficit fund balances. Another 13.8 percent of this total amount (\$24.9 million) is designated for mental health services. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate inventory purchased in prior periods (\$8.0 million); 2) to pay debt service (\$11.3 million); 3) to pay for the capital projects, (\$15.6 million); 4) for inpatient hospitalization services (\$3.6 million); and 5) for prepayments and deposits (\$4.4 million).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$21.1 million, while total fund balance amounted to \$25.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 4.6 percent of total General Fund expenditures, while total fund balance represents 5.6 percent.

The fund balance of the General Fund did not increase significantly over the prior year; however, significant positive and negative fluctuations are discussed below.

- Increase in property tax revenue of \$24.7 million due to increased taxable value of the July 1 levy.
- Increase of \$1.2 million of airport parking tax revenue, which is reflective of the increase in airline passengers.
- Increase of \$2.9 million for Adult Benefit Waiver (ABW) program revenue due to an increase in both the State's reimbursement rate and the number of participants serviced. This revenue is accompanied by a \$2.2 million increase in ABW program expenditures.
- Increase of \$2.2 million of revenue related to reimbursement for the detention and care of apprehended illegal aliens.
- Increase of \$1.4 million in revenue related to Nuisance Abatement activities that were previously recorded in a special revenue fund.
- Increase of \$4.1 million in professional services related to grant writing services, consulting services on the County's Managing for Results initiative, and program management on a proposed Regional Justice Center.
- Increase of \$1.8 million related to payment for services related to digital and film conversion for Register of Deeds documents.
- Increase of \$3.6 million related to County match on the WIC program, which was previously paid from the Health Fund.
- Increase of \$1.8 million related to an appropriation for the County's newly established Land Bank Corporation.
- Increase of \$5 million in transfers to funds for deficit elimination.

The increases noted above were offset by the following reductions:

- Decrease of \$1.2 million in Register of Deeds recording fees.
- Decrease of \$5 million in charges for services revenue related to the transfer of the County's Corporation Counsel activity from the General Fund to an internal service fund. This transfer is accompanied by a \$13.4 million reduction in general government expenditures.
- Decrease of \$2.0 million in liability payments on legal settlements.

- Decrease in prisoner medical expenditures of \$1.6 million.

The Roads' fund balance increased by a net \$14.0 million. This increase resulted primarily from a reduction in deferred revenue of \$4.6 million as well as reductions in personnel costs of \$4.8 million due to department-wide layoffs.

The Mental Health fund balance decreased by \$20.1 million due to the planned use of fund balance of \$8.5 million and increased funding to mental health programs in the Juvenile Detention Facility and the County Jail.

The Juvenile Justice fund balance increased \$3.8 million due to increased reimbursements from the State based on enrollment in the Case Management Organization program and additional General Fund contributions.

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 three major sewage disposal systems at the end of the year amounted to the following:

- *Downriver*, \$9.0 million; net assets for the Downriver system increased by \$6.7 million over the prior year as the result of capital contributions of \$17.3 million offset by depreciation expense of \$12.7 million.
- *Rouge Valley*, \$8.7 million; net assets for the Rouge Valley system decreased by \$4.9 million over the prior year due to rates paid for water being greater than revenue recouped from customers by \$3.8 million and \$1.9 million of depreciation expense
- *CSO Basins*, \$535 thousand; net assets for the CSO Basins decreased by \$504 thousand over the prior year due to improvements to the River Rouge Basin.

Unrestricted net assets for the Delinquent Tax Revolving Fund amounted to \$63.8 million and increased by \$7.9 million during the current year. Overall, net assets increased by \$17.2 million as a result of fines and forfeiture revenue in excess of operating expenses and transfers out, and a decrease in liabilities for claims and litigation of \$7.0 million.

Revenue Sharing

Public Act 357 of 2004 gradually shifted the County's annual general property tax levy from a December 1 levy date to a July 1 levy date, over a three-year period. The proportion of the levy moving from December to July increased each year so that by July 2007, 100% of the annual tax was levied. The purpose of this shift was to build a revenue sharing reserve fund equal to the December 2004 general property tax levy to replace annual state revenue-sharing payments. Revenue-sharing payments were suspended by the State as part of a budget reduction action in September 2004. In fiscal year 2007, an amount equal to one-third of the December 2004 general county property tax levy (\$80 million) was transferred into the Revenue Sharing Reserve Fund, a non major governmental fund, as required by law. Subsequently, in accordance with the State's published "allowable spending", \$46.8 million was transferred from the Revenue Sharing Reserve Fund to the General Fund.

Property taxes totaling \$240 million were transferred into the Revenue Sharing Reserve Fund from 2005 through 2007. It is anticipated that the Revenue Sharing Reserve Fund will be depleted in approximately 2 years (fiscal year 2009), with approximately \$45 million annually (plus an inflationary increase) being

transferred to the General Fund. The State has committed to restoring revenue sharing payments once the Revenue Sharing Reserve Fund is depleted.

General Fund Budgetary Highlights

During the year, there were only five significant changes from the original to the final amended budget. These changes are as follows:

- *Federal Grant* revenue budgeted for Homeland Security was increased by \$3.0 million to reflect increased federal funding of the Urban Area Security Initiative Grant (UASI).
- The allowable spending from the Revenue Sharing Reserve Fund was originally budgeted as revenue in the General Fund in the *State grants and contracts* line. The budget was amended to reflect the revenue in the *Transfers in* line item.
- The budget for an annual payment to the State (\$3.4 million) for matching funds for the Women and Infant Children program was transferred from the Health Fund to the General Fund.
- The budget for adult benefit waiver provider payments in the Patient Care Management system was amended to reflect an anticipated additional \$6.6 million in payments.
- The budget for Jail Medical provider payments was reduced by \$1.9 million to reflect anticipated actual expenditures.

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

- The implementation of Public Act 357 (the Act) caused several individual line item differences between actual results and the final amended budget. The additional levy created by the Act, was budgeted as revenue in the Revenue Sharing Reserve Fund and the transfer of the 1/3rd levy out of the General Fund was not budgeted. The actual accounting treatment was to record all property tax revenue in the General Fund and to record a transfer out of the 1/3rd levy in the General Fund.
- Budgeted revenue from Federal sources was greater than actual revenues by \$4.3 million, due to the County not using the increased UASI funding during the fiscal year.
- Actual revenue from State sources was \$3.7 million under budget due to the deferral of revenues that were not collected within sixty days of year-end.
- Actual liability payments were \$5 million less than anticipated.
- Public safety expenditures exceeded budget by \$5.9 million due to increased overtime in the Sheriff's office of \$7.5 million, offset by fewer Homeland Security expenditures than anticipated due to the delay in spending of increased federal grant funds.
- Budgeted Health and Welfare expenditures exceeded actual costs by \$4.4 million for payments to providers of the Patient Care Management System and \$2.8 million for prisoner medical expenses.

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, 2007, 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 total decrease in the County's gross investment in capital assets for the current fiscal year was 3.3 percent (a 3.2 percent decrease for governmental activities and a 3.5 percent decrease for business-type activities). The decreases were caused by current year depreciation expense greater than expense for capital acquisitions and improvements.

Major capital asset additions for governmental activities, \$27.5 million, during the current fiscal year 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 \$20.4 million.
- Brick and stone renovation to the 640 Temple Building totaling \$1.9 million.
- Acquisition of equipment and various other vehicles totaled \$1.1 million.
- Purchase and installation of a new communication system for the Sheriff's Office of \$2.4 million.
- Renovations to the Nutrition Kitchen of \$350,000.
- Department of Technology improvements, \$600,000.

Major acquisitions for business-type activities of \$2.7 million, included various building and system additions for the Downriver Sewage Disposal System (\$2.0 million) and various system improvements for the Rouge Valley Sewage Disposal System (\$.6 million). Construction in progress as of the close of the fiscal year was \$6.2 million and \$1.0 million for the Downriver and Rouge Valley Systems, respectively.

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	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land and improvements	\$ 554,961	\$ 555,123	\$ 5,397	\$ 5,320	\$ 560,358	\$ 560,443
Buildings and improvements	131,822	140,085	10,091	10,807	141,913	150,892
Machinery, equipment and vehicles	12,017	15,969	614	445	12,631	16,414
Infrastructure	464,141	481,741	322,204	335,877	786,345	817,618
Construction in progress	21,398	30,661	7,362	5,602	28,760	36,263
Total	<u>\$ 1,184,339</u>	<u>\$ 1,223,579</u>	<u>\$ 345,668</u>	<u>\$ 358,051</u>	<u>\$ 1,530,007</u>	<u>\$ 1,581,630</u>

Additional information on the County's capital assets can be found in Note 8 on pages II-75 thru II-82 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$527.8 million. Of this amount, \$344.2 million comprised debt backed by the full faith and credit of the County. The remainder of the County's debt, \$183.6 million represented bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total bonded debt increased by a net \$24.9 million (4.9 percent) during the current fiscal year. Debt for governmental activities increased by \$23.6 million, due to an increase of \$40.2 million in the amount of limited tax (general obligation notes) outstanding at year-end. Delinquent tax notes totaling \$226 million were issued to finance the purchase of delinquent taxes receivable. Repayment of delinquent tax notes (both current and prior year) totaled \$185.3 million. Other bond obligations of governmental activities decreased a net of \$16.5 million due to the repayment of \$82.9 of these obligations offset by the issuance of \$66.4 million in refunding bonds. Debt for business-type activities increased by \$1.3 million (less than one percent) as a result of issuance of new debt, including discounts, premiums and deferred loss on refunding of \$28.2 million net of debt payments of \$26.9 million.

Outstanding Bonded Debt as of September 30
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General obligation bonds						
(backed by the County):	\$138,425	\$151,705	211,822	211,147	\$350,247	\$362,852
Deferred loss on refunding	(6,355)	(2,335)	(1,705)	(1,694)	(8,060)	(4,029)
Bond discount	(670)	(2,534)	-	-	(670)	(2,534)
Bond premium	1,549	-	1,116	-	2,665	-
Total general obligation bonds, net of bond discount and loss on refunding	<u>132,949</u>	<u>146,836</u>	<u>211,233</u>	<u>209,453</u>	<u>344,182</u>	<u>356,289</u>
Revenue bonds and notes						
(backed by specific tax and fee revenues)	180,000	142,502	3,705	4,180	183,705	146,682
Deferred loss on refunding	-	-	(100)	(114)	(100)	(114)
Total revenue bonds, net of loss on refunding	<u>180,000</u>	<u>142,502</u>	<u>3,605</u>	<u>4,066</u>	<u>183,605</u>	<u>146,568</u>
Total bonds and notes payable, net of bond discounts and loss on refundings	<u>\$312,949</u>	<u>\$289,338</u>	<u>214,838</u>	<u>213,519</u>	<u>\$527,787</u>	<u>\$502,857</u>

The County maintains an "A" rating from Standard & Poor's and an "A3" rating from Moody's Investors Service for uninsured debt issues.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is approximately \$6.4 billion, which is significantly in excess of the \$737.5 million of debt carrying the County's Limited Tax General Obligation. 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 11 on pages II-89 thru II-117 of this report.

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

- The County's 2007 Equalization Report indicates that the total State Equalized Valuation for the County rose to \$66.1 billion, an increase of 2.6 percent over the prior year. Additionally, the total taxable valuation of the County, which serves as the basis for current and future tax levies, amounted to \$53 billion, an increase of \$2.4 billion (4.8 percent) over the previous year.
- The County projects balanced operations for the General Fund for the next fiscal year.
- The average annual unemployment rate for Wayne County according to the Michigan Department of Labor and Economic Growth at December 2007 increased to 9.0 percent, compared to the September 30, 2007 rate of 8.9, which also increased over the September 30, 2006 rate of 8.6 percent. In addition, during the period from September 2007 to December 2007, the Wayne County labor force decreased by approximately 10,000 workers.

The consumer price index for all urban customers (CPI-U) for the Detroit metropolitan area showed a modest increase of 1.9 percent from 196.4 in December of 2006 to 200.201 in December of 2007. According to the US Department of Labor, Bureau of Labor Statistics, the increase is due mainly to the increase in gasoline prices. However, the December 2007 CPI-U decreased slightly from the October 2007 index of 201.786 due to a decrease in the housing component of the index.

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, 600 Randolph Street, Detroit, Michigan 48226.

BASIC FINANCIAL STATEMENTS

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Net Assets
As of September 30, 2007

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
<u>Assets</u>				
Current assets:				
Equity in pooled cash and investments (Note 4)	\$ 178,096,825	18,532,543	\$ 196,629,368	\$ 15,231,567
Other cash and investments (Note 4)	3,862,961	41,000	3,903,961	107,886,510
Due from component units (Note 10)	429,589	16,367	445,956	-
Due from primary government (Note 10)	-	-	-	2,534,558
Receivables:				
Current property taxes	133,268,888	-	133,268,888	-
Delinquent property taxes	214,364,003	-	214,364,003	-
Accounts	53,138,401	2,357,077	55,495,478	11,482,503
Special assessments	-	-	-	4,009,371
Due from other governmental units (Note 10)	87,898,374	12,080,534	99,978,908	36,517,947
Less allowance for uncollectible accounts	(42,686,734)	(284,274)	(42,971,008)	(140,274)
Inventory	8,232,612	-	8,232,612	62,242
Prepayments and deposits	5,133,184	195,812	5,328,996	168,766
Restricted assets:				
Equity in pooled cash and investments (Notes 4 and 5)	-	44,111,665	44,111,665	1,180,015
Other cash and investments (Notes 4 and 5)	-	6,648,453	6,648,453	755,951,028
Accounts receivable (Note 5)	-	15,037,567	15,037,567	19,230,778
Total current assets	641,738,103	98,736,744	740,474,847	954,115,011
Non-current assets:				
Restricted assets:				
Other cash and investments (Notes 4 and 5)	-	-	-	109,633,354
Bond principal due from municipalities (Note 5)	-	197,039,011	197,039,011	-
Capital assets (Note 8)				
Non-depreciable	573,058,035	12,671,450	585,729,485	596,855,862
Depreciable, net	611,281,194	332,995,910	944,277,104	2,233,787,208
Bond issuance costs, net of amortization	1,311,942	578,625	1,890,567	34,058,453
Long-term receivables (Note 7)	30,752,951	-	30,752,951	1,096,223
Special assessments receivable	-	-	-	12,208,060
Other assets	-	-	-	1,255,600
Total non-current assets	1,216,404,122	543,284,996	1,759,689,118	2,988,894,760
Total assets	\$ 1,858,142,225	642,021,740	\$ 2,500,163,965	\$ 3,943,009,771

See accompanying notes to the basic financial statements.

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Net Assets, Continued
As of September 30, 2007

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
<u>Liabilities</u>				
Current liabilities:				
Negative equity in pooled cash (Note 4)	\$ -	-	\$ -	\$ 43,834,766
Accounts and contracts payable	56,646,833	10,541,541	67,188,374	66,854,989
Accrued wages and benefits	6,444,482	76,669	6,521,151	4,438,422
Due to fiduciary funds (Note 10)	-	-	-	12,985
Due to component units (Note 10)	2,534,558	-	2,534,558	-
Due to primary government (Note 10)	-	-	-	445,956
Due to other governmental units (Note 10)	14,922,229	-	14,922,229	3,773,530
Current portion of long-term obligations (Note 11)	56,025,550	492,803	56,518,353	11,807,280
Accrued interest	2,709,816	-	2,709,816	170,076
Unearned revenue	8,959,125	-	8,959,125	3,129,780
Other liabilities	61,358,794	112,164	61,470,958	34,210,703
Payable from restricted assets:				
Accounts payable	-	9,094,421	9,094,421	-
Current portion of long-term obligations (Note 11)	-	16,217,621	16,217,621	45,561,395
Accrued interest	-	838,971	838,971	34,931,783
Unearned revenue	-	161,236	161,236	2,307,438
Other restricted liabilities	-	11,358,802	11,358,802	-
Total current liabilities	209,601,387	48,894,228	258,495,615	251,479,103
Non-current liabilities:				
Non-current portion of long-term obligations (Note 11)	369,450,971	-	369,450,971	2,481,049,534
Other liabilities	30,807,074	-	30,807,074	6,873,707
Payable from restricted assets:				
Bonds payable from restricted assets (Note 11)	-	198,620,282	198,620,282	-
Total non-current liabilities	400,258,045	198,620,282	598,878,327	2,487,923,241
Total liabilities	609,859,432	247,514,510	857,373,942	2,739,402,344
<u>Net Assets</u>				
Invested in capital assets, net of related debt	1,039,751,307	160,423,855	1,200,175,162	681,722,925
Restricted net assets:				
Health and welfare	57,074,142	211,788,868	268,863,010	299,197,434
Delinquent tax administration	38,431,816	-	38,431,816	-
Parks	12,984,734	-	12,984,734	-
Roads	6,527,827	-	6,527,827	-
Debt service	5,055,968	-	5,055,968	153,172,526
Capital projects	3,017,597	-	3,017,597	-
Veterans programs	1,599,662	-	1,599,662	-
Community corrections	445,924	-	445,924	-
Economic development	685,147	-	685,147	-
Drug enforcement	-	-	-	3,270,814
Airport operations	-	-	-	28,301,371
Unrestricted net assets	82,708,669	22,294,507	105,003,176	37,942,357
Total net assets	1,248,282,793	394,507,230	1,642,790,023	1,203,607,427
Total liabilities and net assets	\$ 1,858,142,225	642,021,740	\$ 2,500,163,965	\$ 3,943,009,771

See accompanying notes to the basic financial statements.

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Activities
For the Year Ended September 30, 2007

		Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs	Expenses				
Primary government:					
Governmental activities:					
Legislative	\$ 9,871,083	-	-	-	\$ (9,871,083)
Judicial	98,344,673	21,600	20,780,799	-	(77,542,274)
General government	174,233,704	82,762,639	5,509,225	220,502	(85,741,338)
Public safety	177,761,868	30,437,190	21,641,583	-	(125,683,095)
Public works	7,509,953	6,608,824	-	-	(901,129)
Highways, streets and bridges	140,230,472	8,078,101	92,526,865	15,126,669	(24,498,837)
Health and welfare	950,270,241	14,517,869	718,766,291	-	(216,986,081)
Recreation and cultural	27,309,630	2,630,834	1,363,915	-	(23,314,881)
Community and economic development	17,762,873	758,377	8,948,722	-	(8,055,774)
Interest on long-term debt	18,465,395	-	-	-	(18,465,395)
Total governmental activities	1,621,759,892	145,815,434	869,537,400	15,347,171	(591,059,887)
Business-type activities:					
Sewage Disposal System	92,063,794	68,162,087	6,160,917	17,467,230	(273,560)
Jail Commissary	2,148,709	2,404,743	-	-	256,034
Parking Lots	106,988	225,464	-	-	118,476
Wetlands Mitigation	1,272	-	-	-	(1,272)
Copy Center	320,327	329,122	-	-	8,795
Total business-type activities	94,641,090	71,121,416	6,160,917	17,467,230	108,473
Total primary government	\$ 1,716,400,982	216,936,850	875,698,317	32,814,401	\$ (590,951,414)
Component units:					
Airport Authority	\$ 443,783,562	337,267,389	5,962,547	66,212,355	\$ (34,341,271)
Circuit Court	130,429,690	6,310,054	114,219,665	-	(9,899,971)
Probate Court	11,789,858	848,871	11,071,807	-	130,820
Stadium Authority	35,714,198	7,948,498	53,197	-	(27,712,503)
Drainage Districts	8,369,282	5,672,357	762,666	1,455,084	(479,175)
Economic Development Corporation	7,570	-	-	-	(7,570)
Wayne County - Detroit CDE, Inc.	100,403	55,004	-	-	(45,399)
Greater Wayne County Economic Development Corp	377,182	-	944,862	-	567,680
Metropolitan Growth and Development Corporation	148,627	155,700	-	-	7,073
Brownfield Authority	52,097	500	79,741	-	28,144
HealthChoice of Michigan	10,624,813	11,041,872	-	-	417,059
Regional Jobs and Economic Growth Foundation	361,255	-	125,141	-	(236,114)
Development Corporation of Wayne County	1,611,842	-	2,000,000	-	388,158
Wayne County Land Bank Corporation	883,587	1,000	1,999,718	-	1,117,131
Total component units	\$ 644,253,966	369,301,245	137,219,344	67,667,439	\$ (70,065,938)

See accompanying notes to the basic financial statements.

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Activities, Continued
For the Year Ended September 30, 2007

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net expense from previous page	\$ (591,059,887)	108,473	\$ (590,951,414)	\$ (70,065,938)
General revenues:				
Taxes:				
Property	485,553,599	-	485,553,599	-
State sales	21,985,337	-	21,985,337	-
Excise	7,403,499	-	7,403,499	-
Airport parking	13,866,308	-	13,866,308	-
Investment earnings	37,696,735	2,416,713	40,113,448	45,232,957
Other revenue	47,658,076	-	47,658,076	1,405,290
Transfers of capital assets	-	(1,118,412)	(1,118,412)	-
Transfers in (out)	(1,194,950)	1,194,950	-	-
Total general revenues and transfers	612,968,604	2,493,251	615,461,855	46,638,247
Change in net assets	21,908,717	2,601,724	24,510,441	(23,427,691)
Net assets at October 1, 2006	1,226,374,076	391,905,506	1,618,279,582	1,227,035,118
Net assets at September 30, 2007	\$ 1,248,282,793	394,507,230	\$ 1,642,790,023	\$ 1,203,607,427

(Concluded)

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
Balance Sheet
Governmental Funds
As of September 30, 2007

	General Fund	Roads	Mental Health
<u>Assets</u>			
Equity in pooled cash and investments (Note 4)	\$ -	4,964,526	96,291,625
Other cash and investments (Note 4)	217,443	2,475	12,350
Due from other funds (Note 10)	5,192,097	-	1,389,491
Due from component units (Note 10)	-	301,876	-
Receivables:			
Current property taxes	133,268,888	-	-
Delinquent property taxes	2,460,808	-	-
Accounts	1,688,230	12,008,453	34,888,322
Due from other governmental units (Note 10)	22,787,357	25,789,353	3,840,277
Less allowance for uncollectible accounts	(2,991,486)	(4,622,372)	(34,872,975)
Supplies inventory, at cost	-	6,823,725	-
Prepayments and deposits	643,793	431,232	-
Total assets	<u>\$ 163,267,130</u>	<u>45,699,268</u>	<u>101,549,090</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Negative equity in pooled cash (Note 4)	\$ 54,899,853	-	-
Accounts and contracts payable	3,211,335	5,432,318	22,662,188
Due to other funds (Note 10)	1,389,491	-	-
Due to component units (Note 10)	360,032	-	-
Due to other governmental units (Note 10)	3,275,312	5,317,267	6,329,650
Accrued wages and benefits	3,461,380	805,903	161,970
Deposits	-	21,729,966	-
Other liabilities	8,391,671	-	14,589,803
Deferred revenue	62,899,500	1,924,397	3,797,941
Total liabilities	<u>137,888,574</u>	<u>35,209,851</u>	<u>47,541,552</u>
Fund balances:			
Reserved for:			
Supplies inventory	-	6,823,725	-
Prepayments and deposits	643,793	431,232	-
Inpatient hospitalization	3,586,613	-	-
Other long-term assets	-	-	-
Debt service funds	-	-	-
Capital projects funds	-	-	-
Capital improvements	-	1,942,000	-
Unreserved, reported in :			
General Fund, undesignated	21,148,150	-	-
Special revenue funds, undesignated	-	1,292,460	29,130,118
Special revenue funds, designated for Medicaid plan	-	-	24,877,420
Total fund balances	<u>25,378,556</u>	<u>10,489,417</u>	<u>54,007,538</u>
Total liabilities and fund balances	<u>\$ 163,267,130</u>	<u>45,699,268</u>	<u>101,549,090</u>

Health	Juvenile Justice and Abuse/Neglect	Total Major Funds	Non-major Governmental Fund	Total Governmental Funds
2,384,513	-	103,640,664	119,291,422	\$ 222,932,086
1,050	650	233,968	3,624,068	3,858,036
-	-	6,581,588	-	6,581,588
-	-	301,876	57,487	359,363
-	-	133,268,888	-	133,268,888
-	-	2,460,808	-	2,460,808
75,298	-	48,660,303	3,211,332	51,871,635
2,199,818	28,525,170	83,141,975	4,754,001	87,895,976
-	-	(42,486,833)	(199,901)	(42,686,734)
1,019,931	200,854	8,044,510	-	8,044,510
-	3,264,439	4,339,464	699,883	5,039,347
<u>5,680,610</u>	<u>31,991,113</u>	<u>348,187,211</u>	<u>131,438,292</u>	<u>\$ 479,625,503</u>
-	39,735,753	94,635,606	5,924,745	\$ 100,560,351
797,097	17,614,373	49,717,311	3,413,743	53,131,054
-	-	1,389,491	192,097	1,581,588
-	-	360,032	-	360,032
-	-	14,922,229	-	14,922,229
227,059	313,791	4,970,103	488,947	5,459,050
-	-	21,729,966	-	21,729,966
119,880	3,011	23,104,365	484,206	23,588,571
3,516,643	34,937	72,173,418	6,093,796	78,267,214
<u>4,660,679</u>	<u>57,701,865</u>	<u>283,002,521</u>	<u>16,597,534</u>	<u>299,600,055</u>
1,019,931	200,854	8,044,510	-	8,044,510
-	3,264,439	4,339,464	35,000	4,374,464
-	-	3,586,613	-	3,586,613
-	-	-	82,959,245	82,959,245
-	-	-	11,297,009	11,297,009
-	-	-	3,017,597	3,017,597
-	-	1,942,000	10,631,000	12,573,000
-	-	21,148,150	-	21,148,150
-	(29,176,045)	1,246,533	6,900,907	8,147,440
-	-	24,877,420	-	24,877,420
<u>1,019,931</u>	<u>(25,710,752)</u>	<u>65,184,690</u>	<u>114,840,758</u>	<u>180,025,448</u>
<u>5,680,610</u>	<u>31,991,113</u>	<u>348,187,211</u>	<u>131,438,292</u>	<u>\$ 479,625,503</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
As of September 30, 2007

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

Total fund balances - total governmental funds		\$ 180,025,448
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	\$ 2,380,244,874	
Less accumulated depreciation	<u>(1,280,090,396)</u>	1,100,154,478
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		22,654,766
The assets and liabilities of the Delinquent Tax Revolving fund, an enterprise fund, are recorded as governmental activities in the Statement of Net Assets		102,294,799
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the governmental funds		69,308,089
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Bond costs	7,113,658	
Less accumulated amortization	<u>(5,801,716)</u>	1,311,942
Long term obligations, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds		
Governmental general obligation bonds payable	\$ (138,425,000)	
Premium	(1,548,640)	
Discount	669,634	
Deferred loss on refunding	6,354,784	
Accrued interest payable	(2,709,816)	
Compensated absences	(24,035,892)	
Claims, litigation and assessments	(15,094,381)	
Other long-term obligations	<u>(52,677,418)</u>	<u>(227,466,729)</u>
Net assets of governmental activities		<u>\$ 1,248,282,793</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, 2007

	General Fund	Roads	Mental Health	Health
Revenues:				
Taxes:				
Property	\$ 450,671,915	-	-	-
State sales	5,986,774	-	-	-
Excise	-	-	-	-
Licenses and permits	372,155	-	-	-
Federal grants	7,131,344	1,457,379	5,326,063	12,291,296
State grants and contracts	55,211,500	90,576,156	528,923,414	3,668,996
Local grants and contracts	1,429,944	10,294,830	-	11,829
Charges for services	66,925,112	7,322,485	23,515	6,282,569
Interest and rents	-	968,785	6,608,938	-
Other	21,417,627	5,010	10,628,830	-
Total revenues	<u>609,146,371</u>	<u>110,624,645</u>	<u>551,510,760</u>	<u>22,254,690</u>
Expenditures:				
Current operations:				
Legislative	11,806,806	-	-	-
Judicial	96,909,378	-	-	-
General government	106,556,115	-	-	-
Public safety	144,048,086	-	-	-
Public works	1,050,752	-	-	-
Highways, streets, and bridges	-	87,015,438	-	-
Health and welfare	88,519,781	-	562,023,826	29,534,249
Recreational and cultural	-	-	-	-
Community and economic development	1,800,000	-	-	-
Capital outlay	5,258,436	6,726,048	16,657	-
Debt service	-	-	-	-
Total expenditures	<u>455,949,354</u>	<u>93,741,486</u>	<u>562,040,483</u>	<u>29,534,249</u>
Excess (deficiency) of revenues over (under) expenditures	<u>153,197,017</u>	<u>16,883,159</u>	<u>(10,529,723)</u>	<u>(7,279,559)</u>
Other Financing Sources (Uses):				
Transfers in (Note 10)	71,675,814	2,523,192	9,233,700	8,298,213
Transfers out (Note 10)	(223,222,747)	(5,976,130)	(18,831,796)	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	29,479	545,362	-	1,277
Total other financing sources (uses):	<u>(151,517,454)</u>	<u>(2,907,576)</u>	<u>(9,598,096)</u>	<u>8,299,490</u>
Net change in fund balances	1,679,563	13,975,583	(20,127,819)	1,019,931
Fund balances at October 1, 2006	<u>23,698,993</u>	<u>(3,486,166)</u>	<u>74,135,357</u>	<u>-</u>
Fund balances at September 30, 2007	<u>\$ 25,378,556</u>	<u>10,489,417</u>	<u>54,007,538</u>	<u>1,019,931</u>

See accompanying notes to the basic financial statements.

Juvenile Justice and Abuse/Neglect	Total Major Funds	Non-major Governmental Funds	Total Governmental Funds
-	450,671,915	17,999,486	\$ 468,671,401
-	5,986,774	15,998,563	21,985,337
-	-	7,403,499	7,403,499
-	372,155	59,070	431,225
684,015	26,890,097	45,889,363	72,779,460
105,075,955	783,456,021	11,592,358	795,048,379
3,512,948	15,249,551	3,758,681	19,008,232
139,194	80,692,875	17,942,747	98,635,622
-	7,577,723	25,792,776	33,370,499
-	32,051,467	330,620	32,382,087
109,412,112	1,402,948,578	146,767,163	1,549,715,741
-	11,806,806	-	11,806,806
-	96,909,378	1,220,345	98,129,723
-	106,556,115	28,308,457	134,864,572
-	144,048,086	17,923,583	161,971,669
-	1,050,752	-	1,050,752
-	87,015,438	6,885	87,022,323
224,771,986	904,849,842	50,488,720	955,338,562
-	-	20,921,430	20,921,430
-	1,800,000	-	1,800,000
121,420	12,122,561	831,113	12,953,674
-	-	38,783,890	38,783,890
224,893,406	1,366,158,978	158,484,423	1,524,643,401
(115,481,294)	36,789,600	(11,717,260)	25,072,340
119,270,683	211,001,602	107,945,202	318,946,804
-	(248,030,673)	(56,738,291)	(304,768,964)
-	-	(90,278,259)	(90,278,259)
-	-	66,395,000	66,395,000
-	-	1,583,054	1,583,054
-	576,118	263,305	839,423
119,270,683	(36,452,953)	29,170,011	(7,282,942)
3,789,389	336,647	17,452,751	17,789,398
(29,500,141)	64,848,043	97,388,007	162,236,050
(25,710,752)	65,184,690	114,840,758	\$ 180,025,448

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, 2007

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

Net change in fund balances - total governmental funds	\$	17,789,398
The change in net assets of the internal service funds is reported with governmental activities in the Statement of Activities.		(7,043,660)
The change in net assets of the Delinquent Tax Revolving Fund, an enterprise fund, is reported with governmental activities in the Statement of Activities.		17,179,192
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	\$	12,953,674
Less current year depreciation	<u>(63,091,975)</u>	(50,138,301)
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.		(2,500,000)
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 Statement of Net Assets and offset against the sales proceeds resulting in a gain on the sale in the Statement of Activities. Thus more revenue is reported in the governmental funds.		1,506
Repayment of bond principal and other debt is an expenditure in the governmental funds, but the repayment reduces long term obligations in the Statement of Net Assets.		82,877,059
Revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenues in the funds.		7,534,252
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.		13,669,290
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations 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		(60,728,915)
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	\$	7,356,398
Increase in State of Michigan note payable due to accrued interest		(2,249,828)
Change in accrued compensated absences		4,570,812
Change in accrued claims, litigation and assessments		(465,193)
Amortization of current year bond premium		34,414
Amortization of current year bond discounts		(1,864,634)
Amortization of deferred loss on refunding		(2,476,143)
Amortization of current year bond cost	<u>(1,636,930)</u>	<u>3,268,896</u>
Change in net assets of governmental activities	<u>\$</u>	<u>21,908,717</u>

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Net Assets
Proprietary Funds
As of September 30, 2007

	Enterprise Funds						Governmental Activities
	Sewage Disposal Systems			Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Downriver	Rouge Valley	CSO Basins				
<u>Assets</u>							
Current assets:							
Equity in pooled cash and investments (Note 4)	\$ 6,561,042	9,762,132	-	36,850,875	2,387,582	\$ 55,561,631	\$ 24,350,004
Other cash and investments (Note 4)	1,000	-	-	-	40,000	41,000	4,925
Due from component units (Note 10)	16,367	-	-	-	-	16,367	70,226
Receivables:							
Delinquent property taxes	-	-	-	211,903,195	-	211,903,195	-
Accounts	569,455	-	136,748	73,305	1,650,874	2,430,382	1,193,461
Due from other governmental units (Note 10)	2,768,829	5,769,757	698,285	-	2,843,663	12,080,534	2,398
Less allowance for uncollectible accounts	(5,283)	(85,351)	(193,640)	-	-	(284,274)	-
Supplies inventory, at cost	-	-	-	-	-	-	188,102
Prepayments and deposits	195,812	-	-	-	-	195,812	93,837
Restricted:							
Equity in pooled cash and investments (Notes 4 and 5)	31,018,829	5,180,719	6,133,700	-	1,778,417	44,111,665	-
Other cash and investments (Notes 4 and 5)	5,007,318	1,641,135	-	-	-	6,648,453	-
Accounts receivable (Note 5)	10,347,175	742,000	3,473,281	-	475,111	15,037,567	-
Total current assets	56,480,544	23,010,392	10,248,374	248,827,375	9,175,647	347,742,332	25,902,953
Non-current assets:							
Restricted assets:							
Bond principal due from municipalities (Note 5)	165,025,504	970,000	27,913,641	-	3,129,866	197,039,011	-
Capital assets:							
Non-depreciable	8,661,353	2,420,911	-	-	1,589,186	12,671,450	48,799,249
Depreciable, net	243,630,036	84,520,907	-	32,927	4,844,967	333,028,837	35,352,573
Other assets:							
Bond issuance cost, net of amortization	459,923	-	118,702	-	-	578,625	-
Advances to other funds (Note 10)	-	-	-	44,320,351	-	44,320,351	-
Long-term receivables (Note 7)	-	-	-	-	-	-	30,752,951
Total non-current assets	417,776,816	87,911,818	28,032,343	44,353,278	9,564,019	587,638,274	114,904,773
Total assets	\$ 474,257,360	110,922,210	38,280,717	293,180,653	18,739,666	\$ 935,380,606	\$ 140,807,726

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Net Assets - Continued
Proprietary Funds
As of September 30, 2007

	Enterprise Funds					Governmental Activities	
	Sewage Disposal Systems			Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Downriver	Rouge Valley	CSO Basins				
Liabilities and Net Assets							
Current liabilities:							
Negative equity in pooled cash	\$ -	-	173,419	-	4,794	\$ 178,213	\$ 5,475,789
Accounts and contracts payable	946,458	6,772,851	51,800	215,288	2,770,432	10,756,829	3,300,491
Accrued wages and benefits	69,912	-	-	17,678	6,757	94,347	967,754
Due to other funds (Note 10)	-	-	-	5,000,000	-	5,000,000	-
Due to component units (Note 10)	-	-	-	-	-	-	2,174,526
Current portion of long-term obligations (Note 11)	490,530	-	-	101,043	2,273	593,846	4,735,411
Other liabilities	83,090	4,974	-	208,845	24,100	321,009	15,831,412
Payable from restricted assets:							
Accounts payable	4,719,072	145,371	4,054,707	-	175,271	9,094,421	-
Current portion of long-term obligations (Note 11)	13,086,875	700,000	1,955,035	-	475,711	16,217,621	-
Deferred revenue	58,150	103,086	-	-	-	161,236	-
Other liabilities	11,745,128	42,000	381,725	-	28,920	12,197,773	-
Total current liabilities	31,199,215	7,768,282	6,616,686	5,542,854	3,488,258	54,615,295	32,485,383
Non-current liabilities:							
Payable from restricted assets:							
Bonds payable from restricted assets (Note 11)	166,881,653	970,000	27,639,363	-	3,129,266	198,620,282	-
Other liabilities (Note 11)	-	-	-	5,343,000	-	5,343,000	30,807,074
Advances from other funds (Note 10)	-	-	-	-	-	-	44,320,351
Notes payable (Note 11)	-	-	-	180,000,000	-	180,000,000	10,540,152
Total non-current liabilities	166,881,653	970,000	27,639,363	185,343,000	3,129,266	383,963,282	85,667,577
Total liabilities	198,080,868	8,738,282	34,256,049	190,885,854	6,617,524	438,578,577	118,152,960
Net assets:							
Invested in capital assets, net of related debt	72,322,861	85,271,818	-	32,927	2,829,176	160,456,782	28,192,773
Restricted net assets:							
Delinquent tax administration	-	-	-	38,431,816	-	38,431,816	-
Bond programs	194,876,476	8,243,397	3,489,792	-	5,179,203	211,788,868	-
Unrestricted	8,977,155	8,668,713	534,876	63,830,056	4,113,763	86,124,563	(5,538,007)
Total net assets	276,176,492	102,183,928	4,024,668	102,294,799	12,122,142	496,802,029	22,654,766
Total liabilities and net assets	\$ 474,257,360	110,922,210	38,280,717	293,180,653	18,739,666	\$ 935,380,606	\$ 140,807,726

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

Total net assets - enterprise funds	\$ 496,802,029
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).	(102,294,799)
Net assets of business-type activities	\$ 394,507,230

See accompanying notes to the basic financial statements.

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2007

	Enterprise Funds					Governmental Activities	
	Sewage Disposal Systems			Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Downtriver	Rouge Valley	CSO Basins				
Operating revenues:							
Sewage disposal charges	\$ 15,753,989	33,212,193	34,052	-	15,306,086	\$ 64,306,320	\$ -
Industrial surcharges	1,982,358	-	-	-	-	1,982,358	-
Other charges for services	404,279	405	1,468,725	-	2,959,329	4,832,738	223,680,219
Fines and forfeitures	-	-	-	34,368,139	-	34,368,139	-
Rentals and expense recoveries	-	-	-	-	-	-	3,423,824
Other revenue	-	-	-	6,985,000	-	6,985,000	13,658
Total operating revenues	18,140,626	33,212,598	1,502,777	41,353,139	18,265,415	112,474,555	227,117,701
Operating expenses:							
Personnel	3,315,268	-	-	802,032	137,435	4,254,735	33,296,686
Fringe benefits	1,483,394	-	-	430,124	66,168	1,979,686	18,183,915
Pension	417,688	-	-	88,726	25,838	532,252	4,196,428
Materials and supplies	1,989,255	40,650	101,153	653,669	801,893	3,586,620	1,921,646
Contractual services	6,425,731	37,032,224	1,067,295	6,181,135	16,052,004	66,758,389	29,207,591
Travel	48,327	-	-	8,561	-	56,888	534,387
Miscellaneous operating	3,046,661	83,399	389,177	371,027	316,581	4,206,845	133,444,785
Rentals	87,586	47,532	55,335	219,073	255,071	664,597	5,002,594
Other charges	-	-	-	7,325	286,241	293,566	3,079,143
Depreciation and amortization	12,749,448	1,935,086	-	5,567	372,662	15,062,763	3,690,425
Total operating expenses	29,563,358	39,138,891	1,612,960	8,767,239	18,313,893	97,396,341	232,557,600
Operating income (loss)	(11,422,732)	(5,926,293)	(110,183)	32,585,900	(48,478)	15,078,214	(5,439,899)
Non-operating revenues (expenses):							
Investment earnings (loss)	888,294	903,931	434,591	6,562,144	189,897	8,978,857	(2,235,908)
Collections from (payments to) participating local units	4,054,572	109,918	1,576,294	-	115,640	5,856,424	-
Interest expense	(4,440,003)	(109,918)	(1,332,138)	(7,968,852)	(129,929)	(13,980,840)	(991,903)
Federal grants	304,493	-	-	-	-	304,493	496,840
Total non-operating revenues (expenses)	807,356	903,931	678,747	(1,406,708)	175,608	1,158,934	(2,730,971)
Net income (loss) before capital contributions and transfers	(10,615,376)	(5,022,362)	568,564	31,179,192	127,130	16,237,148	(8,170,870)
Capital contributions	17,335,002	86,843	45,385	-	-	17,467,230	-
Transfer of capital assets (note 8)	-	-	(1,118,412)	-	-	(1,118,412)	2,500,000
Transfers in	-	-	-	-	1,194,950	1,194,950	1,129,960
Transfers out	-	-	-	(14,000,000)	-	(14,000,000)	(2,502,750)
Change in net assets	6,719,626	(4,935,519)	(504,463)	17,179,192	1,322,080	19,780,916	(7,043,660)
Net assets at October 1, 2006	269,456,866	107,119,447	4,529,131	85,115,607	10,800,062	477,021,113	29,698,426
Net assets at September 30, 2007	\$ 276,176,492	102,183,928	4,024,668	102,294,799	12,122,142	\$ 496,802,029	\$ 22,654,766

**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	\$ 19,780,916
The Delinquent Tax Revolving Fund primarily serves the general government and therefore is reported as governmental activities in the Statement of Net	(17,179,192)
Change in net assets of business-type activities	\$ 2,601,724

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, 2007

	Enterprise Funds					Governmental Activities	
	Sewage Disposal Systems			Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Downriver	Rouge Valley	CSO Basins				
Cash flows from operating activities:							
Receipts from customers	\$ 19,629,198	33,432,644	2,192,310	299,026,228	18,716,064	\$ 372,996,444	\$ 230,718,801
Payments to suppliers	(12,900,137)	(37,320,393)	(1,682,992)	(328,322,817)	(18,170,654)	(398,396,993)	(176,075,438)
Payments to employees	(5,228,893)	-	-	(1,213,787)	(221,268)	(6,663,948)	(51,643,116)
Internal activity - receipts from other funds	-	5,969	-	62,546	-	68,515	-
Internal activity - payments to other funds	(29,490)	(4,458)	(196,828)	(520,040)	-	(750,816)	280,290
Internal activity - receipts from component units	2,255	-	-	-	-	2,255	2,406,725
Net cash provided by (used in) operating activities	1,472,933	(3,886,238)	312,490	(30,967,870)	324,142	(32,744,543)	5,687,262
Cash flows from non-capital financing activities:							
Advances to other funds	-	-	-	(3,239,315)	-	(3,239,315)	3,239,315
Transfers from other funds	-	-	-	-	1,194,950	1,194,950	-
Transfers to other funds	-	-	-	(14,000,000)	-	(14,000,000)	1,655,218
Federal grants	304,493	-	-	-	-	304,493	496,840
Net cash provided by (used in) non-capital financing activities	304,493	-	-	(17,239,315)	1,194,950	(15,739,872)	3,736,155
Cash flows from capital and related financing activities:							
Repayment of long-term debt	(12,763,832)	(685,000)	(13,002,659)	(185,300,000)	(921,422)	(212,672,913)	(1,169,951)
Proceeds from issuance of long term debt	17,674,849	-	10,557,085	226,000,000	-	254,231,934	-
Bond principal received from municipalities	(4,686,267)	-	2,513,102	-	460,711	(1,712,454)	-
Interest received from participating local units	4,054,572	109,918	1,576,294	-	115,640	5,856,424	-
Capital transfers from other funds	-	-	-	-	-	-	1,127,210
Contribution of capital	17,335,002	86,843	45,385	-	-	17,467,230	-
Acquisition of capital assets	(1,977,337)	(763,001)	-	(20,992)	(135,055)	(2,896,385)	(3,345,654)
Disposition of capital assets	-	201,389	(1,118,412)	-	-	(917,023)	(57,277)
Interest paid	(4,595,088)	(109,918)	(1,395,093)	(7,968,852)	(129,928)	(14,198,879)	(991,903)
Net cash provided by (used in) capital and related financing activities	15,041,899	(1,159,769)	(824,298)	32,710,156	(610,054)	45,157,934	(4,437,575)
Cash flows from investing activities:							
Investment earnings	888,294	903,931	434,591	6,562,144	189,897	8,978,857	(2,235,908)
Net cash provided by investing activities	888,294	903,931	434,591	6,562,144	189,897	8,978,857	(2,235,908)
Net increase (decrease) in cash and cash equivalents	17,707,619	(4,142,076)	(77,217)	(8,934,885)	1,098,935	5,652,376	2,749,934
Cash and cash equivalents at October 1, 2006	24,880,570	20,726,062	6,037,498	45,785,760	3,102,270	100,532,160	16,129,206
Cash and cash equivalents at September 30, 2007	\$ 42,588,189	16,583,986	5,960,281	36,850,875	4,201,205	\$ 106,184,536	\$ 18,879,140
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating income (loss)	\$ (11,422,732)	(5,926,293)	(110,183)	32,585,900	(48,478)	\$ 15,078,214	\$ (5,439,899)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	12,749,448	1,935,086	-	5,567	372,662	15,062,763	3,690,425
Decreases (increases) in current assets:							
Delinquent property taxes receivable	-	-	-	(55,375,680)	-	(55,375,680)	-
Accounts receivable	1,525,458	704,618	618,792	71,771	455,973	3,376,612	3,600,655
Due from other funds	-	1,511	-	62,546	-	64,057	304,615
Due from other governmental units	5,574	(484,572)	70,740	-	(5,324)	(413,582)	445
Due from component units	2,255	-	-	-	-	2,255	232,199
Other current assets	(195,812)	-	-	-	50,561	(145,251)	(34,620)
Increases (decreases) in current liabilities:							
Accounts and contracts payable	(143,111)	(51,206)	243,325	(2,287,177)	(456,731)	(2,694,900)	(4,843,503)
Accrued wages and benefits	15,672	-	-	6,052	5,900	27,624	400,193
Due to other funds	(29,490)	-	(196,828)	(520,040)	-	(746,358)	(24,325)
Due to component units	-	-	-	-	-	-	2,174,526
Due to other governmental units	(37,277)	-	-	-	-	(37,277)	-
Compensated absences	(28,215)	-	-	101,043	2,273	75,101	-
Other liabilities	(926,377)	(65,382)	(313,356)	1,367,148	(52,694)	9,339	1,989,686
Deferred revenue	(42,460)	-	-	-	-	(42,460)	-
Advances from other funds	-	-	-	-	-	-	3,636,865
(Decrease) in noncurrent other liabilities	-	-	-	(6,985,000)	-	(6,985,000)	-
Net cash provided by (used in) operating activities	\$ 1,472,933	(3,886,238)	312,490	(30,967,870)	324,142	\$ (32,744,543)	\$ 5,687,262
Cash and cash equivalents at September 30, 2007 consists of the following:							
Equity in pooled cash and investments	\$ 6,561,042	9,762,132	-	36,850,875	2,387,582	\$ 55,561,631	\$ 24,350,004
Negative equity in pooled cash	-	-	(173,419)	-	(4,794)	(178,213)	(5,475,789)
Other cash and investments	1,000	-	-	-	40,000	41,000	4,925
Restricted assets:							
Equity in pooled cash and investments	31,018,829	5,180,719	6,133,700	-	1,778,417	44,111,665	-
Other cash and investments	5,007,318	1,641,135	-	-	-	6,648,453	-
Total cash and investments	\$ 42,588,189	16,583,986	5,960,281	36,850,875	4,201,205	\$ 106,184,536	\$ 18,879,140

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
As of September 30, 2007

	Pension (and Other Employee Benefit) Trust Funds	Agency Funds
<u>Assets</u>		
Equity in pooled cash and investments (Note 4)	\$ 1,796,418	\$ 144,359,934
Other cash and investments (Note 4)	-	2,788,142
Due from component units (Note 10)	12,985	-
Accounts receivable	9,382,116	733,255
Accrued interest receivable	1,666,115	-
Retirement investments (Note 4):		
Equity securities	1,040,301,466	-
Debt securities	232,755,223	-
Money market funds	22,606,440	-
Other investments	209,640,615	-
Total retirement investments	1,505,303,744	-
Prepayments and deposits	56,792	-
Depreciable capital assets, net (Note 8)	5,067	-
Total assets	\$ 1,518,223,237	\$ 147,881,331
<u>Liabilities</u>		
Accounts and contracts payable	\$ 706,040	\$ 5,373,365
Due to other governmental units (Note 10)	-	1,756,813
Accrued wages and benefits	25,886	4,701,275
Due to broker for securities purchased	4,173,430	-
Undistributed taxes	-	122,723,622
Retainage	-	2,644,332
Other liabilities	102,691	10,681,924
Total liabilities	\$ 5,008,047	\$ 147,881,331
<u>Net Assets</u>		
Net assets held in trust for pension benefits	\$ 1,513,215,190	

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, 2007

	<u>Pension (and Other Employee Benefit) Trust Funds</u>
<u>Additions</u>	
Investment income:	
Net appreciation to fair market value	\$ 156,771,986
Interest and dividends	39,214,377
Other investment income	4,119,101
Investment expenses	<u>(3,785,565)</u>
Net investment income	<u>196,319,899</u>
Retirement contributions:	
Employer	42,098,557
Employee	<u>15,867,029</u>
Total retirement contributions	<u>57,965,586</u>
Total additions	<u>254,285,485</u>
<u>Deductions</u>	
Administrative expenses:	
Personnel	1,211,125
Fringe benefits	661,434
Pension	159,619
Materials and supplies	91,356
Contractual services	1,020,301
Travel	82,751
Rentals	258,304
Depreciation and amortization	58,284
Other charges	<u>15,070</u>
Total administrative expenses	3,558,244
Participant benefits - retirement benefits	<u>136,356,000</u>
Total deductions	<u>139,914,244</u>
Change in net assets	114,371,241
Net assets at October 1, 2006	<u>1,398,843,949</u>
Net assets at September 30, 2007 (Note 12)	<u><u>\$ 1,513,215,190</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, 2007

<u>Assets</u>	Airport Authority	Circuit Court	Non-major Component Units	Total Component Units
Current assets:				
Equity in pooled cash and investments (Note 4)	\$ -	-	15,231,567	\$ 15,231,567
Other cash and investments (Note 4)	90,859,481	11,444	17,015,585	107,886,510
Due from primary government (Note 10)	2,349,880	-	184,678	2,534,558
Receivables:				
Accounts receivable	10,723,936	249,110	509,457	11,482,503
Special assessments	-	-	4,009,371	4,009,371
Due from other governmental units (Note 10)	27,151,745	7,475,187	1,891,015	36,517,947
Less allowance for uncollectible accounts	-	-	(140,274)	(140,274)
Inventory - real property held for sale	-	-	62,242	62,242
Prepayments and deposits	-	-	168,766	168,766
Restricted assets (Note 5):				
Equity in pooled cash and investments (Note 4)	-	-	1,180,015	1,180,015
Other cash and investments (Note 4)	755,951,028	-	-	755,951,028
Accounts receivable	19,230,778	-	-	19,230,778
Total current assets	906,266,848	7,735,741	40,112,422	954,115,011
Non-current assets:				
Restricted other cash and investments (Note 5)	109,633,354	-	-	109,633,354
Capital assets (Note 8):				
Non-depreciable	507,284,767	7,534,403	82,036,692	596,855,862
Depreciable, net	1,682,245,002	734,250	550,807,956	2,233,787,208
Other assets:				
Bond issuance costs, net of amortization	34,058,453	-	-	34,058,453
Accounts receivable	693,920	-	402,303	1,096,223
Special assessments receivable	-	-	12,208,060	12,208,060
Prepaid expenses	1,255,600	-	-	1,255,600
Total non-current assets	2,335,171,096	8,268,653	645,455,011	2,988,894,760
Total assets	\$ 3,241,437,944	16,004,394	685,567,433	\$ 3,943,009,771

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Statement of Net Assets
Component Units
As of September 30, 2007

	Airport Authority	Circuit Court	Non-major Component Units	Total Component Units
<u>Liabilities and Net Assets</u>				
Current liabilities:				
Negative equity in pooled cash (Note 4)	\$ -	43,834,766	-	\$ 43,834,766
Accounts and contracts payable	61,092,303	1,058,155	4,704,531	66,854,989
Accrued wages and benefits	3,562,963	786,320	89,139	4,438,422
Due to primary government (Note 10)	458,941	-	-	458,941
Due to other governmental units (Note 10)	-	2,848,628	924,902	3,773,530
Accrued interest	105,000	-	-	105,000
Current portion of long-term obligations (Note 11)	338,817	4,911,339	6,557,124	11,807,280
Unearned revenue	1,216,546	13,119	1,900,115	3,129,780
Other liabilities	33,503,710	362,930	344,063	34,210,703
Payable from restricted assets:				
Current portion of long-term obligations (Note 11)	45,561,395	-	-	45,561,395
Accrued interest	34,826,783	-	170,076	34,996,859
Unearned	2,307,438	-	-	2,307,438
Total current liabilities	182,973,896	53,815,257	14,689,950	251,479,103
Non-current liabilities				
Non-current portion of long-term obligations (Note 11)	2,394,255,644	-	86,793,890	2,481,049,534
Other liabilities	6,873,707	-	-	6,873,707
Total non-current liabilities	2,401,129,351	-	86,793,890	2,487,923,241
Total liabilities	2,584,103,247	53,815,257	101,483,840	2,739,402,344
Net assets:				
Invested in capital assets, net of related debt	131,815,887	8,268,653	541,638,385	681,722,925
Restricted net assets:				
Bond programs	286,801,092	-	12,396,342	299,197,434
Capital projects	153,172,526	-	-	153,172,526
Drug enforcement	3,270,814	-	-	3,270,814
Airport operations	28,301,371	-	-	28,301,371
Unrestricted net assets	53,973,007	(46,079,516)	30,048,866	37,942,357
Total net assets	657,334,697	(37,810,863)	584,083,593	1,203,607,427
Total liabilities and net assets	\$ 3,241,437,944	16,004,394	685,567,433	\$ 3,943,009,771

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, 2007

	Airport Authority	Circuit Court	Non-major Component Units	Total Component Units
Expenses	\$ 443,783,562	130,429,690	70,040,714	\$ 644,253,966
Program revenues:				
Charges for services	337,267,389	6,310,054	25,723,802	369,301,245
Operating grants and contributions	5,962,547	114,219,665	17,037,132	137,219,344
Capital grants and contributions	66,212,355	-	1,455,084	67,667,439
	<u>409,442,291</u>	<u>120,529,719</u>	<u>44,216,018</u>	<u>574,188,028</u>
Total program revenues				
	<u>409,442,291</u>	<u>120,529,719</u>	<u>44,216,018</u>	<u>574,188,028</u>
Net expense	(34,341,271)	(9,899,971)	(25,824,696)	(70,065,938)
General revenues:				
Taxes:				
Investment earnings (loss)	45,948,105	(1,978,505)	1,263,357	45,232,957
Other revenue	955,001	311,178	139,111	1,405,290
	<u>46,903,106</u>	<u>(1,667,327)</u>	<u>1,402,468</u>	<u>46,638,247</u>
Total general revenues				
	<u>46,903,106</u>	<u>(1,667,327)</u>	<u>1,402,468</u>	<u>46,638,247</u>
Change in net assets	12,561,835	(11,567,298)	(24,422,228)	(23,427,691)
Net assets at October 1, 2006	644,772,862	(26,243,565)	608,505,821	1,227,035,118
Net assets at September 30, 2007	<u>\$ 657,334,697</u>	<u>(37,810,863)</u>	<u>584,083,593</u>	<u>\$ 1,203,607,427</u>

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

CHARTER COUNTY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2007

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CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

(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 2 million residents. The County operates under a Home Rule Charter that provides for government by a legislative branch, which is comprised of the 15 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 eleven executive departments, including Children and Family Services, Corporation Counsel, Economic and Neighborhood Development, Environment, Health and Human Services, Homeland Security/Emergency Management, Management and Budget, Personnel/Human Resources, Public Services, Senior Citizens and Veteran's Affairs, 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 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, 2007

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 25 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 32 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 seven judges and is responsible for hearing all domestic relations cases filed within the County. The Juvenile Section is assigned three 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 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.

The Detroit-Wayne County Stadium Authority (DWCSA) was incorporated by the County on August 20, 1996 under the provisions of Public Act 31 for the purpose of constructing and maintaining two new sports stadiums, Comerica Park and Ford Field, home of the Detroit Tigers Professional Baseball Team and of the Detroit Lions Professional Football Team, respectively.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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 Director of Environment) 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.

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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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, 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.

The Metropolitan Growth and Development Corporation (MGDC), a non-profit corporation, was established solely to oversee and administer federal loan funds on behalf of the County's Department of Economic and Neighborhood Development, such as the Small Business Administration (SBA) Loan Program and the Federal Grant Urban Loan Fund (ULF) Program. The MGDC's responsibilities include the day-to-day administration of the SBA loan program and promoting economic development for minority businesses and businesses in distressed communities. The MGDC is funded through County contributions and solicitations from individuals, corporations, foundations, and other organizations. The MGDC is staffed by County employees and budget approval authority for the ULF program resides with the County. It is governed by a 39 member Board of Directors, of which two are Wayne County officials.

The MGDC also owns the Wayne County-Detroit CDE, Inc., a non-major discretely presented component unit of the County.

The Brownfield Redevelopment Authority (BRA) was established by State enabling legislation. The BRA will assist the Wayne County Department of 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. 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

The Wayne Regional Jobs and Economic Growth Foundation (the Foundation) is an IRS Section 501 (c) (3) Michigan foundation formed to lessen the financial burden of Wayne County; raise funds to finance expenses otherwise incurred by taxpayers; support/encourage economic development projects, corporations and charities or other organizations that promote growth of businesses, jobs and economic opportunities; help other organizations provide support for economic development initiatives; and finance expenses incurred for jobs and economic development functions performed in the 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.

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 will provide 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 Dept of Labor and Economic Growth), and the Wayne County Treasurer (WCT). This agreement was formed under Sec. 5 of Article 3, and Sec. 28 or 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 from the County and the Executive Director of the Land Bank is an employee of the County.

Bonds or notes issued by the Land Bank are the debt of the Land Bank and not of Wayne County. The Land Bank has no taxing authority.

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, the MGDC, HealthChoice of Michigan, the Foundation, the DCWC, and the Land Bank. These reports may be obtained at the entity's administrative offices listed below.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

Wayne County Building Authority
600 Randolph, Third Floor
Detroit, Michigan 48226

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

Detroit-Wayne County Stadium Authority
600 Randolph, Suite 300
Detroit, Michigan 48226

Chapter 21 (Milk River) Drainage District
Wayne County Department of Environment
415 Clifford, Seventh Floor
Detroit, Michigan 48226

*Wayne County-Detroit Community
Development Entity, Inc.*
600 Randolph, 3rd 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, 600 Randolph, 3rd floor.

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

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

Chapters 8 and 20 Drainage Districts
Wayne County Department of Environment
415 Clifford, Seventh Floor
Detroit, Michigan 48226

*Greater Wayne County Economic Development
Corporation*
600 Randolph, 3rd Floor
Detroit, Michigan 48226

*Metropolitan Growth and Development
Corporation*
600 Randolph, 3rd Floor
Detroit, Michigan 48226

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

*Wayne Regional Jobs and Economic
Growth Foundation*
600 Randolph, Suite 323
Detroit, Michigan 48226

Development Corporation of Wayne County
333 West Fort Street, Suite 1500
Detroit, Michigan 48226

*Economic Development Corporation of
Wayne County*
600 Randolph, Room 323
Detroit, Michigan 48226

Brownfield Redevelopment Authority
600 Randolph, Suite 323
Detroit, Michigan 48226

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

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 Wayne County Council for the Arts, History and Humanities, 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, jail commissary, parking lots, copy center, and wetlands mitigation services are classified as business-type activities as they rely on fees and charges for support.

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 and receivables, 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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

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 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.

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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

- 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 reserved for providing mental health services to County residents.
- Health Fund – This fund is used to account for revenue reserved for the purpose of providing health protection, maintenance, and improvement for the residents of the County.
- 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.

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, Rouge Valley, and Combined Sewage Overflow (CSO) Basins Sewage Disposal System Funds – These major enterprise funds are used to record the fiscal activities associated with operation and maintenance of the Downriver, Rouge Valley, and CSO Basins 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 personnel, 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

- **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 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 includes 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 Statements (FASB) 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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

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 reserved for the balance in inventory, prepaid items, and deposits at September 30, 2007, as that portion of fund balance is unavailable for appropriation or expenditure.

Interfund Balances – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds” (i.e., the non-current portion of interfund loans).

All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Bond Issuance Costs – The principal 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 Road’s machinery and equipment and Department of Environment vehicles, which are depreciated using sum-of-the years’ digits:

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

<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 revenues are deferred until such time as they are available. Governmental and proprietary funds also defer revenue recognition in connection with resources that have been received but not yet earned.

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.

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.

Fund Balance – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not subject to appropriation or are legally segregated for a specific purpose.

Reservations of fund balances generally represent outside third-party restrictions or non-current assets that are not available to fund current liabilities such as inventories, prepayments, long-term receivables and due from other funds not settled within a year.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

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 that affect the reported amounts of assets and liabilities and 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

(2) **Budget Matters**

The following is a listing of total expenditures in excess of the final amended budget for the major governmental funds (the General Fund, the Roads Fund, the Health Fund, the Mental Health Fund and the Juvenile Justice and Abuse/Neglect 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-128. The budgetary comparison schedules for the other governmental funds begin on page II-136.

	Final <u>Amended Budget</u>	Actual <u>Expenditures</u>	Amount Over <u>Amended Budget</u>
<u>General Fund:</u>			
Judicial:			
Probate Court	\$ 9,705,000	\$ 9,889,678	\$ 184,678
General Government:			
Management and Budget	5,322,100	5,703,107	381,007
Corporation Counsel	1,000,000	1,409,444	409,444
Prosecuting Attorney	34,530,984	34,813,200	282,216
Public Safety:			
Sheriff Court Services	17,752,000	18,720,130	968,130
Sheriff Field Services	3,376,200	3,719,999	343,799
County Jail	99,772,300	110,213,203	10,440,903
Health and Welfare:			
Senior Citizen Services	2,168,759	2,264,879	96,120
Non Departmental:			
Hurricane Katrina	-	71,770	71,770
General Fund Transfers	149,576,620	221,109,021	71,532,401
Total General Fund	<u>\$ 323,203,963</u>	<u>\$ 407,914,431</u>	<u>\$ 84,710,468</u>
<u>Special Revenue Funds:</u>			
Mental Health:			
Mental Health	\$ 564,283,365	\$ 579,988,924	\$ 15,705,559
Health :			
Other Health Programs	3,836,666	9,697,071	5,860,405
Juvenile Justice:			
Third Circuit Court	947,700	6,608,359	5,660,659
Juvenile Justice Programs	164,970,379	168,121,468	3,151,089
Revenue Sharing:			
Treasurer	46,214,500	46,846,868	632,368
Law Enforcement:			
Sheriff Auto Theft	641,432	689,192	47,760
Prosecutor Grants	-	2,253	2,253
Sheriff Communications	1,290,700	1,488,361	197,661
CDBG:			
CDBG Administration	790,900	1,507,015	716,115
Drug Enforcement:			
Sheriff Drug Enforcement	3,812,300	3,963,958	151,658

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

	<u>Final Amended Budget</u>	<u>Actual Expenditures</u>	<u>Amount Over Amended Budget</u>
Nutrition:			
Food Distribution	\$ 101,000	\$ 126,691	\$ 25,691
E &ND:			
Planning	410,400	582,512	172,112
CDBG Administration	336,900	381,092	44,192
Victim Witness:			
Prosecuting Attorney	1,166,500	1,220,345	53,845
Stadium and Land Development:			
Tourist Tax	7,213,000	8,112,534	899,534
Nuisance Abatement:			
Prosecuting Attorney	-	111,815	111,815
Health and Family Services:			
Children and Family Services	22,416,435	22,518,612	102,177
Pinnacle Aeropark:			
Economic and Neighborhood Development	<u>2,888,600</u>	<u>3,233,699</u>	<u>345,099</u>
Total Special Revenue Funds	<u>\$ 821,320,777</u>	<u>\$ 855,200,769</u>	<u>\$ 33,879,992</u>
<u>Debt Service Funds:</u>			
General	\$ 17,019,900	\$ 56,092,090	\$ 39,072,190
Building Authority	<u>14,707,500</u>	<u>66,669,616</u>	<u>51,962,116</u>
Total Debt Service	<u>\$ 31,727,400</u>	<u>\$ 122,761,706</u>	<u>\$ 91,034,306</u>

General Fund – Actual expenditures in these functions exceeded budgeted expenditures by \$84,710,468 which relates mainly to a transfer of property tax revenue to the Revenue Sharing Reserve fund. This increase in expenditures is offset by a corresponding increase in actual property tax revenue over budgeted revenue.

Mental Health – Actual expenditures in this function exceeded budgeted expenditures by \$15,705,559. This overage was mainly funded through use of fund balance.

Health – Actual expenditures in this function exceed budgeted expenditures by \$5,860,405. This overage was mainly funded through expenditure savings in other functions and through additional grant revenues.

Juvenile Justice – Actual expenditures in these functions exceeded budgeted expenditures by \$8,811,748. These averages were mainly funded through cost savings in the Abuse and Neglect and Juvenile State Ward functions.

Revenue Sharing Reserve Fund – Actual transfer out exceeded budget by \$632,368. The overage was funded through the required 1/3 property tax levy transfer-in from the General fund.

Law Enforcement – Actual expenditures in this function exceeded budgeted expenditures by \$247,674. This fund is in deficit. Refer to Footnote 13 for disclosure of deficit elimination plan for this fund.

Community Development Block Grant Fund – Actual expenditures in this function exceeded budgeted expenditures by \$716,115. This overage was funded through additional general fund contributions.

Drug Enforcement – Actual expenditures in these functions exceeded budgeted expenditures by \$151,658. This overage was funded through general fund contributions.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

Nutrition Fund – Actual expenditures in this function exceeded budget by \$25,691. The overage was funded mainly through expenditure savings in other Nutrition Fund functions and increased federal grant revenue.

E&ND Fund – Actual expenditures in these functions exceeded budgeted expenditures by \$216,304. This overage was funded through expenditure saving in other functions.

Victim Witness – Actual expenditures in these functions exceeded budgeted expenditures by \$53,845. This overage was funded through general fund contributions.

Stadium and Land Development Fund – Actual expenditures exceeded budget by \$899,534. The overage was funded through increased tourist tax revenue.

Nuisance Abatement – Actual expenditures in this function exceeded budgeted expenditures by \$111,815. This overage was funded through general fund contributions.

Health and Family Services – Actual expenditures in this function exceeded budgeted expenditures by \$102,177. This overage was funded through general fund contributions.

Pinnacle Aeropark – Actual expenditures in this function exceeded budgeted expenditures by \$345,099. This overage was funded through use of fund balance.

General Debt Service Fund – Actual expenditures in this function exceeded budgeted expenditures by \$39,072,190, which related to early payments on refunded debt. This overage was funded through proceeds from issuance of the refunding bonds and debt service fund cash.

Building Authority Debt Service – Actual expenditures in this function exceeded budgeted expenditures by \$51,962,116, which relates to early payment on refunded debt. This overage was funded through proceeds from issuance of the refunding bonds.

(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 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, 2007

A reconciliation of the County's self-insured claims liability at September 30, 2007 follows:

	Workers' <u>Compensation</u>	Hospitalization <u>Insurance</u>	<u>Other Claims</u>	<u>Total</u>
Claims liability, September 30, 2005	\$ 5,729,823	4,436,799	75,000	\$ 10,241,622
Claims incurred during fiscal year 2006	3,718,030	87,475,076	218,025	91,411,131
Change in estimate for prior period claims	615,639	(5,549,116)	-	(4,933,477)
Payments on claims	<u>(3,936,563)</u>	<u>(82,128,355)</u>	<u>(218,025)</u>	<u>(86,282,943)</u>
Claims liability, September 30, 2006	6,126,929	4,234,404	75,000	10,436,333
Claims incurred during fiscal year 2007	2,976,870	91,306,209	15,999	94,299,078
Change in estimate for prior period claims	3,361,347	(132,491)	-	3,228,856
Payments on claims	<u>(5,184,551)</u>	<u>(90,543,309)</u>	<u>(15,999)</u>	<u>(95,743,859)</u>
Claims liability, September 30, 2007	<u>\$ 7,280,595</u>	<u>4,864,813</u>	<u>75,000</u>	<u>\$ 12,220,408</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, 2007, 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 5.0% was used to determine the present value of unpaid workers' compensation claims.

(4) Deposits and Investments

Summary of Deposit and Investment Balances – Following is a summary of deposit and investment balances as of September 30, 2007:

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

	Primary Government	Component Units
Statement of Net Assets		
Current assets:		
Equity in pooled cash and investments	\$ 196,629,368	\$ 15,255,791
Other cash and investments	3,903,961	107,863,115
Restricted equity in pooled cash and investments	44,111,665	1,180,015
Restricted other cash and investments	6,648,453	755,951,028
Non-current assets:		
Restricted other cash and investments	-	109,633,354
Current liabilities:		
Negative equity in pooled cash and investments	-	(43,834,766)
Total	\$ <u>251,293,447</u>	\$ <u>946,048,537</u>
Statement of Fiduciary Net Assets		
Equity in pooled cash and investments	\$ 146,156,352	
Other cash and investments	2,788,142	
Equity securities	1,067,972,884	
Debt securities	235,712,318	
Money market funds	20,702,801	
Other investments	195,475,386	
Total	\$ <u>1,668,807,883</u>	

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. 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.

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, have been excluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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. Statutes authorize the County to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, external investment pools (organized under Public Act 367 or 121) and mutual funds composed of otherwise legal investments (except those with fluctuating per share value).

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 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 Wayne County 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:

Investment	Fair Value	Rating	Organization
Money market funds	\$ 1,933,905	Not Rated	PA 367 Fund
Money market funds	88,255,879	Not Rated	\$1 per share
Money market funds	21,731,691	AAAm	S&P
Money market funds	23,591,468	AAAm-G	S&P
Money market funds	58,340,544	AAA-V1	Fitch
Commercial paper	9,032,173	A-1+, P-1	S&P, Moody's

In December 2007, subsequent to year-end, Standard and Poor's Ratings Services assigned a AAAm stability fund rating to the previously unrated money market funds totaling \$88.3 million as of September 30, 2007.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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 \$100,000 insured limit in a commercial bank shall not equal more than 25% 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 \$100,000 insured limit, that institution must meet the minimum standards of at least one standard rating service. At year-end, the County portfolio had \$235,376,999 of bank deposits (primarily demand deposits and certificates of deposit) with a carrying value of \$174,637,418, that were largely uninsured and uncollateralized. Other primary government depository accounts (outside of the portfolio administered by the Wayne County Treasurer) had a total bank balance of \$383,326 with a carrying value of \$30,476. 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 government 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.

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 government 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% 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, 2007

Limits based upon use of specific instruments –

Investment Type	Limit	Actual at Year-End
Bankers' acceptances	50%	0.0%
Repurchase agreements	25	0.00
U.S. government	100	0.00
Commercial paper	60	2.06
Money market funds, mutual funds and investment pools	50	44.23
Certificates of deposit (bank)	50	17.31
Certificates of deposit (credit union)	10	0.00
Certificates of deposit (savings and loan associations)	10	2.97

County limits based on use of a single issuer –

Investment Type	Limit
Bankers' acceptances	25% of total portfolio
Repurchase agreement	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 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

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:

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

Investments as of September 30, 2007 adhere to the guidelines concerning limits on maturities of investments.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

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

	<u>Fair Value</u>	<u>Avg. Days to Maturity</u>
Commercial paper	\$ 9,032,173	31.67
Cash/investments not subject to interest rate risk:		
Certificates of deposit and demand deposits	174,703,810	
Money market funds	<u>193,853,487</u>	
Total portfolio deposits and investments	\$ <u>377,589,470</u>	

As of September 30, 2007, ownership of assets within the portfolio is as follows:

Reporting Unit	Cash and Investment Portfolio				Non-Portfolio
	Dollar Amount of Portfolio	Percentage of Portfolio	Equity (Negative Equity) in Pooled Cash	Other Cash and Investments	Other Cash and Investments
Governmental activities	\$ 181,688,804	48.12	\$ 178,096,825	\$ 3,591,979	\$ 270,982
Business-type activities	69,292,661	18.35	62,644,208	6,648,453	41,000
Fiduciary activities	146,437,429	38.78	146,156,352	281,077	2,507,065
Component Units	<u>(20,192,005)</u>	<u>(5.35)</u>	<u>(27,398,960)</u>	<u>7,206,955</u>	<u>966,240,542</u>
Subtotal	<u>377,226,889</u>	<u>99.90</u>	<u>359,498,425</u>	<u>17,728,464</u>	<u>969,059,589</u>
Other	<u>362,581</u>	<u>0.10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>377,589,470</u>	<u>100.00</u>	\$ <u>359,498,425</u>	\$ <u>17,728,464</u>	\$ <u>969,059,589</u>

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 Plan's 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

The investment policy places a number of restrictions as to type, quality, and concentration of investment, including limiting common stock to 60 percent (at cost) of the portfolio. Investments in government-insured and other mortgages include mortgage-backed securities and conventional and construction mortgages collateralized by real property. Evaluations of real property must be performed by outside consultants. Common stock and corporate bonds are limited to publicly traded companies recommended by several investment advisors.

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

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

I. Wayne County Employees' Retirement System Defined Benefit Plan

As of September 30, 2007 and 2006, the Plan's investments are classified as follows:

	<u>2007</u>	<u>2006</u>
Equity securities:		
Common stocks	\$ 504,188,892	\$ 456,084,600
Equity mutual funds	<u>191,618,936</u>	<u>197,013,878</u>
Total Equity Securities	<u>695,807,828</u>	<u>653,098,478</u>
Debt securities:		
Corporate bonds	36,220,861	43,086,300
Asset-backed securities	11,461,232	24,554,134
Commercial mortgage-backed securities	9,940,320	7,981,787
Government agencies mortgage-backed securities	45,314,205	33,751,682
Government agencies bonds	10,673,506	11,926,789
U.S. government bonds	6,148,441	11,346,469
Bond mutual funds	<u>16,408,850</u>	<u>15,544,107</u>
Total Debt Securities	<u>136,167,415</u>	<u>148,191,268</u>
Money market funds:		
A1+ rating from Standard & Poor's, weighted average maturity of 39 days and 41 days in 2007 and 2006, respectively	<u>22,490,511</u>	<u>20,607,048</u>
Other investments:		
Real estate investment trusts	85,499,339	80,208,333
Investments in partnerships (net of valuation allowance of \$1,000,000 and \$7,500,000 in 2007 and 2006, respectively)	<u>90,851,430</u>	<u>83,292,225</u>
Total Other Investments	<u>176,350,769</u>	<u>163,500,558</u>
Total Investments	<u><u>\$ 1,030,816,523</u></u>	<u><u>\$ 985,397,352</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 \$1,061,896 and \$1,812,554 as of September 30, 2007 and 2006, respectively, are included in the County's pooled cash.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

Custodial Credit Risk of Investments – At year-end, none of the Plan'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 Plan's name,
- Investments were held by a trustee in the Plan's name, or
- Investments were part of a mutual fund.

The Plan does not have a formal policy for deposit or investment custodial credit risk.

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, 2007 and 2006, 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 – In compliance with Public Act 314 of 1965, as amended, the Retirement Commission limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices.

Interest Rate Risk – The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The credit quality ratings of investments in debt securities, and interest rate risk information for the Plan as of September 30, 2007 and 2006 are as follows:

		Maturity Dates				
		Fair Value	One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
2007						
Corporate bonds:						
Ratings from Standard and Poor's:						
AAA rating	\$	810,284	\$ -	\$ 810,284	\$ -	\$ -
AA rating		187,063	-	-	187,063	-
AA- rating		4,522,057	823,321	2,947,985	750,751	-
A+ rating		1,593,059	-	692,096	900,963	-
A rating		3,132,586	-	2,155,436	710,991	266,159
A- rating		5,762,902	1,140,962	2,657,380	1,590,320	374,240
BBB+ rating		8,842,607	1,960,551	4,083,855	1,394,406	1,403,795
BBB rating		6,544,046	1,489,503	3,354,720	1,261,389	438,434
BBB- rating		659,598	-	53,284	39,603	566,711
BB rating		1,254,350	-	913,438	340,912	-
B rating		948,641	-	948,641	-	-
B- rating		371,250	-	371,250	-	-

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

	Fair Value	Maturity Dates			
		One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
2007 (continued)					
Ratings from Moody's:					
Aa3 rating	\$ 255,324	\$ -	\$ -	\$ 255,324	\$ -
Aa1 rating	407,404	-	-	407,404	-
A3 rating	47,815	-	-	47,815	-
A2 rating	106,411	-	-	106,411	-
A1 rating	775,464	-	-	775,464	-
	<u>36,220,861</u>	<u>5,414,337</u>	<u>18,988,369</u>	<u>8,768,816</u>	<u>3,049,339</u>
Asset-backed securities:					
AAA rating from					
Standard & Poor's	4,322,572	-	2,530,991	-	1,791,581
Unrated	7,138,660	-	-	7,138,660	-
	<u>11,461,232</u>	<u>-</u>	<u>2,530,991</u>	<u>7,138,660</u>	<u>1,791,581</u>
Commercial mortgage-backed securities:					
AAA rating from					
Standard & Poor's	8,088,703	-	-	-	8,088,703
Aaa rating from					
Moody's	1,754,327	-	-	-	1,754,327
AA+ rating from					
Standard & Poor's	97,290	-	-	-	97,290
	<u>9,940,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,940,320</u>
Government agencies mortgage-backed securities:					
AAA rating from					
Standard & Poor's	45,314,205	-	74,083	754,220	44,485,902
Government agencies bonds:					
AAA rating from					
Standard & Poor's	10,595,225	3,156,365	6,469,500	969,360	-
AA+ rating from					
Standard & Poor's	78,281	-	78,281	-	-
	<u>10,673,506</u>	<u>3,156,365</u>	<u>6,547,781</u>	<u>969,360</u>	<u>-</u>
U.S. government bonds:					
AAA rating from					
Standard & Poor's	6,148,441	-	1,358,615	2,868,936	1,920,890
	<u>119,758,565</u>	<u>\$ 8,570,702</u>	<u>\$ 29,499,839</u>	<u>\$20,499,992</u>	<u>\$ 61,188,032</u>
Bond mutual funds:					
AAA rating from Standard & Poor's, weighted average maturity of 5.2 years	<u>16,408,850</u>				
	<u>\$ 136,167,415</u>				

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

		Maturity Dates			
	Fair Value	One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
2006					
Corporate bonds (grouped by Standard & Poor's ratings):					
AAA rating	\$ 775,589	\$ -	\$ 48,290	\$ 727,299	\$ -
AA- rating	4,346,330	496,110	2,748,224	1,101,996	-
A+ rating	2,392,870	-	1,869,612	523,258	-
A rating	5,431,262	450,036	3,280,898	1,700,328	-
A- rating	5,989,438	975,875	2,926,178	1,723,859	363,526
BBB+ rating	9,135,436	1,579,197	3,315,579	3,243,304	997,356
BBB rating	8,379,789	-	5,313,986	2,490,581	575,222
BBB- rating	3,783,789	600,000	1,325,021	985,826	872,942
BB+ rating	1,471,400	565,000	906,400	-	-
BB rating	65,479	65,479	-	-	-
B rating	950,230	-	950,230	-	-
B- rating	364,688	-	364,688	-	-
	43,086,300	4,731,697	23,049,106	12,496,451	2,809,046
Asset-backed securities:					
AAA rating from Standard & Poor's	4,554,134	-	2,396,712	-	2,157,422
Unrated	20,000,000	-	-	20,000,000	-
	24,554,134	-	2,396,712	20,000,000	2,157,422
Commercial mortgage-backed securities:					
AAA rating from Standard & Poor's	7,785,935	-	-	-	7,785,935
Aaa rating from Moody's	96,179	-	-	-	96,179
AA+ rating from Standard & Poor's	99,673	-	-	-	99,673
	7,981,787	-	-	-	7,981,787
Government agencies mortgage-backed securities:					
AAA rating from Standard & Poor's	33,751,682	-	115,628	740,183	32,895,871
Government agencies bonds:					
AAA rating from Standard & Poor's	11,926,789	2,496,295	8,512,394	918,100	-
U.S. government bonds:					
AAA rating from Standard & Poor's	11,346,469	3,031,061	2,052,351	3,992,092	2,270,965
	132,647,161	\$ 10,259,053	\$ 36,126,191	\$ 38,146,826	\$ 48,115,091
Bond mutual funds:					
AAA rating from Standard & Poor's, weighted average maturity of 5.2 years	15,544,107				
	\$ 148,191,268				

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

II. Wayne County Circuit Court Commissioners Bailiffs' Retirement System

As of September 30, 2007 and 2006, the Plan's investments are classified as follows:

	<u>2007</u>	<u>2006</u>
Debt securities:		
Government agencies mortgage-backed securities:		
AAA rating from Standard & Poor's:		
Maturities greater than ten years	\$ 59,452	\$ 69,492
Maturities between five and ten years	2,354	-
Government agencies bonds:		
Canada, AA rating from Standard & Poor's, maturities between five and ten years	<u>34,866</u>	<u>35,104</u>
 Total Debt Securities	 96,672	 104,596
 Equity securities:		
Equity mutual funds	6,498,473	5,059,960
 Money market funds:		
A1+ rating from Standard & Poor's, weighted average maturity of 39 days and 41 days in 2007 and 2006, respectively	<u>115,929</u>	<u>95,753</u>
 Total Investments	<u><u>\$ 6,711,074</u></u>	<u><u>\$ 5,260,309</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 \$296,450 and \$343,890 as of September 30, 2007 and 2006, respectively, are included in the County's pooled cash.

Custodial Credit Risk of Investments – At year-end, none of the Plan'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 Plan's name,
- Investments were held by a trustee in the Plan's name, or
- Investments were part of a mutual fund.

The Plan does not have a formal policy for deposit or investment custodial credit risk.

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

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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 limits in excess of statutory authority.

As of September 30, 2007 and 2006, 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 – In compliance with Public Act 314 of 1965, as amended, the Retirement Commission limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices.

Interest Rate Risk – The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The credit quality ratings of investments in debt securities and interest rate risk information for the Plan as of September 30, 2007 are identified in the preceding schedule.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

III. Wayne County Employees' Retirement System Defined Contribution Plan

As of September 30, 2007 and 2006, the Plan's investments are classified as follows:

	<u>2007</u>	<u>2006</u>
Debt securities:		
Stable value funds:		
A rating from Standard & Poor's, weighted average maturity of 3.4 years and 3.2 years in 2007 and 2006, respectively	\$ 90,150,092	\$ 85,385,488
Bond mutual funds (grouped by Standard & Poor's ratings):		
AAA rating, weighted average maturity of 1.57 years, and AA+ rating, weighted average maturity of 3.90 years in 2007 and 2006, respectively	2,232,256	2,030,966
AA rating, weighted average maturity of 4.40 years, AAA rating, weighted average maturity of 5.69 years in 2007 and 2006, respectively	3,686,292	2,634,173
A rating, weighted average maturity of 14.96 years	<u>422,496</u>	<u>-</u>
Total Bond Mutual Funds	<u>6,341,044</u>	<u>4,665,139</u>
Total Debt Securities	96,491,136	90,050,627
Equity securities:		
Equity mutual funds	337,995,165	283,441,870
Participant loans receivable:		
Unrated, weighted average maturity of 3.0 years	<u>33,289,846</u>	<u>31,974,828</u>
Total Investments	<u><u>\$ 467,776,147</u></u>	<u><u>\$ 405,467,325</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 \$438,072 and \$405,534 as of September 30, 2007 and 2006, respectively, are included in the County's pooled cash.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

Custodial Credit Risk of Investments – At year-end, none of the Plan'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 Plan's name,
- Investments were held by a trustee in the Plan's name, or
- Investments were part of a mutual fund.

The Plan does not have a formal policy for deposit or investment custodial credit risk.

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 limits in excess of statutory authority.

As of September 30, 2007, 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 – In compliance with Public Act 314 of 1965, as amended, the Retirement Commission limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices.

Interest Rate Risk – The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The credit quality ratings of investments in debt securities and interest rate risk information for the Plan as of September 30, 2007 are identified in the preceding schedule.

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, 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, and 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, 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

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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 essential policy and risk information about deposits and investments are detailed below:

Credit Risk – In compliance with State law, the investment policies limit 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:

Investment		Fair Value	Rating	Organization
Money market funds	\$	180,501,194	AAA	S&P
Commercial paper		34,171,752	A-1, P-1	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 \$100,000 insured limit in a commercial bank shall not equal more than 25% of the combined capital and surplus of that bank must meet minimum standards of at least one standard rating service. At year-end, the Airport Authority had \$366,768,974 of bank deposits (certificates of deposit, checking and savings accounts) that were largely uninsured and uncollateralized. The Authority 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 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.

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 entity, 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:

Fund/Fund Type	Maturity Maximum
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, 2007

	<u>Airport Authority</u>	
	<u>Fair value</u>	<u>Average maturity</u>
Investments subject to risk:		
Bond reserves:		
U.S. Treasuries	\$ 161,727,446	10.5 months
Long-term repo	3,629,278	14.2 years
Bond payment funds:		
U.S. Treasuries	51,675,415	62 days
Capital interest funds:		
2003 Construction:		
U.S. Treasuries	9,206,919	127 days
2005 Construction:		
U.S. Treasuries	28,267,814	166 days
2007 Construction:		
U.S. Treasuries	14,415,015	316 days
Construction funds:		
2005 Construction:		
Federal Home Loan Mortgage	10,020,158	4.5 months
Federal National Mortgage	60,399,309	6 months
2007 Construction:		
Federal Home Loan Mortgage	10,036,984	9 months
Federal National Mortgage	23,999,719	1.25 years
Other construction and operating:		
Commercial paper	30,151,315	2 days
Hotel:		
Commercial paper	4,020,437	4 days
U.S. Treasuries	<u>1,623,886</u>	60 days
Investments subject to risk	409,173,695	
Deposits/investments not subject to risk:		
Deposits	366,768,974	
Money market funds	<u>180,501,194</u>	
Total deposits and investments	<u>\$ 956,443,863</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% 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, 2007

Limits based upon use of specific instruments –

Investment Type	Limit	Actual at Year-End
Bankers' acceptances	50%	0.0%
Repurchase agreements	25	0.4
Certificates of deposit (bank)	50	33.7
Certificates of deposit (savings and loan associations)	10	0.0
Money market funds	50	18.9
Commercial paper	60	3.6
U.S. government	100	38.8

Limits based on use of a single issuer –

Investment Type	Limit
Bankers' acceptances	25% of total portfolio
Repurchase agreement	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% of total portfolio are as follows:

Issuer	Investment Type	Fair Value	Percentage of Portfolio	Rating
Comerica Bank	Certificates of deposit	\$ 138,437,984	14.47%	A1, P1
J.P. Morgan Chase	Certificates of deposit	82,500,000	8.63	A1+, P1

(5) Restricted Assets

In accordance with the terms of bond ordinances and for other purposes, certain sewage disposal systems, 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 \$1.15 billion, represent those amounts that are pledged toward the payment of outstanding bonds and notes.

A summary of the restricted assets of the Sewage Disposal Systems, the Airport Authority, and Chapter 21 Drainage District, a non-major component unit, at September 30, 2007, follows:

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Sewage Disposal Systems	Airport Authority	Chapter 21 Drainage District	Total
Operations and maintenance				
Equity in pooled cash and investments	\$ -	-	92,716	\$ 92,716
Other cash and investments	-	27,999,312	-	27,999,312
Accounts receivable	-	302,059	-	302,059
	-	28,301,371	92,716	28,394,087
Replacements and improvements				
Equity in pooled cash and investments	14,844,187	-	807,966	15,652,153
Other cash and investments	-	2,277,209	-	2,277,209
	14,844,187	2,277,209	807,966	17,929,362
Constructions				
Equity in pooled cash and investments	2,419,383	-	(510)	2,418,873
Other cash and investments	1,641,135	397,904,847	-	399,545,982
Accounts receivable	-	8,016,959	-	8,016,959
	4,060,518	405,921,806	(510)	409,981,814
Bond and interest redemption				
Equity in pooled cash and investments	26,848,095	-	279,843	27,127,938
Other cash and investments	5,007,318	317,377,318	-	322,384,636
Accounts receivable	15,037,567	4,250,557	-	19,288,124
	46,892,980	321,627,875	279,843	368,800,698
Bond principal due from municipalities	197,039,011	-	-	197,039,011
	197,039,011	-	-	197,039,011
Passenger facilities charges				
Other cash and investments	-	116,770,447	-	116,770,447
Accounts receivable	-	6,645,638	-	6,645,638
	-	123,416,085	-	123,416,085
Drug enforcement				
Other cash and investments	-	3,255,249	-	3,255,249
Accounts receivable	-	15,565	-	15,565
	-	3,270,814	-	3,270,814
Total	\$ 262,836,696	884,815,160	1,180,015	\$ 1,148,831,871

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, 2007

(6) Major Customer – Airport Authority Component Unit

Northwest Airlines, Inc. (Northwest) accounted for approximately 23% of total Airport Authority operating revenues for the year ended September 30, 2007, including 59% of landing and related fees, 72% of airline rental and related fees, and 68% of facility use fees. Approximately 62% of total 2007 enplanements are attributable to Northwest's operations. In the event Northwest discontinued its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Airport Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Airport Authority. The Airport Authority had approximately \$5.2 million in net receivables from Northwest at September 30, 2007.

The airlines serving the Airport Authority have been impacted by global events and experienced an increase in costs and a decline in financial condition to varying degrees. Several airlines have filed for bankruptcy at the end of fiscal year (FY) 2005 and beginning of FY 2006, including Northwest Airlines, Mesaba Airlines and Delta Airlines. All three emerged from bankruptcy in FY 2007.

It is reasonable to assume that any additional financial or operational difficulties incurred by Northwest, 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 Authority operations.

(7) Long-term Receivables

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 capital lease (Note 11) provide for the refurbishment and restoration of the building in return for a note from the Partnership for \$5.3 million, at 9% per annum, due and payable in 2028. The current value of the note is \$30,752,951. The note is a non-recourse obligation of the Partnership that is secured by the Wayne County building. The note requires minimum semi-annual payments of \$500,000.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

(8) Capital Assets

Capital assets activity for the year ended September 30, 2007 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<i>Governmental activities:</i>				
Non-depreciable capital assets:				
Land	\$ 551,387,322	272,624	-	\$ 551,659,946
Construction in progress	<u>30,660,794</u>	<u>15,832,688</u>	<u>(25,095,393)</u>	<u>21,398,089</u>
Total non-depreciable capital assets	<u>582,048,116</u>	<u>16,105,312</u>	<u>(25,095,393)</u>	<u>573,058,035</u>
Depreciable capital assets:				
Land improvements	12,826,390	-	-	12,826,390
Buildings and improvements	339,775,385	2,639,717	-	342,415,102
Machinery, equipment and vehicles	121,783,224	2,169,927	(2,157,100)	121,796,051
Infrastructure	<u>1,437,871,488</u>	<u>32,158,184</u>	<u>-</u>	<u>1,470,029,672</u>
Total depreciable capital assets	<u>1,912,256,487</u>	<u>36,967,828</u>	<u>(2,157,100)</u>	<u>1,947,067,215</u>
Accumulated depreciation:				
Land improvements	(9,091,121)	(434,374)	-	(9,525,495)
Buildings and improvements	(199,690,480)	(10,902,091)	-	(210,592,571)
Machinery, equipment and vehicles	(105,813,701)	(5,693,194)	1,727,744	(109,779,151)
Infrastructure	<u>(956,130,497)</u>	<u>(49,758,307)</u>	<u>-</u>	<u>(1,005,888,804)</u>
Total accumulated depreciation	<u>(1,270,725,799)</u>	<u>(66,787,966)</u>	<u>1,727,744</u>	<u>(1,335,786,021)</u>
Total depreciable capital assets, net	<u>641,530,688</u>	<u>(29,820,138)</u>	<u>(429,356)</u>	<u>611,281,194</u>
Total governmental activities capital assets, net	<u>\$ 1,223,578,804</u>	<u>(13,714,826)</u>	<u>(25,524,749)</u>	<u>\$ 1,184,339,229</u>

Construction in progress as of September 30, 2007 includes roads construction and building renovations. At year-end, the costs expected to be incurred to complete these projects are estimated at \$26.2 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, 2007

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

Governmental activities:	
Legislative	\$ 23,277
Judicial	214,950
General government	7,761,528
Public safety	3,747,304
Highways, streets and bridges	53,891,602
Health and welfare	238,989
Recreational and cultural	794,503
Public works	<u>115,814</u>
Total depreciation expense - governmental activities	<u>\$ 66,787,967</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.

	Primary Government			
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<i>Business-type activities:</i>				
Downriver Sewage Disposal System:				
Non-depreciable capital assets:				
Land	\$ 2,426,717	-	-	\$ 2,426,717
Construction in progress	<u>4,571,837</u>	<u>1,933,476</u>	<u>(270,677)</u>	<u>6,234,636</u>
Total non-depreciable capital assets	<u>6,998,554</u>	<u>1,933,476</u>	<u>(270,677)</u>	<u>8,661,353</u>
Depreciable capital assets:				
Land improvements	150,033	-	-	150,033
Buildings and improvements	18,923,125	35,904	-	18,959,029
Machinery, equipment and vehicles	589,432	7,957	-	597,389
Infrastructure	<u>349,205,603</u>	<u>270,677</u>	<u>-</u>	<u>349,476,280</u>
Total depreciable capital assets	<u>368,868,193</u>	<u>314,538</u>	<u>-</u>	<u>369,182,731</u>
Accumulated depreciation:				
Land improvements	(139,666)	(846)	-	(140,512)
Buildings and improvements	(16,483,856)	(167,680)	-	(16,651,536)
Machinery, equipment and vehicles	(229,721)	(59,651)	-	(289,372)
Infrastructure	<u>(95,950,004)</u>	<u>(12,521,271)</u>	<u>-</u>	<u>(108,471,275)</u>
Total accumulated depreciation	<u>(112,803,247)</u>	<u>(12,749,448)</u>	<u>-</u>	<u>(125,552,695)</u>
Total depreciable capital assets, net	<u>256,064,946</u>	<u>(12,434,910)</u>	<u>-</u>	<u>243,630,036</u>
Total Downriver Sewage Disposal capital assets, net	<u>\$ 263,063,500</u>	<u>(10,501,434)</u>	<u>(270,677)</u>	<u>\$ 252,291,389</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

	Beginning	<u>Primary Government</u>		Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Rouge Valley Sewage Disposal System:				
Non-depreciable capital assets:				
Land	\$ 1,448,847	-	-	\$ 1,448,847
Construction in progress	<u>874,486</u>	<u>436,052</u>	<u>(338,474)</u>	<u>972,064</u>
Total non-depreciable capital assets	<u>2,323,333</u>	<u>436,052</u>	<u>(338,474)</u>	<u>2,420,911</u>
Depreciable capital assets:				
Buildings and improvements	9,019,540	-	-	9,019,540
Machinery, equipment and vehicles	12,500	256,401	-	268,901
Infrastructure	<u>116,849,760</u>	<u>207,632</u>	-	<u>117,057,392</u>
Total depreciable capital assets	<u>125,881,800</u>	<u>464,033</u>	-	<u>126,345,833</u>
Accumulated depreciation:				
Buildings and improvements	(4,966,109)	(270,693)	-	(5,236,802)
Machinery, equipment and vehicles	(2,232)	(12,469)	-	(14,701)
Infrastructure	<u>(34,921,499)</u>	<u>(1,651,924)</u>	-	<u>(36,573,423)</u>
Total accumulated depreciation	<u>(39,889,840)</u>	<u>(1,935,086)</u>	-	<u>(41,824,926)</u>
Total depreciable capital assets, net	<u>85,991,960</u>	<u>(1,471,053)</u>	-	<u>84,520,907</u>
Total Rouge Valley Sewage Disposal System capital assets, net	<u>\$ 88,315,293</u>	<u>(1,035,001)</u>	<u>(338,474)</u>	<u>\$ 86,941,818</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Beginning	<u>Primary Government</u>		Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<i>Non-major business-type activities:</i>				
Non-depreciable capital assets:				
Land	\$ 1,433,719	-	-	\$ 1,433,719
Construction in progress	<u>155,467</u>	<u>-</u>	<u>-</u>	<u>155,467</u>
Total non-depreciable capital assets	<u>1,589,186</u>	<u>-</u>	<u>-</u>	<u>1,589,186</u>
Depreciable capital assets:				
Land Improvements	-	78,410	-	78,410
Buildings and improvements	9,960,574	-	-	9,960,574
Machinery, equipment and vehicles	267,710	21,374	-	289,084
Infrastructure (Sewage disposal systems)	<u>1,052,873</u>	<u>35,270</u>	<u>-</u>	<u>1,088,143</u>
Total depreciable capital assets	<u>11,281,157</u>	<u>135,054</u>	<u>-</u>	<u>11,416,211</u>
Accumulated depreciation:				
Land Improvements	-	(327)	-	(327)
Buildings and improvements	(5,646,432)	(313,780)	-	(5,960,212)
Machinery, equipment and vehicles	(192,880)	(44,806)	-	(237,686)
Infrastructure (sewage disposal systems)	<u>(359,270)</u>	<u>(13,749)</u>	<u>-</u>	<u>(373,019)</u>
Total accumulated depreciation	<u>(6,198,582)</u>	<u>(372,662)</u>	<u>-</u>	<u>(6,571,244)</u>
Total depreciable capital assets, net	<u>5,082,575</u>	<u>(237,608)</u>	<u>-</u>	<u>4,844,967</u>
Total non-major business-type activity capital assets, net	<u>6,671,761</u>	<u>(237,608)</u>	<u>-</u>	<u>6,434,153</u>
Grand total business-type activity capital assets, net	<u>\$ 358,050,554</u>	<u>(11,774,043)</u>	<u>(609,151)</u>	<u>\$ 345,667,360</u>

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

Business-type activities:	
Sewage Disposal Systems (includes non-major activities)	\$ 15,013,291
Jail Commissary	40,016
Parking Lots	327
Copy Center	<u>3,562</u>
Total depreciation expense - business-type activities	<u>\$ 15,057,196</u>

Construction in progress involves various Sewage Disposal System improvements. The costs expected to be incurred to complete these projects are estimated at \$7.2 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
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For the year ended September 30, 2007

Discretely presented component units

Capital assets activity for the year ended September 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Airport Authority:				
Non-depreciable capital assets:				
Land	\$ 170,023,443	-	-	\$ 170,023,443
Construction in progress	<u>114,558,627</u>	<u>230,832,431</u>	<u>(8,129,734)</u>	<u>337,261,324</u>
Total non-depreciable capital assets	<u>284,582,070</u>	<u>230,832,431</u>	<u>(8,129,734)</u>	<u>507,284,767</u>
Depreciable capital assets:				
Buildings and improvements	1,546,292,866	7,280,654	-	1,553,573,520
Machinery, equipment and vehicles	54,316,715	3,768,359	(4,278,054)	53,807,020
Infrastructure	<u>1,093,694,912</u>	<u>437,404</u>	<u>-</u>	<u>1,094,132,316</u>
Total depreciable capital assets	<u>2,694,304,493</u>	<u>11,486,417</u>	<u>(4,278,054)</u>	<u>2,701,512,856</u>
Accumulated depreciation:				
Buildings and improvements	(392,346,102)	(66,379,433)	-	(458,725,535)
Machinery, equipment and vehicles	(37,561,529)	(3,615,035)	3,069,781	(38,106,783)
Infrastructure	<u>(471,342,022)</u>	<u>(51,093,514)</u>	<u>-</u>	<u>(522,435,536)</u>
Total accumulated depreciation	<u>(901,249,653)</u>	<u>(121,087,982)</u>	<u>3,069,781</u>	<u>(1,019,267,854)</u>
Total depreciable capital assets, net	<u>1,793,054,840</u>	<u>(109,601,565)</u>	<u>(1,208,273)</u>	<u>1,682,245,002</u>
Total Airport Authority capital assets, net	<u>\$ 2,077,636,910</u>	<u>121,230,866</u>	<u>(9,338,007)</u>	<u>\$ 2,189,529,769</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Circuit Court:				
Non-depreciable capital assets:				
Land	\$ 4,007,639	-	-	\$ 4,007,639
Construction in progress	<u>-</u>	<u>3,526,764</u>	<u>-</u>	<u>3,526,764</u>
Total non-depreciable capital assets	<u>4,007,639</u>	<u>3,526,764</u>	<u>-</u>	<u>7,534,403</u>
Depreciable capital assets:				
Land improvements	119,400	-	-	119,400
Buildings and improvements	3,057,666	-	-	3,057,666
Machinery, equipment and vehicles	<u>9,178,535</u>	<u>33,095</u>	<u>-</u>	<u>9,211,630</u>
Total depreciable capital assets	<u>12,355,601</u>	<u>33,095</u>	<u>-</u>	<u>12,388,696</u>
Accumulated depreciation:				
Land improvements	(107,295)	(3,725)	-	(111,020)
Buildings and improvements	(3,057,665)	-	-	(3,057,665)
Machinery, equipment and vehicles	<u>(8,239,479)</u>	<u>(246,282)</u>	<u>-</u>	<u>(8,485,761)</u>
Total accumulated depreciation	<u>(11,404,439)</u>	<u>(250,007)</u>	<u>-</u>	<u>(11,654,446)</u>
Total depreciable capital assets, net	<u>951,162</u>	<u>(216,912)</u>	<u>-</u>	<u>734,250</u>
Total Circuit Court capital assets, net	<u>\$ 4,958,801</u>	<u>3,309,852</u>	<u>-</u>	<u>\$ 8,268,653</u>

Construction in progress as of September 30, 2007 consists of a case management system. Costs expected to be incurred to complete the system are estimated at \$5.7 million. These costs will be funded through bond issuance and general revenues.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Non-major component units:				
Non-depreciable capital assets:				
Land	\$ 81,983,744	-	-	\$ 81,983,744
Construction in progress	<u>485,079</u>	<u>-</u>	<u>(432,131)</u>	<u>52,948</u>
Total non-depreciable capital assets	<u>82,468,823</u>	<u>-</u>	<u>(432,131)</u>	<u>82,036,692</u>
Depreciable capital assets:				
Land improvements	13,852,326	-	-	13,852,326
Buildings and improvements	704,280,689	674,328	-	704,955,017
Infrastructure	62,732,261	192,165	-	62,924,426
Machinery, equipment and vehicles	<u>26,268,899</u>	<u>19,946</u>	<u>-</u>	<u>26,288,845</u>
Total depreciable capital assets	<u>807,134,175</u>	<u>886,439</u>	<u>-</u>	<u>808,020,614</u>
Accumulated depreciation:				
Land improvements	(4,005,372)	(692,617)	-	(4,697,989)
Buildings and improvements	(173,999,663)	(27,557,137)	-	(201,556,800)
Infrastructure	(32,698,722)	(1,851,287)	-	(34,550,009)
Machinery, equipment and vehicles	<u>(15,121,077)</u>	<u>(,1286,783)</u>	<u>-</u>	<u>(16,407,860)</u>
Total accumulated depreciation	<u>(225,824,834)</u>	<u>(31,387,824)</u>	<u>-</u>	<u>(257,212,658)</u>
Total depreciable capital assets, net	<u>581,309,341</u>	<u>(30,501,385)</u>	<u>-</u>	<u>550,807,956</u>
Total non-major component units capital assets, net	<u>663,778,164</u>	<u>(30,501,385)</u>	<u>(432,131)</u>	<u>632,844,648</u>
Grand total discretely presented component units capital assets, net	<u>\$ 2,746,373,875</u>	<u>94,039,333</u>	<u>(9,770,138)</u>	<u>\$ 2,830,643,070</u>

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

Airport Authority	\$ 121,087,982
Circuit Court	250,007
Probate Court	157,277
Chapter 21 Drains	1,285,909
Stadium Authority	29,087,717
Chapter 20 Drains	843,815
GWEDC	4,671
HealthChoice	6,027
MGDC	2,408

For the year ended September 30, 2007, the amount of interest capitalized for discretely presented component units was \$8.3 million.

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

The estimated costs to complete the Airport Authority's current capital improvement program totaled \$715.2 million at September 30, 2007, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional design services contracts in connection with this program totaled \$216.9 million at September 30, 2007.

Fiduciary Funds

Capital assets activity for the year ended September 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable capital assets:				
Machinery, equipment and vehicles	\$ 4,087,408	-	-	\$ 4,087,408
Total depreciable capital assets	<u>4,087,408</u>	<u>-</u>	<u>-</u>	<u>4,087,408</u>
Accumulated depreciation:				
Machinery, equipment and vehicles	(4,024,057)	(58,284)	-	(4,082,341)
Total accumulated depreciation	<u>(4,024,057)</u>	<u>(58,284)</u>	<u>-</u>	<u>(4,082,341)</u>
Total depreciable capital assets, net	<u>63,351</u>	<u>(58,284)</u>	<u>-</u>	<u>5,067</u>
Total fiduciary capital assets, net	<u>\$ 63,351</u>	<u>(58,284)</u>	<u>-</u>	<u>\$ 5,067</u>

(9) Property Taxes

County Tax Levy

Previously, the County general operating property tax (established by Charter) was levied each December 1 (lien date). In 2004, the State of Michigan enacted Public Act 357 (the Act), which required a gradual shift of County property tax levies from winter to summer as a substitute funding mechanism to state revenue sharing. This shift has taken place over a three-year period as follows: in 2005, one-third of the taxes were levied on July 1 and two-thirds on December 1; in 2006, two-thirds of the taxes were levied on July 1 and one-third on December 1; in 2007 and each year thereafter, 100% of the taxes will be levied on July 1 (lien date). County property 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 continue to be levied on December 1.

Historically, 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, 2006 and December 1, 2006 combined levies was equalized at \$64.4 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

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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 2006 ad valorem and statutory levies were equal to the millage rate times the 2006 taxable value of \$50,572,359,004. The July 2007 general operating levy was the millage rate times the 2007 taxable value of \$52,996,404,797.

In fiscal year 2005, the first year of implementation of the Act, the County recorded a transfer of one-third of the December 2004 general operating levy for property taxes from the General Fund to the newly created Revenue Sharing Reserve Fund (RSRF), a non-major special revenue fund. To replace the revenue sharing payments suspended by the State, the Act allows for a portion of these property tax funds to be transferred back to the General Fund each year. This amount (the "allowable spending") is determined by the State on an annual basis.

For the year ended September 30, 2005, the County transferred \$18,943,677, in excess of its allowable spending, to the General Fund. The excess transfer was necessary to defray an unanticipated revenue shortage created by implementation of the Act. This transfer of additional funds does not impact total available funds over the life of the RSRF.

In fiscal year 2007, in accordance with Public Act 357, the County recorded a transfer equivalent to one-third of the December 2004 general operating levy, or \$80,062,934, from the General Fund to the RSRF. The County transferred \$46,846,868, (its 2007 allowable spending) from the RSRF to the General Fund to replace State revenue sharing payments. The use of the RSRF to replace state revenue payments sunsets in FY 2009.

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 8.93 mills to be the maximum rate for general operating purposes.

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 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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, 2006 and July 1, 2007 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>7.8220</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 tax delinquent property 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 the process 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 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 \$211.9 million at September 30, 2007, are pledged as collateral for payment of the General Obligation Limited Tax Notes. 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 June and August 2007 in connection with the purchase of 2006 delinquent property taxes, the County issued \$123.8, \$87.2 and \$14.9 million, respectively of General Obligation Limited Tax Notes,

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

Series 2007A, 2007B and 2007C, to cover delinquent taxes for the City of Detroit and state and local school taxes within the City of Detroit. These notes mature on June 29, 2009. Interest on the notes shall be payable monthly at a variable interest rate (5.35% and 5.51% on the date of issuance) equal to the sum of three basis points (.03%) per annum plus the LIBO (London Interbank Market) Rate. Amounts remaining from the 2004 and prior Delinquent Tax Funds at September 30, 2007 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 2007, such transfers amounted to \$14 million.

Real property taxes not collected within three 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). During 2007, approximately \$2 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, 2007, two years of the County's delinquent real property taxes receivable are recorded in the Delinquent Tax Revolving Fund.

(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, 2007 consisted of the following:

	Transfers Out						
	General Fund	Roads	Mental Health	Non-major Governmental Funds	Delinquent Tax Revolving	Internal Service Funds	Total Transfers In
General Fund	\$ -	15,224	6,097,534	49,063,056	14,000,000	2,500,000	\$ 71,675,814
Roads	2,514,942	-	-	5,500	-	2,750	2,523,192
Mental Health	9,233,700	-	-	-	-	-	9,233,700
Health	8,298,213	-	-	-	-	-	8,298,213
Juvenile Justice and Abuse/Neglect	102,535,921	-	12,734,262	4,000,500	-	-	119,270,683
Non-major Governmental Funds	99,445,021	5,960,906	-	2,539,275	-	-	107,945,202
Enterprise funds	1,194,950	-	-	-	-	-	1,194,950
Internal Service Funds	-	-	-	1,129,960	-	-	1,129,960
Total Transfers Out	<u>\$ 223,222,747</u>	<u>5,976,130</u>	<u>18,831,796</u>	<u>56,738,291</u>	<u>14,000,000</u>	<u>2,502,750</u>	<u>\$ 321,271,714</u>

During the year, a transfer of \$14 million was made from the Delinquent Tax Revolving Fund to the General Fund (Note 9).

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

In accordance with Public Act 357, the County's General Fund transferred \$80,062,934, equivalent to one third of its December 2004 general fund operating levy, to the Revenue Sharing Reserve Fund, a non-major governmental fund. The County also transferred \$46,846,868, its 2007 allowable spending, from the Revenue Sharing Reserve Fund back to the General Fund to replace State Revenue Sharing payments and to cover shortfalls created by the cessation of these payments and the implementation of Public Act 357.

Interfund Balances

The interfund balances resulted from the time lag between the dates 1) interfunds goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting systems, and 3) payment between funds are made.

Interfund balances at September 30, 2007 consisted of the following:

		Due From Other Funds		
		General Fund	Mental Health	Total Due From Other Funds
Due to Other Funds	General Fund	\$ -	1,389,491	\$ 1,389,491
	Non-major			
	Governmental Funds	192,097	-	192,097
	Delinquent Tax Revolving	5,000,000	-	5,000,000
	Total Due to Other Funds	<u>\$ 5,192,097</u>	<u>1,389,491</u>	<u>\$ 6,581,588</u>

		Due From Component Units
		Airport Authority
Due to Primary Government	Roads	\$ 301,876
	Non-major Governmental Funds	57,487
	Internal Service Funds	70,226
	Total Due to Primary Government - Governmental Activities	429,589
	Downriver Sewage Disposal System	16,367
	Total Due to Primary Government - Business-type Activities	16,367
Total Due to Primary Government		<u>\$ 445,956</u>
Due to Fiduciary Funds		<u>\$ 12,985</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Due From Primary Government Funds		
	General Fund	Internal Service Funds	Total Due From Primary Government
Airport Authority	\$ 175,354	2,174,526	\$ 2,349,880
Non-major Component Unit	184,678	-	184,678
Total due to Component Unit	<u>\$ 360,032</u>	<u>2,174,526</u>	<u>\$ 2,534,558</u>

Advances To/From Other Funds

Advances represent non-current loans involving the transfer of cash between funds within the primary government where no goods were sold or services rendered, with the expectation of repayment from future revenues as funds are available. Loans between funds are treated as balance sheet transactions. The borrowing fund reports a liability and an increase in cash, and the lending fund reports a receivable and a decrease in cash. Interfund interest expense is charged on these loans based on a rate, which is determined by net earnings on investment income earned by the County's pooled cash and investments. This rate is then allocated monthly to the various funds based on each fund's average cash and investment balance.

Non-current balances arising in connection with interfund loans are reported as advances. Advances to Other Funds is an asset account used to record non-current portions of loans from one fund to another fund within the same reporting entity. Similarly, Advances from Other Funds is a liability account used to record non-current portions of loans owed by one fund to another fund within the same reporting entity. Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate that amounts are not available for appropriation and are not expendable financial resources. Such advances are eliminated in the government-wide financial statements.

At September 30, 2007, the Delinquent Tax Revolving Fund advanced \$44,320,351 to the Equipment Lease Financing Fund.

Disaggregation of Receivable and Payable Balances

Significant receivable and payable balances from other governmental units at September 30, 2007 are as follows:

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Due From Other Governmental Units			
	State of Michigan	U.S. Federal Government	Local Governments	Total
General Fund	\$ 15,563,391	4,193,052	3,030,914	\$ 22,787,357
Roads	20,699,328	-	5,090,025	25,789,353
Mental Health	3,512,981	327,296	-	3,840,277
Health	1,624,929	264,828	310,061	2,199,818
Juvenile Justice and Abuse/Neglect	27,950,642	172,728	401,800	28,525,170
Non-major Governmental Funds	1,084,598	3,096,937	572,466	4,754,001
Internal Service funds	-	-	2,398	2,398
Total Governmental Activities	<u>\$ 70,435,869</u>	<u>8,054,841</u>	<u>9,407,664</u>	<u>\$ 87,898,374</u>
Downriver Sewage Disposal System	\$ -	-	2,768,829	\$ 2,768,829
Rouge Valley Sewage Disposal System	-	-	5,769,757	5,769,757
CSO Basins Sewage Disposal System	-	-	698,285	698,285
Non-major Enterprise funds	-	-	2,843,663	2,843,663
Total Business-type Activities	<u>\$ -</u>	<u>-</u>	<u>12,080,534</u>	<u>\$ 12,080,534</u>
Airport Authority	\$ 27,151,745	-	-	\$ 27,151,745
Circuit Court	7,161,065	310,189	3,933	7,475,187
Non-major Component Units	3,429	-	1,887,586	1,891,015
Total Component Units	<u>\$ 34,316,239</u>	<u>310,189</u>	<u>1,891,519</u>	<u>\$ 36,517,947</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, 2007, there are approximately \$14.7 million of receivables from Federal, State, and various local municipalities that were not collected within sixty days of year-end. There are also approximately \$54.4 million of property tax receivables and \$0.2 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, 2007.

	Due to other Governmental Units			
	State of Michigan	U.S. Federal Government	Local Governments	Total
General Fund	\$ 3,275,312	-	-	\$ 3,275,312
Roads	4,919,874	-	397,393	5,317,267
Mental Health	6,329,650	-	-	6,329,650
Total Governmental Activities	<u>\$ 14,524,836</u>	<u>-</u>	<u>397,393</u>	<u>\$14,922,229</u>
Circuit Court	\$ 2,842,403	-	6,225	\$ 2,848,628
Non-major Component Units	-	-	104,133	924,902
Total Component Units	<u>\$ 2,842,403</u>	<u>-</u>	<u>110,358</u>	<u>\$ 3,773,530</u>
Agency Funds	\$ 390,094	869,603	497,116	\$ 1,756,813
Total Fiduciary Funds	<u>\$ 390,094</u>	<u>869,603</u>	<u>497,116</u>	<u>\$ 1,756,813</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

(11) Debt and Other Obligations

Changes in long-term liabilities for the year ended September 30, 2007, are summarized in the following tables. County debt is limited to 10 percent (or approximately \$6.4 billion) of State Equalized Value of property in the County at September 30, 2007.

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Governmental Activities:					
Bonds and notes payable:					
General obligation bonds:					
Wayne County Limited Tax General Obligation Fiscal Stabilization Bonds, 6.1% to 6.8%, due serially to 2010	\$ 16,987,059	-	(16,987,059)	\$ -	\$ -
Wayne County Building Authority, Series 1994A Refunding Bonds, 2.8% to 6.125%, due serially to 2019	55,703,000	-	(55,703,000)	-	-
Wayne County Building Authority - Limited Tax General Obligation Capital Improvement Bonds, Series 1996A, 4.00% to 6.50%, due serially to 2016	29,380,000	-	(2,265,000)	27,115,000	2,405,000
Michigan Municipal Bond Authority Local Government Loan Program General Obligation Limited Tax Capital Improvement Bonds, Series 2003B, 4.30%, due serially through 2024	12,760,000	-	(525,000)	12,235,000	540,000
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, AMBAC Ref91A	-	16,015,000	-	16,015,000	11,800,000
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Ref94A	-	50,380,000	-	50,380,000	8,545,000
Michigan Transportation Fund Bonds (due serially): Series 1998, 4.00% to 5.25%, due 2012	18,240,000	-	(2,250,000)	15,990,000	2,360,000
Michigan Transportation Fund Bonds (due serially): Series 1999, 4.0% to 5.3%, due 2013	<u>18,635,000</u>	<u>-</u>	<u>(1,945,000)</u>	<u>16,690,000</u>	<u>2,040,000</u>
Subtotal general obligation bonds payable	151,705,059	66,395,000	(79,675,059)	138,425,000	27,690,000
Bond premium	-	1,583,054	(34,414)	1,548,640	137,657
Bond discount	(2,534,268)	1,864,634	-	(669,634)	(109,584)
Deferred gain (loss) on refunding	<u>(2,334,926)</u>	<u>2,334,926</u>	<u>(6,354,784)</u>	<u>(6,354,784)</u>	<u>(564,870)</u>
Total general obligation bonds payable	146,835,865	72,177,614	(86,064,257)	132,949,222	27,153,203
Revenue bonds:					
Warren Valley Golf Course obligations under Wayne County Building Authority Capital Improvements					
Obligation, 3.50% to 6.125%, due serially to 2019	<u>2,702,000</u>	<u>-</u>	<u>(2,702,000)</u>	<u>-</u>	<u>-</u>
Total revenue bonds payable	<u>2,702,000</u>	<u>-</u>	<u>(2,702,000)</u>	<u>-</u>	<u>-</u>
Total bonds payable	149,537,865	72,177,614	(88,766,257)	132,949,222	27,153,203

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
Note payable:					
Series 2006, due 2008, interest at a discount basis customary for 7-day commercial paper (determined weekly)	139,300,000	-	(139,300,000)	-	-
Series 2007, due 2009, interest at a discount basis customary for 7-day commercial paper (determined weekly)	-	226,000,000	(46,000,000)	180,000,000	-
Wayne County General Obligation:					
Fannie Mae Notes Payable due 2007	500,000	-	(500,000)	-	-
Capital Lease - Wayne County Building	<u>12,808,649</u>	<u>-</u>	<u>(1,169,951)</u>	<u>11,638,698</u>	<u>1,098,546</u>
Total notes and leases payable	<u>152,608,649</u>	<u>226,000,000</u>	<u>(186,969,951)</u>	<u>191,638,698</u>	<u>1,098,546</u>
Total bonds, notes, and leases payable	302,146,514	298,177,614	(275,736,208)	324,587,920	28,251,749
Other long-term obligations:					
State of Michigan Local Emergency Financial Assistance Loan Board, at an initial rate of 5.532%, adjusted annually	50,427,590	2,249,828	-	52,677,418	-
Claims, litigation, and assessments	25,689,189	-	(5,251,807)	20,437,382	-
Compensated absences	<u>29,077,327</u>	<u>27,773,801</u>	<u>(29,077,327)</u>	<u>27,773,801</u>	<u>27,773,801</u>
Total other long-term obligations	<u>105,194,106</u>	<u>30,023,629</u>	<u>(34,329,134)</u>	<u>100,888,601</u>	<u>27,773,801</u>
Total Governmental Activities	<u>\$ 407,340,620</u>	<u>328,201,243</u>	<u>(310,065,342)</u>	<u>\$425,476,521</u>	<u>\$ 56,025,550</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
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%, due 2014	\$ 5,552,957	-	(653,592)	4,899,365	\$ 663,575
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1999,					
Revolving Loan Fund #5117-01, 2.5%	77,446	-	(4,946)	72,500	4,946
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995					
Revolving Loan Fund #5117-03, 2%	7,145,000	-	(725,000)	6,420,000	740,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995					
Revolving Loan Fund #5117-05, 2.25%	500,000	-	(60,000)	440,000	55,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995					
Revolving Loan Fund #5117-07, 2.25%	55,871	-	(14,264)	41,607	19,019
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-15, 2.25%	32,340,000	-	(2,375,000)	29,965,000	2,430,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-18, 2.25%	8,895,000	-	(720,000)	8,175,000	740,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-19, 2.25%	6,481,813	-	(525,000)	5,956,813	535,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1999,					
Revolving Loan Fund #5117-20, 2.50%	9,030,000	-	(545,000)	8,485,000	560,000

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-21, 2.25%	1,606,760	-	(148,937)	1,457,823	153,902
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-23, 2.25%	1,260,000	-	(100,000)	1,160,000	105,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-24, 2.25%	43,275,000	-	(2,660,000)	40,615,000	2,720,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1998,					
Revolving Loan Fund #5117-25, 2.25%	12,580,000	-	(775,000)	11,805,000	790,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-26, 2.25%	3,620,000	-	(295,000)	3,325,000	300,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-27, 2.25%	3,077,742	-	(253,027)	2,824,715	261,461
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-28, 2.25%	1,241,970	-	(89,066)	1,152,904	94,014
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1997,					
Revolving Loan Fund #5117-29, 2.25%	1,640,000	-	(120,000)	1,520,000	125,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Fund #5117-30, 2.25%	3,735,000	-	(275,000)	3,460,000	280,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-31, 2.25%	2,510,000	-	(185,000)	2,325,000	190,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1999,					
Revolving Loan Fund #5117-32, 2.25%	8,166,749	-	(550,000)	7,616,749	560,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bonds, Series 2000,					
Revolving Loan Fund #5117-34, 2.50%	4,035,000	-	(225,000)	3,810,000	230,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, 1999 Series A					
Refunding Bonds 4.5% to 5.125%, due 2013	4,630,000	-	(575,000)	4,055,000	600,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, 1999 Series B					
Bonds 4.5% to 5.125%, due 2018	10,940,000	-	(690,000)	10,250,000	720,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 2005,					
Revolving Loan Fund #5217-01, 1.625%	2,908,685	1,158,420	(200,000)	3,867,105	205,000
Wayne County Downriver Sewage Disposal System					
Michigan Municipal Bond Authority					
Local Government Loan Program Revenue Bonds,					
Series 2007B, Completion Bonds	-	15,790,000	-	15,790,000	-

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
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	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
Bond Premium	-	691,074	-	691,074	40,313
Deferred gain (loss) on refunding - Downriver Sewage Disposal System	(247,482)	35,355	-	(212,127)	(35,355)
Other long-term obligations:					
Compensated absences	<u>518,745</u>	<u>490,530</u>	<u>(518,745)</u>	<u>490,530</u>	<u>490,530</u>
Total Downriver long-term obligations	175,576,256	18,165,379	(13,282,577)	180,459,058	13,577,405
Rouge Valley Sewage Disposal System					
General obligation bonds:					
Wayne County North Huron Valley - Rouge Valley Wastewater Control System bonds, Series 1994C Refunding, Michigan Municipal Bond Authority, 3.6% to 6%, due 2009	2,065,000	-	(665,000)	1,400,000	680,000
Wayne County Rouge Valley - City of Livonia SRF #5140-01, Michigan Municipal bond Authority Revolving Loan Fund, 2.25%	<u>290,000</u>	<u>-</u>	<u>(20,000)</u>	<u>270,000</u>	<u>20,000</u>
Total Rouge Valley general obligation bonds	2,355,000	-	(685,000)	1,670,000	700,000
CSO Basins Sewage Disposal System					
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 2016 (CSO)	8,865,000	-	(725,000)	8,140,000	755,000
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 2015 (CSO)	2,145,000	-	(200,000)	1,945,000	205,000
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 2015 (CSO)	4,955,000	-	(490,000)	4,465,000	510,000
Wayne County Rouge Valley - Inkster, Michigan Municipal Bond Authority Revolving Loan Fund, #5106-01, 2% (CSO)	1,425,000	-	(130,000)	1,295,000	135,000

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
Wayne County Rouge Valley - Dearborn					
Heights Michigan Municipal Bond Authority					
Revolving Loan Fund, #5104-01, 2.25% (CSO)	1,470,000	-	(130,000)	1,340,000	135,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series					
1995, Revolving Loan Fund #5123-01, 2.25% (CSO)	3,776,599	45,385	(280,000)	3,541,984	285,000
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995B,					
City of River Rouge, Combined Sewer Overflow,					
3.7% in 5.3%, due serially through 2011	10,850,000	-	(10,850,000)	-	-
Michigan Municipal Bond Authority					
Local Government Loan Program Revenue Bonds,					
Series 2007B, Refunding of LGLP 1995B,					
River Rouge	-	9,935,000	-	9,935,000	55,000
Bond Premium	-	425,190	-	425,190	49,606
Deferred gain (loss) on refunding -					
CSO Basins Sewage Disposal System	<u>(1,446,627)</u>	<u>151,510</u>	<u>(197,659)</u>	<u>(1,492,776)</u>	<u>(174,571)</u>
Total CSO Basins general obligation bonds	32,039,972	10,557,085	(13,002,659)	29,594,398	1,955,035
Non-Major Business-type Activities:					
Northeast Revenue bonds:					
Wayne County Northeast Sewage Disposal System					
Revenue Bonds, Series 1993, Michigan Municipal					
Bond Authority Revolving Loan Fund,					
2%, generally due serially through 2014	2,890,000	-	(335,000)	2,555,000	345,000
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 2014	1,290,000	-	(140,000)	1,150,000	145,000
Deferred gain (loss) on refunding -					
Northeast Sewage Disposal System	<u>(114,312)</u>	<u>14,289</u>	<u>-</u>	<u>(100,023)</u>	<u>(14,289)</u>
Total non-major business-type activity					
revenue bonds	4,065,688	14,289	(475,000)	3,604,977	475,711
Other long-term obligations:					
Compensated absences	<u>-</u>	<u>2,273</u>	<u>-</u>	<u>2,273</u>	<u>2,273</u>
Total Business-type activities	<u>\$ 214,036,916</u>	<u>28,739,026</u>	<u>(27,445,236)</u>	<u>215,330,706</u>	<u>\$ 16,710,424</u>
Fiduciary Activities:					
Other long-term obligations:					
Compensated absences	<u>\$ -</u>	<u>102,691</u>	<u>-</u>	<u>102,691</u>	<u>\$ 102,691</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

Governmental Activities

Delinquent property tax receivables (and amounts collected) are pledged as collateral for the repayment of the September 30, 2007 outstanding General Obligation Limited Tax Notes of \$180 million (Note 9).

In 1988, in connection with the refinancing of certain General Fund obligations in prior years, the County issued \$103.8 million in Fiscal Stabilization Bonds to the Michigan Municipal Bond Authority (MMBA), which concurrently issued Local Government Loan Program Revenue Bonds (Fiscal Stabilization Bonds), Series 1986A, Group 12B (Insured Wayne County Bonds).

The legislation enabling the issuance of the Fiscal Stabilization Bonds and Emergency Loan Board Notes increased the state cigarette tax to provide revenues to the County with which to fund the debt service requirements on the Fiscal Stabilization Bonds. In addition, the legislation provided for a special tax on airport parking to provide additional General Fund unrestricted revenues. The County's share of state cigarette tax collections is estimated at \$16 million annually. The County's state revenue sharing has also been pledged as security for these bonds. The County's obligation to pay the Fiscal Stabilization Bonds is a limited tax general obligation supported by the full faith and credit of the County, subject to certain limitations.

In January 1991, the Michigan Municipal Bond Authority refunded its Local Government Loan Program Revenue Bonds (Fiscal Stabilization Bonds). Concurrently, the terms of the related Wayne County Fiscal Stabilization Bonds held by the Michigan Municipal Bond Authority were modified, principally to revise the timing of the principal payments and the amount of interest, enabling the repayment of the County's Emergency Loan Board notes to be accelerated.

In August 2007, the County issued \$16 million in bonds with a premium of \$4,900 through the Michigan Municipal Bond Authority's Local Government Loan Program with an average interest rate of 5.4 percent to advance refund \$38.6 million of outstanding 1991 Fiscal Stabilization Bonds. The net proceeds of \$15.8 million (after payment of \$183,574 in underwriting fees, insurance, and other issuance costs) plus an additional \$23.1 million of reserve funds were used to purchase investments that were placed in an irrevocable trust with an escrow agent. These amounts placed in escrow provide for all future debt service payments on the 1991 Fiscal Stabilization bonds. As a result, the 1991 Fiscal Stabilization bonds are considered to be defeased and the liability for those bonds has been removed. This refunding resulted in the recognition of an accounting loss of \$1.7 million for the year ended September 30, 2007 however the County decreased its aggregate debt service payments by \$2,061,850 over the next two fiscal years. The economic gain that resulted (difference between the present values of the old and new debt service payments) was \$1,413,759 because of interest savings that resulted from this refunding transaction. The 2007 bonds mature in fiscal year 2009.

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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

In August 2007, the County issued \$50.4 million in bonds with a premium of \$1.6 million through the Michigan Municipal Bond Authority's 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. The net proceeds of \$51.4 million (after payment of \$569,562 in underwriting fees, insurance, and other issuance costs) were used to purchase investments that were placed in an irrevocable trust with an escrow agent. These amounts placed in escrow provide for all future debt service payments on the 1994 Building Authority bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed. This refunding resulted in the recognition of an accounting loss of \$4.8 million for the year ended September 30, 2007 however the County actually reduced its aggregate debt service payments by \$3.6 million over the next twelve years. The economic gain that resulted (difference between the present values of the old and new debt service payments) was \$3.1 million. The 2007 bonds mature in fiscal year 2019.

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 full faith and credit of the County, 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%. 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%. 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 November 1999, the Wayne County Third Judicial Circuit Court dismissed a \$40 million lawsuit between the State of Michigan (The "State") and the County regarding funding of disputed Juvenile Justice and Abuse/Neglect Fund (formerly the Child Care Fund) costs. Pursuant to this Order of Dismissal, the State and the County entered into a Settlement Agreement (the Agreement), whereby the State agreed to release the County from all related liability in exchange for a loan payable in the amount of approximately \$39.9 million from the Local Emergency Financial Assistance Loan Board, at an initial rate of 5.532% per annum. The State Treasurer, effective July 1st of each year, adjusts the interest rate annually. At September 30, 2007, the amount due on the loan is approximately \$52.7 million.

The Agreement further stipulates that the loan (a) shall be subordinate to the payments due on any outstanding bonds issued by the County under the Fiscal Stabilization Act (the County's Fiscal Stabilization Bonds mature in fiscal year 2009); (b) shall be repaid from distributions received by the

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

County from the State Health and Safety Fund pursuant to section 5(b)(i) of 1987 PA 264, (Cigarette Tax) only; and (c) shall not be secured by the County's full faith and credit or any other resources of the County. Loan payments are not scheduled to commence until such time as Cigarette Tax revenue is available, fiscal year 2009.

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% and will 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.

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 14, 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.

Amounts accrued for unpaid vacation and sick pay represent the accumulated, vested obligation of the County at September 30, 2007 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 enterprise fund. The compensated absences liability attributable to the governmental activities is liquidated in the respective funds.

Capital Leases

In 1984, the Economic Development Corporation (EDC), of the County sold the Wayne County Building (the Building) to the Old Wayne County Building Limited Partnership (the Partnership) and entered into a lease agreement whereby the County could purchase the Building from the Partnership after agreed upon renovations by the Partnership were made. The lease payments were structured to provide for the debt service on the Partnership's renovation loan, in addition to base rent. The original lease term, which began in 1987 when the County took occupancy of the Building, was for a ten year term, but was later amended to provide for two, ten-year renewal/purchase options – one in 2007 and the other in 2017. The first ten-year renewal/purchase option expired on October 31, 2007. The County had the option to purchase the Building, renegotiate the lease, or exercise the second renewal/purchase option and extend the term of the lease another ten years to October 31, 2017. The October 31, 2007 deadline was extended to December 31, 2007. At this time, the County has not exercised its renewal option on the second ten-year lease, or its purchase option and is still negotiating with the Partnership.

This lease agreement qualified as a capital lease for accounting purposes. The building and lease payable were recorded at the present value of the future minimum lease payments (\$27,855,351) as of the inception date. The lease requires minimum quarterly payments from the County of \$790,464.

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For the year ended September 30, 2007

At September 30, 2007, the outstanding portion of the capital lease obligation was \$11.6 million for base rent until the expiration of the second renewal term in 2017. The \$11.6 million obligation excludes expenses charged by the Partnership in excess of the capital lease base rent.

The future minimum lease obligation of these minimum lease payments as of September 30, 2007, were as follows:

Wayne County Building Capital Lease <u>Obligation</u>			
Year Ended <u>September 30</u>	<u>Principal</u>		<u>Interest</u>
2008	\$	1,098,546	\$ 2,063,308
2009		1,031,498	2,130,356
2010		968,543	2,193,311
2011		909,430	2,252,424
2012		853,925	2,307,929
2013-2017		3,548,637	12,260,633
2018		<u>3,228,119</u>	<u>148,942</u>
Total	<u>\$</u>	<u>11,638,698</u>	<u>\$ 23,356,903</u>

In a related transaction, the County recorded a \$5.3 million note from the Partnership, which accrues interest at a rate of 9% (Note 7). The note is recorded as a long-term receivable and the lease is recorded as a long-term liability in the Building and Grounds Maintenance Internal Service Fund.

In June 2001, the County entered into a loan agreement with Fannie Mae, a corporation organized and existing under the laws of the United States of America, to borrow \$2.75 million for the purpose of acquiring, managing, maintaining, renovating, demolishing, marketing and selling blighted properties located primarily in Highland Park, thereby decreasing the number of homes constituting public nuisances, all in furtherance of the County's responsibilities for providing for the health, safety, and welfare of its citizens. This promissory note is backed by the full faith and credit of the County. Annual installments of \$500,000 are due on June 1st, payable through 2007. Interest shall accrue quarterly and shall be determined by Fannie Mae based on a floating rate, obtained by adding ninety (90) basis points to the three (3) month LIBOR, adjustment quarterly, based on such rate as published in the Wall Street Journal on the last business day of the month immediately preceding each quarter. As of September 30, 2007, the outstanding balance of the Fannie Mae loan obligation is zero.

Operating Leases

The County is committed under 16 leases for office and storage space. These leases are considered for accounting purposes to be non-cancelable operating leases. Lease expenditures for the year ended September 30, 2007 amounted to \$4,131,859. Future minimum lease payments for these leases are as follows:

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For the year ended September 30, 2007

<u>September 30</u>	<u>Operating Lease Obligations</u>
2008	\$ 4,037,999
2009	3,208,138
2010	1,420,400
2011	58,859
2012	58,859
2013-2016	<u>235,434</u>
Total minimum lease payments	<u>\$ 9,019,689</u>

Business-type Activities

Sewage Disposal Systems – The principal and interest payments on all the sewage disposal system bonds, other than the Wayne County Northeast Sewage Disposal System revenue bonds, are payable from contributions of the participating local governmental units as set forth in the related sewage disposal system contracts and bond ordinances. The Northeast Sewage Disposal System revenue bonds are payable from the net revenues of the sewage disposal system. The net revenues (as defined) of the sewage disposal system are pledged as collateral for the debt service requirements. In the event of default, the County has agreed to advance funds sufficient for payment of bond principal and interest. The County incurred no net bond interest costs for the year ended September 30, 2007.

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, 2007, 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, 2007, 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, 2007, 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, 2007, 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, 2007, 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, 2007, the County received \$31.2 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, 2007, the County received \$425,000 from the revolving loan fund.

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For the year ended September 30, 2007

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, 2007, 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, 2007, 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 up to \$4.7 million for the Downriver Sewage Disposal System. Through September 30, 2007, the County received \$4.0 million from the revolving loan fund.

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 are being paid from the revenues of the various communities' water and sewage fund operations. 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 Michigan Municipal Bond Authority's 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. The net proceeds of \$10.2 million (after payment of \$118,702 in underwriting fees, insurance, and other issuance costs) were used to purchase investments that were placed in an irrevocable trust with an escrow agent. These amounts placed in escrow provide for all future debt service payments on the 1995B bonds. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed. This refunding resulted in the recognition of an accounting loss of \$197,659 for the year ended September 30, 2007 however the County reduced its aggregate debt service payments by \$574,978 over the next ten years. The economic gain that resulted (difference between the present values of the old and new debt service payments) was \$502,283. The 2007 bonds are due serially through 2017.

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

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For the year ended September 30, 2007

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.

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's 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 Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B in the amount of \$15.8 million to finance certain court ordered improvements to a 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 judgment payments pursuant to the judgment.

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, 2007, are summarized as follows:

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For the year ended September 30, 2007

Governmental Activities - Bonds

General Obligations

Year Ended <u>September 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 207,690,000	\$ 15,304,726
2009	19,510,000	5,123,208
2010	17,080,000	4,207,106
2011	10,755,000	3,510,633
2012	11,285,000	2,958,198
2013-2017	39,315,000	7,384,326
2018-2022	10,870,000	1,278,255
2023-2024	<u>1,920,000</u>	<u>92,150</u>
 Total	 <u>\$ 318,425,000</u>	 <u>\$ 39,858,602</u>
 Bonds Payable	 \$ 138,425,000	 \$ 30,545,288
Notes Payable	<u>180,000,000</u>	<u>9,313,314</u>
Total	<u>\$ 318,425,000</u>	<u>\$ 39,858,602</u>

Business-type Activities - Bonds

Downriver Sewage Disposal System - General Obligation

Year Ended <u>September 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 13,081,918	\$ 4,721,294
2009	13,866,348	4,520,450
2010	14,238,720	4,160,442
2011	14,600,536	3,788,318
2012	14,994,634	3,403,462
2013-2017	73,099,693	11,314,257
2018-2022	28,715,627	3,243,806
2023-2027	5,682,105	1,005,106
2028	<u>1,210,000</u>	<u>30,250</u>
Total	<u>\$ 179,489,581</u>	<u>\$ 36,187,385</u>

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For the year ended September 30, 2007

Rouge Valley Sewage Disposal System - General Obligation

Year Ended September 30	<u>Principal</u>	<u>Interest</u>
2008	\$ 700,000	\$ 69,450
2009	740,000	27,000
2010	20,000	4,950
2011	20,000	4,500
2012	20,000	4,050
2013-2017	120,000	12,600
2018-2019	<u>50,000</u>	<u>1,125</u>
Total	<u>\$ 1,670,000</u>	<u>\$ 123,675</u>

CSO Basins Sewage Disposal System - General Obligation

Year Ended September 30	<u>Principal</u>	<u>Interest</u>
2008	\$ 2,080,000	\$ 1,211,518
2009	2,890,000	1,202,031
2010	2,965,000	1,083,288
2011	3,085,000	959,028
2012	3,205,000	827,803
2013-2017	14,865,000	1,938,919
2018	<u>1,571,984</u>	<u>37,386</u>
Total	<u>\$ 30,661,984</u>	<u>\$ 7,259,973</u>

Non-major Business-type Activities - Bonds

Northeast Revenue Bonds

Year Ended September 30	<u>Principal</u>	<u>Interest</u>
2008	\$ 490,000	\$ 103,200
2009	500,000	90,210
2010	515,000	76,760
2011	525,000	62,663
2012	545,000	47,955
2013-2014	<u>1,130,000</u>	<u>49,275</u>
Total	<u>\$ 3,705,000</u>	<u>\$ 430,063</u>

In 2007 and prior years, the County defeased the future principal payments of the following issues by depositing U.S. Treasury obligations with escrow agents:

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Primary Government:

1994	North Huron Valley - Rouge Valley Wastewater Control System Bonds, Series 1989	\$ 1,400,000
1999	Rouge Valley - Dearborn Heights CSO Basins Bonds Series 1994D	8,560,000
1999	Rouge Valley - Inkster CSO Basins Bonds Series 1994F	1,935,000
1999	Rouge Valley - Inkster CSO Basins Bonds Series 1994G	4,805,000
1999	Northeast Sewage Disposal System Bonds Series 1994G	1,250,000
1999	Downriver Sewage Disposal System Bonds Series 1994A	4,655,000
2007	River Rouge – CSO Basins Series 1995B	10,095,000
2007	Building Authority – Refunding Bonds Series 1994	50,810,000
2007	1991 Fiscal Stabilization Bonds	<u>28,958,284</u>
	Total primary government	<u>\$ 112,468,284</u>

Component Units:

1994	Chapter 20 Drainage Districts - various municipal obligations	\$ 2,250,000
1999	Chapter 21 (Milk River) Drainage District bonds, 1994 Series A	<u>850,000</u>
	Total component units	<u>\$ 3,100,000</u>
	Total defeased debt	<u>\$ 115,568,284</u>

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For the year ended September 30, 2007

Component Units

Changes in long-term obligations related to component units at September 30, 2007, are summarized as follows:

	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 1994A, 3.5% to 5.875%, due 2008	\$ 9,065,000	-	(3,070,000)	\$ 5,995,000	\$ 3,020,000
Series 1996A, 3.65% to 5.72%, due 2016	46,110,000	-	(3,100,000)	43,010,000	3,300,000
Series 1996B, 3.65% to 5.72%, due 2016	46,110,000	-	(3,100,000)	43,010,000	3,300,000
Series 1998A, 4.20% to 5.50%, due 2028	790,575,000	-	(18,195,000)	772,380,000	19,195,000
Series 1998B, 4.10% to 5.25%, due 2028	150,125,000	-	(3,560,000)	146,565,000	3,720,000
Series 2001 Junior Lien, variable, 3.87% due 2008	71,545,000	-	(18,580,000)	52,965,000	100,000
Series 2002A, variable, 3.94%, due 2032	141,720,000	-	-	141,720,000	-
Series 2002C, 3.00% to 5.375%, due 2020	26,130,000	-	(110,000)	26,020,000	115,000
Series 2002D, 5.0% to 5.5%, due 2019	74,995,000	-	(3,270,000)	71,725,000	3,435,000
Series 2003A-1, variable, 4.15%, due 2033	75,000,000	-	-	75,000,000	-
Series 2003A-2, variable, 4.10%, due 2033	75,000,000	-	-	75,000,000	-
Series 2003A-3, variable, 4.40%, due 2033	64,975,000	-	-	64,975,000	-
Series 2003B, variable, 4.00%, due 2021	68,450,000	-	(3,450,000)	65,000,000	3,575,000
Series 2003C, variable, 3.75%, due 2021	47,800,000	-	(3,425,000)	44,375,000	3,525,000
Series 2004, variable, 4.00%, due 2024	11,200,000	-	(400,000)	10,800,000	400,000
Series 2005, 3.5% to 5.25%, due 2034	507,135,000	-	-	507,135,000	-
Series 2007A Junior Lien, 4.85% to 5%, due 2038	-	180,390,000	-	180,390,000	-
Energy Conservation Improvement Agreement, 5.625% due 2011	8,740,000	-	(1,540,000)	7,200,000	1,630,000
Installment Purchase Contract, 3.75%, due 2015	-	332,539	-	332,539	36,395
Bond Premium	16,407,666	3,417,533	(1,074,307)	18,750,892	-
Bond Discount	(9,887,478)	672,030	-	(9,215,448)	-
Deferred gain (loss) on refunding	<u>(19,997,515)</u>	<u>1,580,217</u>	<u>-</u>	<u>(18,417,298)</u>	<u>-</u>
Total Detroit Metropolitan Airport	2,201,197,673	186,392,319	(62,874,307)	2,324,715,685	45,351,395
Airport Hotel revenue bonds:					
Series 2001A Hotel, 5.00% to 5.50%, due 2030	99,630,000	-	-	99,630,000	-
Series 2001B Hotel, 6.00% to 6.60%, due 2015	11,190,000	-	(135,000)	11,055,000	210,000
Capital/FF&E Reserve Loan, 8%, due 2017	5,000,000	30,179	(223,341)	4,806,838	319,342
Working Capital Loan 8%, due 2017	1,500,000	-	-	1,500,000	-
Bond Discount	<u>(2,352,121)</u>	<u>129,352</u>	<u>-</u>	<u>(2,222,769)</u>	<u>-</u>
Total Airport Hotel revenue bonds	114,967,879	159,531	(358,341)	114,769,069	529,342
Airport notes payable:					
Willow Run Airport -					
Washtenaw County, 0%, due 2019	258,051	-	(19,476)	238,575	19,475
Willow Run Airport -					
University of Michigan, 8%, due 2013	<u>437,879</u>	<u>-</u>	<u>(5,352)</u>	<u>432,527</u>	<u>-</u>
Total Airport note payables	<u>695,930</u>	<u>-</u>	<u>(24,828)</u>	<u>671,102</u>	<u>19,475</u>
Total Airport Authority	<u>\$ 2,316,861,482</u>	<u>186,551,850</u>	<u>(63,257,476)</u>	<u>\$ 2,440,155,856</u>	<u>\$ 45,900,212</u>

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	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Circuit Court					
Other long-term obligations:					
Compensated absences	\$ 57,525	4,911,339	(57,525)	\$ 4,911,339	\$ 4,911,339
Non-major Component Units:					
General obligation debt:					
Chapter 20 Drainage Bonds, payable from future property tax assessments, 3.15% to 10.0%, generally due serially through 2012:					
ECPAD 3 94 C	\$ 2,720,000	-	(505,000)	\$ 2,215,000	\$ 750,000
ECPAD 3 Unref	1,500,000	-	-	1,500,000	-
Hunter-Leng 77 Unref	1,400,000	-	(700,000)	700,000	700,000
GI-I-T-IM 78 Unref	200,000	-	-	200,000	200,000
GIINT-T94; 94C Ref	160,497	-	(160,497)	-	-
GISANIN94; 94C Ref	12,060	-	(12,060)	-	-
GRSSEILE 78 Unref	60,000	-	-	60,000	60,000
SRF5117-01	313,807	-	(20,054)	293,753	20,054
ECPADINP	<u>160,000</u>	<u>-</u>	<u>(54,000)</u>	<u>106,000</u>	<u>54,000</u>
	<u>6,526,364</u>	<u>-</u>	<u>(1,451,611)</u>	<u>5,074,753</u>	<u>1,784,054</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 serially through 2012, SRF #5057-01	7,515,000	-	(1,190,000)	6,325,000	1,215,000
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 serially through 2012, SRF #5057-02	950,095	-	(165,000)	785,095	165,000
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 2012	1,875,000	-	(265,000)	1,610,000	285,000
Chapter 21 (Milk River) Drainage District bonds, 1999 Series B, payable from future property tax assessments, 3.05% to 4.85%, generally due serially through 2016	870,000	-	(130,000)	740,000	140,000
Detroit-Wayne County Stadium Authority Revenue bonds, 3.70% to 5.50%, due serially to 2027	<u>78,060,000</u>	<u>-</u>	<u>(1,640,000)</u>	<u>76,420,000</u>	<u>1,840,000</u>
Total Revenue bonds	89,270,095	-	(3,390,000)	85,880,095	3,645,000
Notes and Leases Payable:					
Chapter 8 Brooks Drain Drainage District \$150,000 Note Payable at 3.43% per annum until 2009 maturity	90,000	-	(30,000)	60,000	30,000

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	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
Chapter 8 Odette Drain Drainage District					
\$250,000 Note Payable at 3.59% per annum until 2009 maturity	150,000	-	(50,000)	100,000	50,000
Chapter 8 Shuart Drain Drainage District					
\$97,000 Note Payable at 3.39% per annum until 2009 maturity	57,000	-	(20,000)	37,000	20,000
Chapter 8 Strong Drain Drainage District					
\$290,000 Note Payable at 3.70% per annum	232,000	-	(58,000)	174,000	58,000
Chapter 8 Debrow Consolidated Drain Notes, Series 2007, \$607,444 Note Payable at 4.60% per annum until 2012 maturity	-	607,444	-	607,444	121,489
Chapter 8 North Branch of Swan Creek Consolidated Drain Notes, Series 2007, \$704,139 Note Payable at 4.60% per annum until 2012 maturity	-	704,139	-	704,139	140,828
Probate Court Imaging/Case Management Project MMBA Installment Purchase Agreement, 3.55%, due 2008	465,460	-	(228,634)	236,826	236,826
Healthchoice of Michigan Capital Lease Capital obligation to Wells Fargo Financial, 8.00%, due 2008	13,517	-	(7,128)	6,390	6,390
Healthchoice of Michigan Capital Lease Capital obligation to Oce' Financial Services, 8.00%, due 2010	-	10,036	(1,837)	8,199	2,369
Total Notes and Leases Payable	1,007,977	1,321,619	(395,599)	1,933,998	665,902
Other long-term obligations:					
Compensated absences	72,204	462,168	(72,204)	462,168	462,168
Total Non-major Component Units	96,876,640	1,783,787	(5,309,414)	93,351,014	6,557,124
Total Component Units	<u>\$ 2,413,795,647</u>	<u>193,246,976</u>	<u>(68,624,415)</u>	<u>\$ 2,538,418,209</u>	<u>\$ 57,368,675</u>

Airport Authority – Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the 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 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.

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

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 Hanger 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 Hanger 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 November 2005, the County entered into agreements with Northwest to issue \$84.3 million in Airport Special Facility Revenue Bonds, Series 1995 to retire Series 1985 bonds. 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 pay 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. The Series 1995 Bonds are no longer outstanding as a result of and pursuant to a settlement agreement among Northwest Airlines, its parent company NWA Corp., the trustee for the Series 1995 Bonds and the Authority, entered into in the Northwest Airlines bankruptcy, under which the trustee for the Series 1995 Bonds received, among other things, a \$70,894,250 general unsecured claim against Northwest Airlines and NWA Corp. on account of the Series 1995 Bonds.

In October 1996, the County issued \$135.8 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 1996A and 1996B to retire Series 1986 Bonds, at their earliest optional redemption date of December 1, 1996. The Series 1996A and 1996B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport. The refunding bonds are subject to interest rate adjustments determined from time to time by a remarketing agent to reflect the prevailing market. The interest rate borne by the bonds, however, is capped at 12% or the maximum rate under Michigan law, so long as a letter of credit is in place. In anticipation of this refunding, in October 1993, the County entered into an interest-rate swap agreement with a notional principal amount of \$126 million, which permitted the County to change the terms of the anticipated bond offering from a variable rate to fixed-rate coupon of 5.72%. Interest payments that are made to and received from the counterparty will be reflected as an adjustment of interest expense on the refunding bonds.

Effective April 2, 2004, the Airport Authority entered into a wrapper supplement to the 1996 interest rate Swap Agreement, which swaps variable rate to fixed rate on the unhedged portion of 1996 Bonds and which extends final maturity of the Swap from 2008 to 2016 (the final maturity of the 1996 Bonds), resulting in a new fixed-rate coupon of 5.1082% and present value savings of \$2.9 million.

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For the year ended September 30, 2007

As of September 30, 2007, rates were as follows:

<u>Interest Rate</u>	<u>Term</u>	<u>Rate</u>
Fixed payment to counterparties	Fixed	5.1082%
Variable rate from counterparties	BMA	3.8400%
Net interest rate swap payments		1.2682%
Variable-rate bond payment	Market	3.9700%
Synthetic interest rate on bonds		5.2382%

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of \$4,535,540 as of September 30, 2007. Due to this negative fair value, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap becomes positive, the Authority would be exposed. The counterparties, Merrill Lynch and Goldman Sachs, both have S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA-, mitigating this risk.

The Swap exposes the Authority to basis risk should the relationship between BMA and the variable-rate bond payments cause the expected cost savings to not be realized. This risk is mitigated by the Authority maintaining bond insurance, a liquidity facility, and an Authority debt program that limits exposure to synthetic issues to a maximum of 10% of the overall airport debt.

The Authority is also exposed to the risk of termination should either the counterparty or the Authority fail to perform under the terms of the contract. A termination during a negative value period could cause the Authority to be liable to the counterparty equal to the Swap fair value. This risk is mitigated by the Authority maintaining bond insurance, a liquidity facility, and the overall debt program.

The Series 1996A and 1996B Bonds are revenue obligations of the County and do not constitute indebtedness of the County within the meaning of any constitutional, statutory, or charter provision or limitation. Neither the credit nor the taxing power of the County is pledged for the payment of principal, premium, if any, or interest on the Series 1996A and 1996B Bonds.

In June 1999, the County entered into agreements with Northwest Airlines 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 Airlines. As these bonds are payable from special facility lease rentals payable in full by Northwest Airlines, the related debt has not been reflected in the financial statements of the Authority or the County. 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.

In January 2001, the County issued \$141.9 million Charter County of Wayne Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at the Metro Airport. The Series 2001 Bonds and the interest thereon are revenue obligations of the Authority payable 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, on Senior Lien Bonds as provided in the Ordinance. The Series 2001 Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds have been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2001 Bonds.

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

The Series 2001 Bonds are variable rate bonds. The remarketing agent is responsible under an agreement with the Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest that in the judgment of the remarketing agent, would cause the Series 2001 Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

The Series 2001 Bonds are revenue obligations of the County and do not constitute an indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor taxing power of the County is pledged for the payment of principal, or interest or premium, if any, on the Series 2001 Bonds, and no owner of any Series 2001 Bond has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the Ordinance.

In March 2001, the County issued \$110.9 million 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 and related improvements (the "Airport Hotel") at the new McNamara Terminal of the Detroit Metropolitan 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.

The Airport 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 August 2001, the County entered into an Installment Purchase Contract for \$14.4 million to pay for energy conservation improvements at the Metro Airport. The purchase contract is not a revenue or general obligation of the County and does not constitute an indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor taxing power of the County is pledged for the payment of principal, or interest or premium, if any, on these improvements.

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

In May 2002, the County issued \$141.7 million Charter County of Wayne Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at the Airport. The Series 2002A Bonds and the interest thereon are revenue obligations of the Authority payable from the net revenues derived from the operation of the Detroit Metropolitan Airport.

The Series 2002A Bonds are variable rate bonds. The remarketing agent is responsible under an agreement with the 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 2002A Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

The Series 2002A Bonds are not revenue obligations of the County and do not constitute an indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor taxing power of the County is pledged for the payment of principal, or interest or premium, if any, on the Series 2002A Bonds, and no owner of any Series 2002A Bond has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the Ordinance.

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 the Detroit Metropolitan Airport.

The County defeased the Series 1990B, Series 1990A, Series 1991B Bonds, and the December 2002 principal amount due on the Series 1998B Bonds by placing the proceeds on 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 \$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.

The Series 2002C and 2002D Refunding Bonds are revenue obligations of the County and do not constitute an indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor the taxing power of the County is pledged for the payment of principal, or interest or premium, if any, on the Series 2002C and 2002D Refunding Bonds, and no owner of any Series 2002C and 2002D Refunding Bond has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the Ordinance.

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 statutory first lien, has been granted upon all net Airport Hotel revenues for such purpose.

In December 2003, the Authority issued \$215 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Detroit Metropolitan Airport. The Series 2003A-1, 2003A-2, and 2003A-3 Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

The Series 2003A-1, 2003A-2, and 2003A-3 Bonds were issued as Periodic Auction Reset Securities (PARS). The Auction Agent is responsible under an agreement with the Authority to establish the interest rate weekly. The Winning Bid Rate, as determined by the Auction Agent, becomes the weekly interest rate for the Series 2003A-1, 2003A-2, and 2003A-3 Bonds.

In December 2003, the Authority issued \$129.3 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2003B and 2003C. The Series 2003B and 2003C Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The 2003B Refunding Bonds were issued to refund the Series 1993A Bonds and the Series 1999B Bonds. The Series 2003C Refunding Bonds were issued to refund the Series 1993C Bonds. The 2003B and 2003C 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 1993A, the Series 1993B, and the Series 1993C Bonds. The proceeds of the Series 2003B and 2003C Bonds were placed in an irrevocable trust to provide for all future debt service payments. The Series 1993A, the Series 1993B, and the Series 1993C Bonds were subsequently called and paid in full in February 2004. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$13 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 \$8.1 million.

The Series 2003B and 2003C Bonds were issued as PARS. The auction agent is responsible under an agreement with the Authority to establish the interest rate weekly for the 2003C Bonds and monthly for the 2003B Bonds. The winning bid rate, as determined by the auction agent, becomes the weekly interest rate for the Series 2003B and 2003C Bonds.

The Authority entered into a variable to fixed interest rate swap agreement, resulting in a fixed coupon rate of 3.4825% for the Series 2003B Bonds and a rate of 3.4265% on the Series 2003C Bonds.

As of September 30, 2007, rates were as follows:

		2003B	2003C
<u>Interest Rate</u>	<u>Term</u>	<u>Rates</u>	<u>Rates</u>
Fixed payment to counterparties	Fixed	3.4825%	3.4265%
Variable rate from counterparties	BMA	3.4893%	3.4893%
Net interest rate swap payments		(0.0068)%	(0.0628)%
Variable-rate bond payment	Market	4.0000%	3.7500%
Synthetic interest rate on bonds		3.9932%	3.6872%

Due to a rising interest rate environment, the Swap had a positive fair value of \$1,396,526 as of September 30, 2007, exposing the Authority to a credit risk. The counterparty, Goldman Sachs, has S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA,- mitigating this risk.

The Series 2003B and 2003C Swap exposes the Authority to risk, which is addressed by the Authority Swap Management Plan. Swap (synthetic variable to fixed) borrowing is limited to 10% of the overall bond program. The following table identifies the Authority's plan for mitigating swap risk.

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For the year ended September 30, 2007

<u>Type of risk</u>	<u>Concern</u>	<u>Resolution</u>
Counterparty risk	Default of counterparty	Counterparty is rated AA by two rating agencies
Tax risk	Federal marginal rates could decline, reducing tax-exempt advantage of underlying auction rate securities	Can terminate after 7 years (Early Call provision)
Basis risk	Spread could widen, making Swap more expensive	(1) Enhanced LIBOR Index was chosen, protecting the Airport in both low- and high-interest environments (2) Can terminate after 7 years
Termination risk	Authority credit quality could deteriorate during a time when it would be very expensive for the Authority to get out of the Swap	(1) Maintain bond insurance (2) Solid financial performance of the Authority

In October 2004, the Authority issued \$11.6 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2004. The Series 2004 Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The 2004 Refunding Bonds were issued to refund the Series 1994B Bonds. The series 2004 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 1994B Bonds by placing the proceeds of the Series 2004 Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1994B Bonds were subsequently called and paid in full in December 2004. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$1.7 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 \$1.1 million.

The Series 2004 Bonds were issued as PARS. The auction agent is responsible under an agreement with the Authority to establish the interest rate weekly. The winning bid rate, as determined by the auction agent, becomes the weekly interest rate for the Series 2004 Bonds.

The Authority entered into a variable to fixed interest rate swap agreement resulting in a fixed coupon rate of 3.9970%.

As of September 30, 2007, rates were as follows:

<u>Interest Rate</u>	<u>Term</u>	<u>Rate</u>
Fixed payment to counterparties	Fixed	3.9970%
Variable rate from counterparties	BMA	3.4893%
Net interest rate swap payments		0.5077%
Variable-rate bond payment	Market	4.0000%
Synthetic interest rate on bonds		4.5077%

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For the year ended September 30, 2007

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of \$40,305 as of September 30, 2007. Due to this negative fair value, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap become positive, the Authority would be exposed. The counterparty, Goldman Sachs, has S&P ratings of A+, Moody's ratings of AA3, and Fitch ratings of AA-, mitigating this risk.

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 2006A 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 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 line 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. The County is not obligated in any manner to pay debt service in the event of default by the Authority.

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. In September 2007, the Authority entered into an Installment Purchase Contract for \$332,539 to pay for equipment at Metro Airport. The County is not obligated in any manner to pay debt service in the event of default by the Authority.

The Authority capitalizes net financing costs during the construction for debt issues specifically related to construction projects. During the year ended September 30, 2007, interest expense incurred on these debt issues totaled \$112,138,212. For 2007, net financing costs capitalized were \$9,598,213.

In July 2007, the Authority entered into a line-of-credit agreement with a maximum borrowing amount of \$15 million. The borrowings charged interest at a rate equal to 35 basis points over the LIBOR rate. The line-of-credit agreement expires June 2008. There were no borrowings on this line during the year ended September 30, 2007.

Probate Court – In April 2003, the County entered into a five-year note payable for \$1.1 million with an interest rate of 3.55% with the MMBA for the purpose of financing a portion of the Wayne County Probate Court Imaging Project/Case Management System. The new system provides case management, imaging, electronic filing, and internet access. The County's obligation to make the payments is a limited tax general obligation supported by the full faith and credit of the County, subject to certain limitations.

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, with the exception of \$5.15 million of debt relating to the

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

Ecorse Creek Pollution Abatement Drain No. 1 Phase III Drainage District, which is considered defeased.

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, 2007, 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's 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 August 2004, three Chapter 8 Drainage Districts issued notes to borrow funds to construct major improvements to the specified Drains. The Brooks Drain borrowed \$150,000, the Shuart Drain \$97,000 and the Odette Drain \$250,000 with annual payments scheduled through 2009. 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 September 2005, the Chapter 8 Strong Drain Drainage District issued a note to borrow \$290,000 from Citizen's Bank for construction of major improvements to the Strong Drain. Repayment of this debt will be made annually through 2010, financed by special assessments against the properties benefiting from these improvements, and is guaranteed by the full faith and credit of the Drainage District.

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.

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.

Capital Leases

HealthChoice of Michigan has various leased equipment that qualified as capital leases for accounting purposes. The equipment and the lease payable were recorded at the present value of the future minimum lease payments as of the inception date. The lease requires monthly payments of \$663 and \$245 respectively, including interest. As of September 30, 2007, the outstanding balance of the capital lease obligation was \$6,390 and \$8,199 respectively. Future minimum lease payments are as follows:

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

<u>September 30</u>	<u>Capital Lease Obligations</u>
2008	\$ 8,759
2009	2,566
2010	2,779
2011	485
Total	<u>\$ 14,589</u>

Operating Leases

The County is committed under three 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, 2007, amounted to \$5,130,143. Future minimum lease payments for these leases are as follows:

<u>September 30</u>	<u>Operating Lease Obligations</u>
2008	\$ 4,980,553
2009	5,166,159
2010	3,218,989
2011	3,315,558
2012	3,415,025
2013-2017	18,674,756
2018-2022	21,649,161
2023-2027	25,097,311
2028-2032	29,094,662
2033-2037	33,728,687
2038	<u>7,364,813</u>
Total minimum lease payments	<u>\$ 155,705,674</u>

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, 2007, are summarized as follows:

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

**Airport Authority - Loans, Notes Payable
and Revenue Bonds**

Year Ended September 30	Principal	Interest
2008	\$ 45,900,212	\$ 117,931,228
2009	105,828,088	114,832,989
2010	67,078,214	110,802,703
2011	70,425,777	107,439,867
2012	75,260,975	103,802,946
2013-2017	449,209,145	455,326,040
2018-2022	478,158,068	339,056,224
2023-2027	527,100,000	218,557,915
2028-2032	438,420,000	89,382,234
2033-2037	182,180,000	18,175,590
2038	11,700,000	292,500
Total	<u>\$ 2,451,260,479</u>	<u>\$ 1,675,600,236</u>

Revenue Bonds Payable	\$ 2,436,750,000	\$ 1,670,836,377
Loans and Notes Payable	<u>14,510,479</u>	<u>4,763,859</u>
Total	<u>\$ 2,451,260,479</u>	<u>\$ 1,675,600,236</u>

Non-major Component Units - Bonds and Notes Payable

Year Ended September 30	<u>General Obligation</u>		<u>Revenue</u>	
	Principal	Interest	Principal	Interest
2008	\$ 2,441,195	\$ 339,066	\$ 3,645,000	\$ 4,253,962
2009	1,229,371	227,317	3,900,000	4,102,442
2010	1,065,370	162,936	4,185,000	3,937,309
2011	1,036,381	104,672	4,485,000	3,764,726
2012	1,036,381	54,504	4,720,095	3,577,217
2013-2017	124,335	15,612	18,445,000	14,922,563
2018-2022	61,129	1,715	23,250,000	9,154,688
2023-2027	-	-	<u>23,250,000</u>	<u>3,051,563</u>
Total	<u>\$ 6,994,162</u>	<u>\$ 905,822</u>	<u>\$ 85,880,095</u>	<u>\$ 46,764,470</u>

Bonds Payable	\$ 5,074,753	\$ 689,901
Notes Payable	<u>1,919,409</u>	<u>215,921</u>
Total	<u>\$ 6,994,162</u>	<u>\$ 905,822</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
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For the year ended September 30, 2007

(12) 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 four defined-benefit retirement options, three 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 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, or collectively "the Plan") and the Defined Contribution Plan (Plan Option 4 and a component of Plan Option 5) have been combined for presentation in the financial statements.

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, 2006, the date of the most recent actuarial valuation, combined membership in the Plan consisted of 5,497 retirees and beneficiaries receiving benefits, 139 inactive (separated) employees entitled to benefits but not yet receiving them, and 1,792 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, 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, or 5 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 component of Plan Option 5. The defined contribution portion of Plan Option 5 is included in the financial statements of the WCERS Defined Contribution Plan (Plan Option 4).

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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

The County's policy, in accordance with State statute, is to fund pension costs. Accrued unfunded actuarial liabilities, if any, are amortized over a 20-year 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.

Market values for common stocks and money market funds are based on September 30, 2007, closing market quotations. Fixed debt quotations are provided by a national brokerage pricing service. Mortgage market values are determined on the basis of comparable yields available in the market place. Investments in certain partnerships that do not have a readily determinable market value are recorded at cost.

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, 2007, and 2006.

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, and receive a lower final benefit. Participants in Plan Option 5 make no member contributions toward the defined benefit component of the plan with the exception of Sheriff Command Officers who contributes one percent of annual compensation.

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, 2007, the County's annual pension cost of \$15,398,157 was equal to the County's required contribution. The annual required contribution was determined using an actuarial valuation of the Plan dated September 30, 2005, (using the projected unit credit 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

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. Maximum County-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.

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 and 5 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, 2007:

Three Year Trend Information

(Dollar amount in thousands)

<u>Fiscal</u> <u>Year Ended</u> <u>September 30</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2005	11,106	104.3	-
2006	12,663	100.0	-
2007	15,398	100.0	-

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

Reserves (Employees)

As of September 30, 2007, the Plan's legally required reserves have been fully funded as follows:

Reserve for employee contributions	\$ 53,944,626
Reserve for employer contributions	82,936,119
Reserve for pension payments	847,283,203
Reserve for inflation equity	<u>53,814,456</u>
Total reserve balances	<u>\$ 1,037,978,404</u>

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	September 30, 2006
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	20 years
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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

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.

Market values for common stocks and money market funds are based on September 30, 2007, closing market quotations. Fixed debt quotations are provided by a national brokerage pricing service. Mortgage market values are determined on the basis of comparable yields available in the marketplace.

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, 2007, and 2006.

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.

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, 2007, there were no required contributions or actual contributions made by the County. The annual pension cost of \$38,117 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, 2006. Contributions were determined using an entry age actuarial cost method. The Plan is fully funded.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

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 5 active participants in the Plan for 2007 (all of whom were vested), and 6 retirees and beneficiaries receiving benefits.

Three-Year Trend Information

Fiscal Year Ended <u>September 30</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
2005	-	-	-
2006	-	-	-
2007	-	-	-

Reserves (Circuit Court)

As of September 30, 2007, the Plan's legally required reserves have been fully funded as follows:

Reserve for employee contributions	1,566,416
Reserve for employer contributions	2,907,825
Reserve for pension payments	837,688
Reserve for inflation equity	23,884
Unallocated net assets	<u>1,673,769</u>
Total reserves balances	<u>\$ 7,009,582</u>

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	September 30, 2006
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 (includes inflation at 3.0 percent)
*Projected salary increases	3.0 percent (includes inflation at 3.0 percent)
Cost-of-living adjustments	Inflation Equity Reserve Distributions

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

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 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 Plan Option 5") 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, 2006, the date of the most recent actuarial valuation, there were 3,983 employees in the Plan. 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. At September 30, 2006, there were 1,291 employees in the Plan. Classified 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.

Total employer and employee contributions for Plan Option 4 and 5, during 2007, were \$26.7 million and \$8.0 million, respectively.

In Plan Option 4, members are able to receive loans from the Defined Contribution Plan. Only active employees with a vested account balance of \$2,000 or more are eligible. Interest on the loans is at the rate of five-year Treasury notes plus 300 basis points (3 percent) 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, 2007, 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, 2007, and 2006.

Other Post Retirement Benefit Obligations

The County provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Commission or the Wayne County Retirement Board of Commissioners. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Basic Financial Statements

For the year ended September 30, 2007

County paid approximately \$51.8 million for these benefits for the fiscal year ended September 30, 2007, exclusive of retiree life insurance. The County pays the cost of the basic retiree life insurance, up to \$5,000 per employee, on a pay as you go basis. Total costs for the year ended September 30, 2007, amounted to \$2.2 million. There were 5,497 retirees eligible for benefits, as of September 30, 2006, the date of the most recent actuarial valuation.

Substantially all County employees may become eligible for benefits if they reach normal retirement age while employed by the County. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 12, *Disclosure of Information of Post Employment Benefits Other Than Pension Benefits*, no determination of the County's continuing obligation for these benefits has been made as of September 30, 2007.

Upcoming Reporting Change

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). This change will cause the government wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ended September 30, 2008.

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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

(13) 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.

Fund	Deficit	Source of Funding			
		General Fund Appropriations	Other Internal Appropriations	Expenditure Reduction	Other Revenue Sources
Governmental funds:					
Juvenile Justice/Abuse and Neglect	\$ 25,710,752	13,110,752	12,600,000	-	-
Law Enforcement	3,050,812	3,050,812	-	-	-
Nuisance Abatement	2,301,084	2,245,200	55,884	-	-
Total governmental funds	\$ 31,062,648	18,406,764	12,655,884	-	-
Component units:					
Third Circuit Court	\$ 37,810,863	10,700,863	4,000,000	10,000,000	13,110,000

The General Fund has committed \$7 million in 2008 and anticipates committing \$7 million per year from 2009 through 2012 for the funding of these deficits. In the event that other sources of revenue or reductions in revenue fail to meet projected levels, the General Fund may be responsible for covering the difference.

(14) Commitment and Contingencies

Claims, litigation, and assessments for the year ended September 30, 2007, and prior years, which were settled shortly after September 30, 2007, 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, 2007. In the governmental fund financial statements, liabilities are accrued when costs are settled and the amount is due and payable.

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.

In addition, the Detroit-Wayne County Community Mental Health Agency is both a defendant and plaintiff in several lawsuits and claims resulting from unresolved service provider audits. The outcome of these matters is not reasonably determinable.

CHARTER COUNTY OF WAYNE, MICHIGAN
Notes to the Basic Financial Statements
For the year ended September 30, 2007

(15) Subsequent Events

On December 21, 2007, the County issued \$4,300,000 of Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007D to finance certain capital improvements to the Downriver Sewage Disposal System. These bonds are due serially beginning on May 1, 2008 through May 1, 2028, and bear interest ranging from 4.0% to 4.625%.

In December 2007, the County entered into labor agreements with the Michigan Building and Construction Trades Council and Local 502. The effective date of each of these agreements is December 1, 2004 through September 30, 2008. These agreements resulted in retroactive pay increases on October 1, 2005, October 1, 2006 and October 1, 2007. The amount of retroactive pay attributable to fiscal year 2007 and prior has been included in the proprietary fund and government-wide financial statements.

In December 2007, the Wayne County Commission authorized the issuance of capital improvement bonds, in an amount not to exceed \$60,000,000, to pay for the acquisition, furnishing and/or improvements and renovations to the following buildings located in Detroit, Michigan: 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 Wayne County Building, located at 600 Randolph. The bonds will be issued during fiscal year 2008.

In November 2007, the Airport Authority issued \$119,390,000 of Airport Revenue Refunding Bonds, Series 2007B. The Series 2007B Bonds were issued to refund, on a current basis at the earliest practicable date, a portion (\$120,985,000) of the Series 1998B Bonds.

In November 2007, the Airport Authority entered into an Installment Purchase Contract (under the Master Lease Purchase Agreement) for \$423,000 to pay for equipment at Metro Airport.

**REQUIRED SUPPLEMENTARY
INFORMATION**
(OTHER THAN MD&A)

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule

Major Governmental Funds

General Fund

For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes:				
Property	\$ 382,053,600	382,053,600	450,671,915	68,618,315
State sales	6,200,000	6,200,000	5,986,774	(213,226)
Licenses and permits	290,000	290,000	372,155	82,155
Federal grants	7,382,101	11,458,578	7,131,344	(4,327,234)
State grants and contracts	99,173,124	58,960,829	55,211,500	(3,749,329)
Local grants and contracts	3,914,175	1,550,000	1,429,944	(120,056)
Charges for services	67,218,050	67,436,850	66,925,112	(511,738)
Interest and rents	2,968,900	2,968,900	-	(2,968,900)
Other	21,858,480	24,466,780	21,417,627	(3,049,153)
Total revenues	<u>591,058,430</u>	<u>555,385,537</u>	<u>609,146,371</u>	<u>53,760,834</u>
Expenditures:				
Current operations:				
Legislative	11,256,200	12,054,522	11,806,806	(247,716)
Judicial	96,724,700	96,724,700	96,909,378	184,678
General government	119,019,577	119,252,737	106,556,115	(12,696,622)
Public safety	138,378,911	138,114,198	144,048,086	5,933,888
Public works	1,300,800	1,300,800	1,050,752	(250,048)
Highways, streets, and bridges	-	-	-	-
Health and welfare	88,176,097	96,778,562	88,519,781	(8,258,781)
Recreational and cultural	-	-	-	-
Community and economic development	-	1,800,000	1,800,000	-
Capital outlay	1,758,700	1,937,011	5,258,436	3,321,425
Debt service	2,260,300	139,000	-	(139,000)
Total expenditures	<u>458,875,285</u>	<u>468,101,530</u>	<u>455,949,354</u>	<u>(12,152,176)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>132,183,145</u>	<u>87,284,007</u>	<u>153,197,017</u>	<u>65,913,010</u>
Other Financing Sources (Uses):				
Transfers in	18,587,025	64,517,725	71,675,814	7,158,089
Transfers out	(150,770,170)	(151,801,732)	(223,222,747)	71,421,015
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	29,479	29,479
Total other financing sources (uses):	<u>(132,183,145)</u>	<u>(87,284,007)</u>	<u>(151,517,454)</u>	<u>(64,233,447)</u>
Net change in fund balance	-	-	1,679,563	1,679,563
Fund balance at October 1, 2006	<u>23,698,993</u>	<u>23,698,993</u>	<u>23,698,993</u>	<u>-</u>
Fund balance at September 30, 2007	<u>\$ 23,698,993</u>	<u>23,698,993</u>	<u>25,378,556</u>	<u>1,679,563</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule

Major Governmental Funds

Roads Fund

For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	17,268,487	17,268,487	1,457,379	(15,811,108)
State grants and contracts	98,128,037	98,237,903	90,576,156	(7,661,747)
Local grants and contracts	4,687,808	4,848,733	10,294,830	5,446,097
Charges for services	6,142,634	6,142,634	7,322,485	1,179,851
Interest and rents	924,313	924,313	968,785	44,472
Other	6,671	6,671	5,010	(1,661)
Total revenues	<u>127,157,950</u>	<u>127,428,741</u>	<u>110,624,645</u>	<u>(16,804,096)</u>
Expenditures:				
Current operations:				
Personnel	35,302,891	35,302,891	32,378,658	(2,924,233)
Fringe benefits	15,502,958	15,502,958	15,189,672	(313,286)
Pension	4,081,224	4,081,224	4,352,162	270,938
Materials and supplies	12,297,545	12,003,545	11,602,129	(401,416)
Contractual services	45,898,300	45,853,493	14,964,123	(30,889,370)
Travel	247,100	257,100	167,916	(89,184)
Operating	5,485,305	5,947,671	7,456,049	1,508,378
Rentals	652,000	660,445	626,899	(33,546)
Other charges	1,161,100	1,265,100	277,830	(987,270)
Capital outlay	682,000	706,787	6,726,048	6,019,261
Debt service	-	-	-	-
Total expenditures	<u>121,310,423</u>	<u>121,581,214</u>	<u>93,741,486</u>	<u>(27,839,728)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,847,527</u>	<u>5,847,527</u>	<u>16,883,159</u>	<u>11,035,632</u>
Other Financing Sources (Uses):				
Transfers in	-	2,500,000	2,523,192	23,192
Transfers out	(5,961,000)	(5,961,000)	(5,976,130)	15,130
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	113,473	113,473	545,362	431,889
Total other financing sources (uses):	<u>(5,847,527)</u>	<u>(3,347,527)</u>	<u>(2,907,576)</u>	<u>439,951</u>
Net change in fund balance	-	2,500,000	13,975,583	11,475,583
Fund balance at October 1, 2006	<u>(3,486,166)</u>	<u>(3,486,166)</u>	<u>(3,486,166)</u>	-
Fund balance at September 30, 2007	<u>\$ (3,486,166)</u>	<u>(986,166)</u>	<u>10,489,417</u>	<u>11,475,583</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule

Major Governmental Funds

Mental Health Fund

For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes:				
Property	\$ -	-	-	-
State sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	4,386,700	12,728,915	5,326,063	(7,402,852)
State grants and contracts	529,056,600	531,439,300	528,923,414	(2,515,886)
Local grants and contracts	177,750	177,750	-	(177,750)
Charges for services	2,400	2,400	23,515	21,115
Interest and rents	2,201,300	2,201,300	6,608,938	4,407,638
Other	-	-	10,628,830	10,628,830
Total revenues	<u>535,824,750</u>	<u>546,549,665</u>	<u>551,510,760</u>	<u>4,961,095</u>
Expenditures:				
Current operations:				
Personnel	7,721,000	7,721,000	6,999,694	(721,306)
Fringe benefits	3,176,000	3,176,000	2,862,735	(313,265)
Pension	780,400	780,400	777,815	(2,585)
Materials and supplies	213,000	213,000	183,838	(29,162)
Contractual services	503,740,250	540,943,165	543,997,106	3,053,941
Travel	235,200	235,200	238,294	3,094
Operating	32,122,700	4,144,700	6,032,425	1,887,725
Rentals	1,038,200	1,038,200	931,919	(106,281)
Other charges	-	-	-	-
Capital outlay	-	-	16,657	16,657
Debt service	-	-	-	-
Total expenditures	<u>549,026,750</u>	<u>558,251,665</u>	<u>562,040,483</u>	<u>3,788,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,202,000)</u>	<u>(11,702,000)</u>	<u>(10,529,723)</u>	<u>1,172,277</u>
Other Financing Sources (Uses):				
Transfers in	17,733,700	17,733,700	9,233,700	(8,500,000)
Transfers out	(4,531,700)	(6,031,700)	(18,831,796)	12,800,096
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses):	<u>13,202,000</u>	<u>11,702,000</u>	<u>(9,598,096)</u>	<u>(21,300,096)</u>
Net change in fund balances	-	-	(20,127,819)	(20,127,819)
Fund balance at October 1, 2006	<u>74,135,357</u>	<u>74,135,357</u>	<u>74,135,357</u>	-
Fund balance at September 30, 2007	<u>\$ 74,135,357</u>	<u>74,135,357</u>	<u>54,007,538</u>	<u>(20,127,819)</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule

Major Governmental Funds

Health Fund

For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes:				
Property	\$ -	-	-	-
State sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	155,000	889,807	12,291,296	11,401,489
State grants and contracts	8,176,700	8,610,077	3,668,996	(4,941,081)
Local grants and contracts	135,000	183,812	11,829	(171,983)
Charges for services	19,816,500	20,546,907	6,282,569	(14,264,338)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>28,283,200</u>	<u>30,230,603</u>	<u>22,254,690</u>	<u>(7,975,913)</u>
Expenditures:				
Current operations:				
Personnel	10,079,900	10,093,869	9,280,852	(813,017)
Fringe benefits	4,534,100	4,500,818	4,182,644	(318,174)
Pension	1,114,500	1,100,446	1,151,416	50,970
Materials and supplies	796,900	909,829	7,336,089	6,426,260
Contractual services	20,788,700	19,147,246	6,345,809	(12,801,437)
Travel	375,820	386,690	323,112	(63,578)
Operating	343,700	361,077	471,228	110,151
Rentals	595,700	603,000	390,506	(212,494)
Other charges	71,900	185,648	52,593	(133,055)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>38,701,220</u>	<u>37,288,623</u>	<u>29,534,249</u>	<u>(7,754,374)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,418,020)</u>	<u>(7,058,020)</u>	<u>(7,279,559)</u>	<u>(221,539)</u>
Other Financing Sources (Uses):				
Transfers in	10,418,020	7,058,020	8,298,213	1,240,193
Transfers out	-	-	-	-
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	1,277	1,277
Total other financing sources (uses):	<u>10,418,020</u>	<u>7,058,020</u>	<u>8,299,490</u>	<u>1,241,470</u>
Net change in fund balances	-	-	1,019,931	1,019,931
Fund balance at October 1, 2006	-	-	-	-
Fund balance at September 30, 2007	<u>\$ -</u>	<u>-</u>	<u>1,019,931</u>	<u>1,019,931</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Major Governmental Funds Juvenile Justice and Abuse/Neglect Fund For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	100,000	100,000	684,015	584,015
State grants and contracts	95,678,250	101,884,919	105,075,955	3,191,036
Local grants and contracts	473,850	5,373,960	3,512,948	(1,861,012)
Charges for services	56,000	56,000	139,194	83,194
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>96,308,100</u>	<u>107,414,879</u>	<u>109,412,112</u>	<u>1,997,233</u>
Expenditures:				
Current operations:				
Personnel	15,884,700	17,515,584	20,648,408	3,132,824
Fringe benefits	6,603,500	7,274,168	8,172,523	898,355
Pension	1,837,300	2,013,788	2,486,101	472,313
Materials and supplies	400,200	404,931	398,386	(6,545)
Contractual services	183,698,700	194,798,562	189,097,925	(5,700,637)
Travel	62,900	65,975	175,698	109,723
Operating	236,600	244,318	247,786	3,468
Rentals	3,451,000	3,451,000	3,468,973	17,973
Other charges	57,800	59,800	76,186	16,386
Capital outlay	157,000	157,000	121,420	(35,580)
Debt service	-	-	-	-
Total expenditures	<u>212,389,700</u>	<u>225,985,126</u>	<u>224,893,406</u>	<u>(1,091,720)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(116,081,600)</u>	<u>(118,570,247)</u>	<u>(115,481,294)</u>	<u>3,088,953</u>
Other Financing Sources (Uses):				
Transfers in	116,081,600	118,570,247	119,270,683	700,436
Transfers out	-	-	-	-
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses):	<u>116,081,600</u>	<u>118,570,247</u>	<u>119,270,683</u>	<u>700,436</u>
Net change in fund balances	-	-	3,789,389	3,789,389
Fund balance at October 1, 2006	<u>(29,500,141)</u>	<u>(29,500,141)</u>	<u>(29,500,141)</u>	-
Fund balance at September 30, 2007	<u>\$ (29,500,141)</u>	<u>(29,500,141)</u>	<u>(25,710,752)</u>	<u>3,789,389</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

For the year ended September 30, 2007

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)
09/30/01 #	\$ 1,041.6	\$ 979.2	\$ (62.4)	106.4%	\$ 294.1	N/A
09/30/02	1,043.3	1,010.7	(32.6)	103.2%	309.0	N/A
09/30/03	996.6	1,007.7	11.1	98.9%	289.3	3.8%
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%

After changes in benefit provisions or revised actuarial assumptions

& Change in Inflation Equity calculation and cost method

Note: The schedule includes Hybrid Plan 5 for Years Ended September 30, 2003 and later

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
2002	\$ -	\$ 45	100.0%
2003	1,328	3,002	226.1%
2004	6,326	7,374	116.6%
2005	10,647	11,106	104.3%
2006	12,663	12,663	100.0%
2007	15,398	15,398	100.0%

Note: The schedule includes Hybrid Plan 5 for Years Ended September 30, 2003 and later.

CHARTER COUNTY OF WAYNE, MICHIGAN
Required Supplementary Information
For the year ended September 30, 2007

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)
09/30/01	\$ 4,391	\$ 3,789	\$ (602)	115.9%	\$ 714	-
09/30/02	4,367	3,527	(840)	123.8%	714	-
09/30/03	4,403	3,557	(846)	123.8%	714	-
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	-

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
2002	-	\$ 68,063	-
2003	-	63,133	-
2004	-	44,023	-
2005	-	28,850	-
2006	-	50,441	-
2007	-	38,117	-

CHARTER COUNTY OF WAYNE, MICHIGAN
Note to the Required Supplementary Information
For the year ended September 30, 2007

(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 operation 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 to appropriations that change the County's appropriations ordinance require the approval of the Commission. Budget amendments were made after year-end. Certain transfers within line items that do not affect aggregate 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.

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

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

***Special Revenue Funds** are used to account for specific revenues that are legally restricted for expenditure for particular purposes.*

***Debt Service Funds** are used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources, and for special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for the payment.*

***Capital Projects Funds** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.*

Special Revenue Funds, Continued

Community Corrections – This fund accounts for Alternative Work Force activity and other programs for offenders.

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 – The fund accounts for deterrent programs and other youth services.

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.

Budget Stabilization – This fund was established by charter and is used to account for funds set aside from the General Fund under the provisions of Public Act 30 of 1978.

Environmental Programs – This fund accounts for the activities of the air quality management and land resource management programs.

Nuisance Abatement – This fund accounts for activity related to the prosecution of forfeiture, nuisance and criminal environmental enforcement actions. The activities include seizures of assets derived from illegal activity, including illegal drug activity, seizures of vehicles in connection with drug buys and prostitution, and prosecution of nuisance actions associated with abandoned properties.

Health and Family Services – This fund accounts for Head Start program services.

Pinnacle Aeropark – This fund is used to account for the appropriations for the Pinnacle Aeropark project.

Non-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

***Special Revenue Funds** are used to account for specific revenues that are legally restricted for expenditure for particular purposes.*

***Debt Service Funds** are used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources, and for special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for the payment.*

***Capital Projects Funds** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.*

Debt Service Funds

General Debt Service – This fund is used to account for the debt service associated with the Fiscal Stabilization Bonds.

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 the costs associated with structural repairs to the tower of the Wayne County building and renovations to the Wayne County Prosecutor's offices.

Wayne County Building Authority Construction – This fund is used to account for the funding and costs of constructing new facilities or for major renovations of existing facilities.

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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Governmental Funds
Combining Balance Sheet
As of September 30, 2007

	Special Revenue Funds			
	Revenue Sharing Reserve	Parks	Rouge Demonstration Project	Law Enforcement
<u>Assets</u>				
Equity in pooled cash and investments	\$ 80,963,902	13,825,932	650,682	-
Other cash and investments	-	3,132	500	-
Due from component units	-	57,487	-	-
Receivables:				
Accounts receivable	-	32,099	-	2,709,532
Due from other governmental units	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-
Prepayments and deposits	-	35,000	-	-
Total assets	<u>\$ 80,963,902</u>	<u>13,953,650</u>	<u>651,182</u>	<u>2,709,532</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Negative equity in pooled cash	\$ -	-	-	2,171,561
Accounts and contracts payable	-	803,070	21,472	117,856
Due to other funds	-	-	-	-
Accrued wages and benefits	-	84,038	24,925	130,667
Other liabilities	-	19,851	-	43,168
Deferred revenue	-	31,418	468,767	3,297,092
Total liabilities	-	938,377	515,164	5,760,344
Fund Balances:				
Reserved for:				
Prepayments and deposits	-	35,000	-	-
Other long-term assets	79,959,245	-	-	-
Debt service	-	-	-	-
Capital projects	-	10,631,000	-	-
Unreserved	1,004,657	2,349,273	136,018	(3,050,812)
Total fund balances	<u>80,963,902</u>	<u>13,015,273</u>	<u>136,018</u>	<u>(3,050,812)</u>
Total liabilities and fund balances	<u>\$ 80,963,902</u>	<u>13,953,650</u>	<u>651,182</u>	<u>2,709,532</u>

Special Revenue Funds

County Library	Community Development Block Grants	Drug Enforcement	Nutrition	Veteran's Trust
205,968	-	26,045	188,328	75,611
500	-	-	10,250	-
-	-	-	-	-
261,607	-	-	13,071	-
374,572	1,748,446	180,299	342,777	-
(60,270)	-	(122,785)	-	-
-	-	-	-	-
<u>782,377</u>	<u>1,748,446</u>	<u>83,559</u>	<u>554,426</u>	<u>75,611</u>
-	724,556	-	-	-
85,619	323,442	123	111,148	11,012
-	-	-	-	-
50,122	6,982	29,865	42,633	-
2,179	342,604	5,133	10,177	-
644,457	350,862	48,438	-	-
<u>782,377</u>	<u>1,748,446</u>	<u>83,559</u>	<u>163,958</u>	<u>11,012</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	390,468	64,599
-	-	-	390,468	64,599
<u>782,377</u>	<u>1,748,446</u>	<u>83,559</u>	<u>554,426</u>	<u>75,611</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Governmental Funds
Combining Balance Sheet
As of September 30, 2007

	Special Revenue Funds			
	E & ND 21st Century	Community Corrections	Victim Witness	Soldiers' Relief
<u>Assets</u>				
Equity in pooled cash and investments	\$ 603,721	526,642	207,697	1,599,500
Other cash and investments	290	600	-	-
Due from component units	-	-	-	-
Receivables:				
Accounts receivable	174,732	6,610	-	-
Due from other governmental units	405,125	1,389,141	-	-
Less allowance for uncollectible accounts	-	(4,490)	-	-
Prepayments and deposits	-	-	-	-
Total assets	<u>\$ 1,183,868</u>	<u>1,918,503</u>	<u>207,697</u>	<u>1,599,500</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Negative equity in pooled cash	\$ -	672,091	-	-
Accounts and contracts payable	145,453	671,004	-	16,950
Due to other funds	-	-	192,097	-
Accrued wages and benefits	43,256	21,672	15,600	6,834
Other liabilities	25,333	1,761	-	-
Deferred revenue	313,891	35,245	-	-
Total liabilities	527,933	1,401,773	207,697	23,784
Fund Balances:				
Reserved for:				
Prepayments and deposits	-	-	-	-
Other long-term assets	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unreserved	655,935	516,730	-	1,575,716
Total fund balances	655,935	516,730	-	1,575,716
Total liabilities and fund balances	<u>\$ 1,183,868</u>	<u>1,918,503</u>	<u>207,697</u>	<u>1,599,500</u>

Special Revenue Funds

Youth Services	Building Authority	Stadium and Land Development	Budget Stabilization
1,243,457	-	2,005	3,000,000
-	16,617	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,243,457	16,617	2,005	3,000,000
-	15,988	-	-
114,138	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
114,138	15,988	-	-
-	-	-	-
-	-	-	3,000,000
-	-	-	-
-	-	-	-
1,129,319	629	2,005	-
1,129,319	629	2,005	3,000,000
1,243,457	16,617	2,005	3,000,000

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Governmental Funds
Combining Balance Sheet, Continued
As of September 30, 2007

	Special Revenue Funds			
	Environmental Programs	Nuisance Abatement	Health and Family Services	Pinnacle Aeropark
<u>Assets</u>				
Equity in pooled cash and investments	\$ 4,190,523	-	-	1,238,463
Other cash and investments	200	-	-	-
Due from component units	-	-	-	-
Receivables:				
Accounts receivable	-	-	-	-
Due from other governmental units	-	13,739	299,902	-
Less allowance for uncollectible accounts	-	(12,356)	-	-
Prepayments and deposits	-	-	664,883	-
Total assets	<u>\$ 4,190,723</u>	<u>1,383</u>	<u>964,785</u>	<u>1,238,463</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Negative equity in pooled cash	\$ -	2,302,467	38,082	-
Accounts and contracts payable	20,382	-	11,395	960,679
Due to other funds	-	-	-	-
Accrued wages and benefits	20,671	-	11,682	-
Other liabilities	-	-	-	-
Deferred revenue	-	-	903,626	-
Total liabilities	41,053	2,302,467	964,785	960,679
Fund Balances:				
Reserved for:				
Prepayments and deposits	-	-	-	-
Other long-term assets	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unreserved	4,149,670	(2,301,084)	-	277,784
Total fund balances	4,149,670	(2,301,084)	-	277,784
Total liabilities and fund balances	<u>\$ 4,190,723</u>	<u>1,383</u>	<u>964,785</u>	<u>1,238,463</u>

Debt Service Funds		
General Debt Service	Roads	Wayne County Building Authority
1,463,989	15,310	6,212,050
3,591,979	-	-
-	-	-
-	-	13,681
-	-	-
-	-	-
-	-	-
<u>5,055,968</u>	<u>15,310</u>	<u>6,225,731</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
5,055,968	15,310	6,225,731
-	-	-
-	-	-
<u>5,055,968</u>	<u>15,310</u>	<u>6,225,731</u>
<u>5,055,968</u>	<u>15,310</u>	<u>6,225,731</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Governmental Funds
Combining Balance Sheet, Continued
As of September 30, 2007

	Capital Projects Funds			
	Wayne County Construction	Wayne County Building Authority Construction	County Roads Projects	Other Capital Projects
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,094,482	1,753,102	-	204,013
Other cash and investments	-	-	-	-
Due from component units	-	-	-	-
Receivables:				
Accounts receivable	-	-	-	-
Due from other governmental units	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-
Prepayments and deposits	-	-	-	-
Total assets	<u>\$ 1,094,482</u>	<u>1,753,102</u>	<u>-</u>	<u>204,013</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Negative equity in pooled cash	\$ -	-	-	-
Accounts and contracts payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued wages and benefits	-	-	-	-
Other liabilities	34,000	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	34,000	-	-	-
Fund Balances:				
Reserved for:				
Prepayments and deposits	-	-	-	-
Other long-term assets	-	-	-	-
Debt service	-	-	-	-
Capital projects	1,060,482	1,753,102	-	204,013
Unreserved	-	-	-	-
Total fund balances	<u>1,060,482</u>	<u>1,753,102</u>	<u>-</u>	<u>204,013</u>
Total liabilities and fund balances	<u>\$ 1,094,482</u>	<u>1,753,102</u>	<u>-</u>	<u>204,013</u>

Special Revenue Funds Totals	Debt Service Funds Totals	Capital Projects Funds Totals	Non-major Governmental Funds Totals
\$ 108,548,476	\$ 7,691,349	\$ 3,051,597	\$ 119,291,422
32,089	3,591,979	-	3,624,068
57,487	-	-	57,487
3,197,651	13,681	-	3,211,332
4,754,001	-	-	4,754,001
(199,901)	-	-	(199,901)
699,883	-	-	699,883
<u>\$ 117,089,686</u>	<u>\$ 11,297,009</u>	<u>\$ 3,051,597</u>	<u>\$ 131,438,292</u>

\$ 5,924,745	\$ -	\$ -	\$ 5,924,745
3,413,743	-	-	3,413,743
192,097	-	-	192,097
488,947	-	-	488,947
450,206	-	34,000	484,206
6,093,796	-	-	6,093,796
16,563,534	-	34,000	16,597,534

35,000	-	-	35,000
82,959,245	-	-	82,959,245
-	11,297,009	-	11,297,009
10,631,000	-	3,017,597	13,648,597
6,900,907	-	-	6,900,907
<u>100,526,152</u>	<u>11,297,009</u>	<u>3,017,597</u>	<u>114,840,758</u>
<u>\$ 117,089,686</u>	<u>\$ 11,297,009</u>	<u>\$ 3,051,597</u>	<u>\$ 131,438,292</u>

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Governmental Funds
Combining Statement of Revenues, Expenditure:
and Changes in Fund Balances
For the Year Ended September 30, 2007

	Special Revenue Funds			
	Revenue Sharing Reserve	Parks	Rouge Demonstration Project	Law Enforcement
Revenues:				
Taxes:				
Property	\$ -	11,757,004	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	59,070	-	-
Federal grants	-	980,327	4,043,217	4,190,246
State grants and contracts	-	-	-	2,195,190
Local grants and contracts	-	-	3,153,793	-
Charges for services	-	1,396,693	2,199,378	3,581,396
Interest and rents	3,311,642	614,446	-	243,874
Other	-	298,519	-	702
Total revenues	3,311,642	15,106,059	9,396,388	10,211,408
Expenditures:				
Current operations:				
Personnel	-	3,802,946	942,770	6,207,666
Fringe benefits	-	1,727,327	465,642	2,788,534
Pension	-	453,892	119,559	722,834
Materials and supplies	-	534,497	44,940	188,465
Contractual services	-	7,072,129	7,710,012	3,092,336
Travel	-	11,732	32,945	1,101
Operating	-	442,114	52,465	424,277
Rentals	-	1,276,590	92,451	321,175
Other charges	-	2,744	-	196,685
Capital outlay	-	244,516	-	-
Debt service	-	-	-	-
Total expenditures	-	15,568,487	9,460,784	13,943,073
Excess (deficiency) of revenues over (under) expenditures	3,311,642	(462,428)	(64,396)	(3,731,665)
Other Financing Sources (Uses):				
Transfers in	80,062,934	3,806,200	-	1,804,405
Transfers out	(46,846,868)	(5,500)	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	262,926	-	379
Total other financing sources (uses)	33,216,066	4,063,626	-	1,804,784
Net change in fund balances	36,527,708	3,601,198	(64,396)	(1,926,881)
Fund balances at October 1, 2006	44,436,194	9,414,075	200,414	(1,123,931)
Fund balances at September 30, 2007	\$ 80,963,902	13,015,273	136,018	(3,050,812)

Special Revenue Funds

County Library	Community Development Block Grant	Drug Enforcement	Nutrition	Veteran's Trust
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	7,009,963	-	3,216,188	-
383,588	-	-	1,043,399	364,960
-	-	-	-	-
1,476,594	-	3,193,820	634,867	-
4,081,941	-	6,730	18,440	2,708
-	-	-	30,927	-
5,942,123	7,009,963	3,200,550	4,943,821	367,668
2,247,093	287,259	1,335,193	1,800,152	-
871,497	134,746	525,361	681,458	-
302,665	36,470	198,928	158,596	-
38,474	4,541	135,252	2,582,058	-
1,648,828	393,319	593,639	994,428	327,680
10,958	7,679	-	162,274	-
50,712	6,677	9,931	66,673	-
150	-	67,400	-	-
423,320	6,368,997	1,114,806	4,365	-
-	-	-	351,943	-
-	-	-	-	-
5,593,697	7,239,688	3,980,510	6,801,947	327,680
348,426	(229,725)	(779,960)	(1,858,126)	39,988
663,975	1,617,934	412,550	2,187,700	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
663,975	1,617,934	412,550	2,187,700	-
1,012,401	1,388,209	(367,410)	329,574	39,988
(1,012,401)	(1,388,209)	367,410	60,894	24,611
-	-	-	390,468	64,599
(Continued)				

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Governmental Funds
Combining Statement of Revenues, Expenditure:
and Changes in Fund Balances, Continued
For the Year Ended September 30, 2007

	Special Revenue Funds			
	E & ND 21st Century	Community Corrections	Victim Witness	Soldiers' Relief
Revenues:				
Taxes:				
Property	\$ -	-	-	1,711,603
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,740,213	1,399,053	-	-
State grants and contracts	453,881	5,681,709	925,644	-
Local grants and contracts	-	-	-	-
Charges for services	338,868	2,241,706	21,600	-
Interest and rents	586,059	596,063	-	26,922
Other	-	-	-	-
Total revenues	4,119,021	9,918,531	947,244	1,738,525
Expenditures:				
Current operations:				
Personnel	1,734,355	925,781	681,007	268,275
Fringe benefits	816,280	386,999	314,274	126,506
Pension	223,713	108,087	80,256	31,842
Materials and supplies	174,048	67,631	3,000	1,484
Contractual services	3,634,657	6,592,418	125,176	756,089
Travel	75,475	5,255	10,566	11,209
Operating	14,206	22,517	5,941	2,902
Rentals	-	821,371	-	13,654
Other charges	1,519,599	12,504	125	309
Capital outlay	-	-	-	-
Debt service	523,411	-	-	-
Total expenditures	8,715,744	8,942,563	1,220,345	1,212,270
Excess (deficiency) of revenues over (under) expenditures	(4,596,723)	975,968	(273,101)	526,255
Other Financing Sources (Uses):				
Transfers in	5,786,800	85,500	273,101	-
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	5,786,800	85,500	273,101	-
Net change in fund balances	1,190,077	1,061,468	-	526,255
Fund balances at October 1, 2006	(534,142)	(544,738)	-	1,049,461
Fund balances at September 30, 2007	\$ 655,935	516,730	-	1,575,716

Special Revenue Funds

Youth Services	Building Authority	Stadium and Land Development	Budget Stabilization
4,530,879	-	-	-
-	-	-	-
-	-	7,403,499	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	629	36,958	-
-	-	-	-
4,530,879	629	7,440,457	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,557,027	-	164,038	-
-	-	-	-
-	-	-	-
-	-	5,433,421	-
44,211	-	-	-
-	-	-	-
-	-	-	-
1,601,238	-	5,597,459	-
2,929,641	629	1,842,998	-
1,100,000	-	-	-
(4,000,500)	-	(2,515,075)	-
-	-	-	-
-	-	-	-
-	-	-	-
(2,900,500)	-	(2,515,075)	-
29,141	629	(672,077)	-
1,100,178	-	674,082	3,000,000
1,129,319	629	2,005	3,000,000
(Continued)			

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Governmental Funds
Combining Statement of Revenues, Expenditure:
and Changes in Fund Balances, Continued
For the Year Ended September 30, 2007

	Special Revenue Funds			
	Environmental Programs	Nuisance Abatement	Health and Family Services	Pinnacle Aeropark
Revenues:				
Taxes:				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	22,214,603	95,553
State grants and contracts	543,987	-	-	-
Local grants and contracts	604,888	-	-	-
Charges for services	2,785,703	-	-	72,122
Interest and rents	305,985	-	-	-
Other	-	472	-	-
Total revenues	4,240,563	472	22,214,603	167,675
Expenditures:				
Current operations:				
Personnel	841,986	-	481,414	-
Fringe benefits	389,950	-	229,004	-
Pension	99,284	-	67,624	-
Materials and supplies	21,522	-	11,607	-
Contractual services	1,693,005	871	21,697,614	2,928,612
Travel	52,773	-	7,205	-
Operating	53,542	-	14,825	-
Rentals	60,725	-	-	599,482
Other charges	5,607	110,944	9,319	-
Capital outlay	21,600	-	-	-
Debt service	-	-	-	-
Total expenditures	3,239,994	111,815	22,518,612	3,528,094
Excess (deficiency) of revenues over (under) expenditures	1,000,569	(111,343)	(304,009)	(3,360,419)
Other Financing Sources (Uses):				
Transfers in	-	196,191	304,009	2,515,075
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	196,191	304,009	2,515,075
Net change in fund balances	1,000,569	84,848	-	(845,344)
Fund balances at October 1, 2006	3,149,101	(2,385,932)	-	1,123,128
Fund balances at September 30, 2007	\$ 4,149,670	(2,301,084)	-	277,784

Debt Service Funds		
General Debt Service	Roads	Wayne County Building Authority
-	-	-
15,998,563	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
612,120	1,558	14,997,143
-	-	-
16,610,683	1,558	14,997,143
-	-	-
-	-	-
-	-	-
-	-	-
-	-	299
-	-	-
-	-	-
-	-	-
183,574	-	-
-	-	-
17,018,848	5,960,906	15,280,725
17,202,422	5,960,906	15,281,024
(591,739)	(5,959,348)	(283,881)
1,021,286	5,960,906	-
-	-	-
(38,889,668)	-	(51,388,591)
16,015,000	-	50,380,000
4,900	-	1,578,154
-	-	-
(21,848,482)	5,960,906	569,563
(22,440,221)	1,558	285,682
27,496,189	13,752	5,940,049
5,055,968	15,310	6,225,731
(Continued)		

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Governmental Funds
Combining Statement of Revenues, Expenditure:
and Changes in Fund Balances, Continued
For the Year Ended September 30, 2007

	Capital Projects Funds			
	Wayne County Construction	Wayne County Building Authority Construction	County Roads Projects	Other Capital Projects
Revenues:				
Taxes:				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	100,412	218,404	335	30,407
Other	-	-	-	-
Total revenues	100,412	218,404	335	30,407
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	87,299	-	6,885	5,289
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	123,544
Capital outlay	213,054	-	-	-
Debt service	-	-	-	-
Total expenditures	300,353	-	6,885	128,833
Excess (deficiency) of revenues over (under) expenditures	(199,941)	218,404	(6,550)	(98,426)
Other Financing Sources (Uses):				
Transfers in	146,636	-	-	-
Transfers out	(1,129,960)	(2,240,388)	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(983,324)	(2,240,388)	-	-
Net change in fund balances	(1,183,265)	(2,021,984)	(6,550)	(98,426)
Fund balances at October 1, 2006	2,243,747	3,775,086	6,550	302,439
Fund balances at September 30, 2007	\$ 1,060,482	1,753,102	-	204,013

Special Revenue Funds Totals	Debt Service Funds Totals	Capital Projects Funds Totals	Non-major Governmental Funds Totals
\$ 17,999,486	\$ -	\$ -	\$ 17,999,486
-	15,998,563	-	15,998,563
7,403,499	-	-	7,403,499
59,070	-	-	59,070
45,889,363	-	-	45,889,363
11,592,358	-	-	11,592,358
3,758,681	-	-	3,758,681
17,942,747	-	-	17,942,747
9,832,397	15,610,821	349,558	25,792,776
330,620	-	-	330,620
114,808,221	31,609,384	349,558	146,767,163
21,555,897	-	-	21,555,897
9,457,578	-	-	9,457,578
2,603,750	-	-	2,603,750
3,807,519	-	-	3,807,519
60,981,878	299	99,473	61,081,650
389,172	-	-	389,172
1,166,782	-	-	1,166,782
8,686,419	-	-	8,686,419
9,813,535	183,574	123,544	10,120,653
618,059	-	213,054	831,113
523,411	38,260,479	-	38,783,890
119,604,000	38,444,352	436,071	158,484,423
(4,795,779)	(6,834,968)	(86,513)	(11,717,260)
100,816,374	6,982,192	146,636	107,945,202
(53,367,943)	-	(3,370,348)	(56,738,291)
-	(90,278,259)	-	(90,278,259)
-	66,395,000	-	66,395,000
-	1,583,054	-	1,583,054
263,305	-	-	263,305
47,711,736	(15,318,013)	(3,223,712)	29,170,011
42,915,957	(22,152,981)	(3,310,225)	17,452,751
57,610,195	33,449,990	6,327,822	97,388,007
\$ 100,526,152	\$ 11,297,009	\$ 3,017,597	\$ 114,840,758
			(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Revenue Sharing Reserve Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	3,311,642	3,311,642
Other	-	-	-	-
Total revenues	-	-	3,311,642	3,311,642
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	3,311,642	3,311,642
Other Financing Sources (Uses):				
Transfers in	46,214,500	46,214,500	80,062,934	33,848,434
Transfers out	(46,214,500)	(46,214,500)	(46,846,868)	(632,368)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	33,216,066	33,216,066
Net change in fund balances	-	-	36,527,708	36,527,708
Fund balances at October 1, 2006	44,436,194	44,436,194	44,436,194	-
Fund balances at September 30, 2007	\$ 44,436,194	44,436,194	80,963,902	36,527,708

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Parks Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ 10,973,467	10,973,467	11,757,004	783,537
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	95,000	95,000	59,070	(35,930)
Federal grants	-	-	980,327	980,327
State grants and contracts	105,000	105,000	-	(105,000)
Local grants and contracts	-	-	-	-
Charges for services	1,410,900	1,410,900	1,396,693	(14,207)
Interest and rents	220,900	220,900	614,446	393,546
Other	290,000	290,000	298,519	8,519
Total revenues	13,095,267	13,095,267	15,106,059	2,010,792
Expenditures:				
Current operations:				
Personnel	3,736,100	3,736,100	3,802,946	66,846
Fringe benefits	1,606,700	1,606,700	1,727,327	120,627
Pension	541,400	541,400	453,892	(87,508)
Materials and supplies	445,700	445,700	534,497	88,797
Contractual services	8,245,367	17,580,367	7,072,129	(10,508,238)
Travel	9,700	9,700	11,732	2,032
Operating	546,500	546,500	442,114	(104,386)
Rentals	813,000	1,243,500	1,276,590	33,090
Other charges	2,000	12,000	2,744	(9,256)
Capital outlay	500,300	556,300	244,516	(311,784)
Debt service	430,500	-	-	-
Total expenditures	16,877,267	26,278,267	15,568,487	(10,709,780)
Excess (deficiency) of revenues over (under) expenditures	(3,782,000)	(13,183,000)	(462,428)	12,720,572
Other Financing Sources (Uses):				
Transfers in	4,745,500	4,745,500	3,806,200	(939,300)
Transfers out	(963,500)	(963,500)	(5,500)	958,000
Proceeds from sale of capital assets	-	-	262,926	262,926
Total other financing sources (uses)	3,782,000	3,782,000	4,063,626	281,626
Net change in fund balances	-	(9,401,000)	3,601,198	13,002,198
Fund balances at October 1, 2006	9,414,075	9,414,075	9,414,075	-
Fund balances at September 30, 2007	\$ 9,414,075	13,075	13,015,273	13,002,198

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Rouge Demonstration Project Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	13,807,303	13,807,303	4,043,217	(9,764,086)
State grants and contracts	-	-	-	-
Local grants and contracts	11,296,640	11,296,640	3,153,793	(8,142,847)
Charges for services	2,674,099	2,674,099	2,199,378	(474,721)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>27,778,042</u>	<u>27,778,042</u>	<u>9,396,388</u>	<u>(18,381,654)</u>
Expenditures:				
Current operations:				
Personnel	1,009,014	1,009,014	942,770	(66,244)
Fringe benefits	489,655	489,655	465,642	(24,013)
Pension	116,700	116,700	119,559	2,859
Materials and supplies	112,795	107,795	44,940	(62,855)
Contractual services	25,832,580	25,837,580	7,710,012	(18,127,568)
Travel	50,900	50,900	32,945	(17,955)
Operating	83,800	83,800	52,465	(31,335)
Rentals	64,600	64,600	92,451	27,851
Other charges	17,998	17,998	-	(17,998)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>27,778,042</u>	<u>27,778,042</u>	<u>9,460,784</u>	<u>(18,317,258)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(64,396)	(64,396)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(64,396)	(64,396)
Fund balances at October 1, 2006	<u>200,414</u>	<u>200,414</u>	<u>200,414</u>	<u>-</u>
Fund balances at September 30, 2007	<u>\$ 200,414</u>	<u>200,414</u>	<u>136,018</u>	<u>(64,396)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Law Enforcement Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,165,550	5,209,243	4,190,246	(1,018,997)
State grants and contracts	2,047,200	2,144,832	2,195,190	50,358
Local grants and contracts	-	-	-	-
Charges for services	3,940,800	5,888,984	3,581,396	(2,307,588)
Interest and rents	-	-	243,874	243,874
Other	300,000	300,000	702	(299,298)
Total revenues	8,453,550	13,543,059	10,211,408	(3,331,651)
Expenditures:				
Current operations:				
Personnel	4,288,500	6,846,333	6,207,666	(638,667)
Fringe benefits	1,941,700	3,075,180	2,788,534	(286,646)
Pension	504,500	774,061	722,834	(51,227)
Materials and supplies	187,450	242,033	188,465	(53,568)
Contractual services	2,173,850	4,252,704	3,092,336	(1,160,368)
Travel	-	340	1,101	761
Operating	133,100	1,568,652	424,277	(1,144,375)
Rentals	99,600	279,561	321,175	41,614
Other charges	156,900	410,816	196,685	(214,131)
Capital outlay	-	85,000	-	(85,000)
Debt service	-	-	-	-
Total expenditures	9,485,600	17,534,680	13,943,073	(3,591,607)
Excess (deficiency) of revenues over (under) expenditures	(1,032,050)	(3,991,621)	(3,731,665)	259,956
Other Financing Sources (Uses):				
Transfers in	1,032,050	3,033,190	1,804,405	(1,228,785)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	379	379
Total other financing sources (uses)	1,032,050	3,033,190	1,804,784	(1,228,406)
Net change in fund balances	-	(958,431)	(1,926,881)	(968,450)
Fund balance at October 1, 2006	(1,123,931)	(1,123,931)	(1,123,931)	-
Fund balance at September 30, 2007	<u>\$ (1,123,931)</u>	<u>(2,082,362)</u>	<u>(3,050,812)</u>	<u>(968,450)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 County Library Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	327,600	327,600	383,588	55,988
Local grants and contracts	-	-	-	-
Charges for services	1,121,100	1,121,100	1,476,594	355,494
Interest and rents	3,770,900	3,770,900	4,081,941	311,041
Other	-	-	-	-
Total revenues	5,219,600	5,219,600	5,942,123	722,523
Expenditures:				
Current operations:				
Personnel	2,352,500	2,352,500	2,247,093	(105,407)
Fringe benefits	880,200	880,200	871,497	(8,703)
Pension	224,100	224,100	302,665	78,565
Materials and supplies	130,300	130,300	38,474	(91,826)
Contractual services	1,612,700	1,608,990	1,648,828	39,838
Travel	13,200	13,200	10,958	(2,242)
Operating	46,600	46,600	50,712	4,112
Rentals	4,800	4,800	150	(4,650)
Other charges	540,000	543,710	423,320	(120,390)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	5,804,400	5,804,400	5,593,697	(210,703)
Excess (deficiency) of revenues over (under) expenditures	(584,800)	(584,800)	348,426	933,226
Other Financing Sources (Uses):				
Transfers in	584,800	584,800	663,975	79,175
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	584,800	584,800	663,975	79,175
Net change in fund balances	-	-	1,012,401	1,012,401
Fund balance at October 1, 2006	(1,012,401)	(1,012,401)	(1,012,401)	-
Fund balance at September 30, 2007	<u>\$ (1,012,401)</u>	<u>(1,012,401)</u>	<u>-</u>	<u>1,012,401</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Community Development Block Grant Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	15,569,700	15,569,700	7,009,963	(8,559,737)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	208,000	208,000	-	(208,000)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>15,777,700</u>	<u>15,777,700</u>	<u>7,009,963</u>	<u>(8,767,737)</u>
Expenditures:				
Current operations:				
Personnel	312,200	312,200	287,259	(24,941)
Fringe benefits	143,500	143,500	134,746	(8,754)
Pension	36,100	36,100	36,470	370
Materials and supplies	14,100	11,264	4,541	(6,723)
Contractual services	261,000	262,449	393,319	130,870
Travel	13,000	13,000	7,679	(5,321)
Operating	11,000	11,000	6,677	(4,323)
Rentals	-	-	-	-
Other charges	14,872,500	14,873,887	6,368,997	(8,504,890)
Capital outlay	-	-	-	-
Debt service	208,000	208,000	-	(208,000)
Total expenditures	<u>15,871,400</u>	<u>15,871,400</u>	<u>7,239,688</u>	<u>(8,631,712)</u>
Excess (deficiency) of revenues over (under) expenditures	(93,700)	(93,700)	(229,725)	(136,025)
Other Financing Sources (Uses):				
Transfers in	93,700	93,700	1,617,934	1,524,234
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>93,700</u>	<u>93,700</u>	<u>1,617,934</u>	<u>1,524,234</u>
Net change in fund balances	-	-	1,388,209	1,388,209
Fund balance at October 1, 2006	<u>(1,388,209)</u>	<u>(1,388,209)</u>	<u>(1,388,209)</u>	-
Fund balance at September 30, 2007	<u>\$ (1,388,209)</u>	<u>(1,388,209)</u>	<u>-</u>	<u>1,388,209</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Drug Enforcement Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	23,000	23,000	-	(23,000)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	4,199,300	4,199,300	3,193,820	(1,005,480)
Interest and rents	-	-	6,730	6,730
Other	-	-	-	-
Total revenues	<u>4,222,300</u>	<u>4,222,300</u>	<u>3,200,550</u>	<u>(1,021,750)</u>
Expenditures:				
Current operations:				
Personnel	1,329,900	1,329,900	1,335,193	5,293
Fringe benefits	541,800	541,800	525,361	(16,439)
Pension	153,800	153,800	198,928	45,128
Materials and supplies	116,600	114,412	135,252	20,840
Contractual services	604,400	604,400	593,639	(10,761)
Travel	-	-	-	-
Operating	26,200	26,200	9,931	(16,269)
Rentals	72,400	72,400	67,400	(5,000)
Other charges	1,271,000	1,274,088	1,114,806	(159,282)
Capital outlay	106,200	105,300	-	(105,300)
Debt service	-	-	-	-
Total expenditures	<u>4,222,300</u>	<u>4,222,300</u>	<u>3,980,510</u>	<u>(241,790)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(779,960)	(779,960)
Other Financing Sources (Uses):				
Transfers in	-	-	412,550	412,550
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>412,550</u>	<u>412,550</u>
Net change in fund balances	-	-	(367,410)	(367,410)
Fund balance at October 1, 2006	<u>367,410</u>	<u>367,410</u>	<u>367,410</u>	<u>-</u>
Fund balance at September 30, 2007	<u>\$ 367,410</u>	<u>367,410</u>	<u>-</u>	<u>(367,410)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Nutrition Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,248,900	2,976,664	3,216,188	239,524
State grants and contracts	1,043,100	1,043,100	1,043,399	299
Local grants and contracts	-	-	-	-
Charges for services	600,000	600,000	634,867	34,867
Interest and rents	-	-	18,440	18,440
Other	30,000	34,000	30,927	(3,073)
Total revenues	3,922,000	4,653,764	4,943,821	290,057
Expenditures:				
Current operations:				
Personnel	1,868,300	1,868,300	1,800,152	(68,148)
Fringe benefits	734,100	734,100	681,458	(52,642)
Pension	162,300	162,300	158,596	(3,704)
Materials and supplies	2,277,900	3,008,464	2,582,058	(426,406)
Contractual services	862,600	862,600	994,428	131,828
Travel	169,000	170,200	162,274	(7,926)
Operating	34,500	34,500	66,673	32,173
Rentals	-	-	-	-
Other charges	1,000	1,000	4,365	3,365
Capital outlay	-	-	351,943	351,943
Debt service	-	-	-	-
Total expenditures	6,109,700	6,841,464	6,801,947	(39,517)
Excess (deficiency) of revenues over (under) expenditures	(2,187,700)	(2,187,700)	(1,858,126)	329,574
Other Financing Sources (Uses):				
Transfers in	2,187,700	2,187,700	2,187,700	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	2,187,700	2,187,700	2,187,700	-
Net change in fund balances	-	-	329,574	329,574
Fund balance at October 1, 2006	60,894	60,894	60,894	-
Fund balance at September 30, 2007	\$ 60,894	60,894	390,468	329,574

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Veteran's Trust Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	450,000	450,000	364,960	(85,040)
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	2,708	2,708
Other	-	-	-	-
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>367,668</u>	<u>(82,332)</u>
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	450,000	450,000	327,680	(122,320)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>327,680</u>	<u>(122,320)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	39,988	39,988
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	39,988	39,988
Fund balance at October 1, 2006	<u>24,611</u>	<u>24,611</u>	<u>24,611</u>	<u>-</u>
Fund balance at September 30, 2007	<u>\$ 24,611</u>	<u>24,611</u>	<u>64,599</u>	<u>39,988</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 E & ND 21st Century Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	10,844,100	10,844,100	2,740,213	(8,103,887)
State grants and contracts	853,500	1,188,781	453,881	(734,900)
Local grants and contracts	-	-	-	-
Charges for services	300,000	470,000	338,868	(131,132)
Interest and rents	-	-	586,059	586,059
Other	-	-	-	-
Total revenues	<u>11,997,600</u>	<u>12,502,881</u>	<u>4,119,021</u>	<u>(8,383,860)</u>
Expenditures:				
Current operations:				
Personnel	1,681,400	1,681,400	1,734,355	52,955
Fringe benefits	765,400	765,400	816,280	50,880
Pension	194,500	194,500	223,713	29,213
Materials and supplies	153,600	195,650	174,048	(21,602)
Contractual services	3,727,400	4,196,781	3,634,657	(562,124)
Travel	12,000	22,200	75,475	53,275
Operating	17,000	18,500	14,206	(4,294)
Rentals	-	-	-	-
Other charges	10,751,000	10,731,600	1,519,599	(9,212,001)
Capital outlay	-	1,550	-	(1,550)
Debt service	575,000	575,000	523,411	(51,589)
Total expenditures	<u>17,877,300</u>	<u>18,382,581</u>	<u>8,715,744</u>	<u>(9,666,837)</u>
Excess (deficiency) of revenues over (under) expenditures	(5,879,700)	(5,879,700)	(4,596,723)	1,282,977
Other Financing Sources (Uses):				
Transfers in	5,786,800	5,786,800	5,786,800	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	92,900	92,900	-	(92,900)
Total other financing sources (uses)	<u>5,879,700</u>	<u>5,879,700</u>	<u>5,786,800</u>	<u>(92,900)</u>
Net change in fund balances	-	-	1,190,077	1,190,077
Fund balance at October 1, 2006	<u>(534,142)</u>	<u>(534,142)</u>	<u>(534,142)</u>	-
Fund balance at September 30, 2007	<u>\$ (534,142)</u>	<u>(534,142)</u>	<u>655,935</u>	<u>1,190,077</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Community Corrections Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	1,121,300	1,422,629	1,399,053	(23,576)
State grants and contracts	5,846,600	5,756,229	5,681,709	(74,520)
Local grants and contracts	-	-	-	-
Charges for services	1,676,200	1,903,257	2,241,706	338,449
Interest and rents	423,800	423,800	596,063	172,263
Other	-	-	-	-
Total revenues	9,067,900	9,505,915	9,918,531	412,616
Expenditures:				
Current operations:				
Personnel	842,100	852,608	925,781	73,173
Fringe benefits	374,700	378,340	386,999	8,659
Pension	100,300	101,139	108,087	6,948
Materials and supplies	87,800	89,700	67,631	(22,069)
Contractual services	6,875,500	7,089,598	6,592,418	(497,180)
Travel	20,600	15,600	5,255	(10,345)
Operating	12,400	17,430	22,517	5,087
Rentals	823,500	823,500	821,371	(2,129)
Other charges	11,500	13,500	12,504	(996)
Capital outlay	5,000	210,000	-	(210,000)
Debt service	-	-	-	-
Total expenditures	9,153,400	9,591,415	8,942,563	(648,852)
Excess (deficiency) of revenues over (under) expenditures	(85,500)	(85,500)	975,968	1,061,468
Other Financing Sources (Uses):				
Transfers in	85,500	85,500	85,500	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	85,500	85,500	85,500	-
Net change in fund balances	-	-	1,061,468	1,061,468
Fund balance at October 1, 2006	(544,738)	(544,738)	(544,738)	-
Fund balance at September 30, 2007	<u>\$ (544,738)</u>	<u>(544,738)</u>	<u>516,730</u>	<u>1,061,468</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Victim Witness Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	750,000	750,000	925,644	175,644
Local grants and contracts	-	-	-	-
Charges for services	-	-	21,600	21,600
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>947,244</u>	<u>197,244</u>
Expenditures:				
Current operations:				
Personnel	624,200	624,200	681,007	56,807
Fringe benefits	283,100	283,100	314,274	31,174
Pension	73,600	73,600	80,256	6,656
Materials and supplies	3,000	3,000	3,000	-
Contractual services	168,300	168,300	125,176	(43,124)
Travel	8,000	8,000	10,566	2,566
Operating	6,300	6,300	5,941	(359)
Rentals	-	-	-	-
Other charges	-	-	125	125
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>1,166,500</u>	<u>1,166,500</u>	<u>1,220,345</u>	<u>53,845</u>
Excess (deficiency) of revenues over (under) expenditures	(416,500)	(416,500)	(273,101)	143,399
Other Financing Sources (Uses):				
Transfers in	416,500	416,500	273,101	(143,399)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>416,500</u>	<u>416,500</u>	<u>273,101</u>	<u>(143,399)</u>
Net change in fund balances	-	-	-	-
Fund balance at October 1, 2006	-	-	-	-
Fund balance at September 30, 2007	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Soldiers' Relief Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ 1,760,800	1,760,800	1,711,603	(49,197)
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	26,922	26,922
Other	-	-	-	-
Total revenues	1,760,800	1,760,800	1,738,525	(22,275)
Expenditures:				
Current operations:				
Personnel	294,400	294,400	268,275	(26,125)
Fringe benefits	135,300	135,300	126,506	(8,794)
Pension	34,100	34,100	31,842	(2,258)
Materials and supplies	11,000	11,000	1,484	(9,516)
Contractual services	1,207,600	1,207,600	756,089	(451,511)
Travel	20,000	20,000	11,209	(8,791)
Operating	12,200	12,200	2,902	(9,298)
Rentals	27,400	27,400	13,654	(13,746)
Other charges	13,800	13,800	309	(13,491)
Capital outlay	5,000	5,000	-	(5,000)
Debt service	-	-	-	-
Total expenditures	1,760,800	1,760,800	1,212,270	(548,530)
Excess (deficiency) of revenues over (under) expenditures	-	-	526,255	526,255
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	526,255	526,255
Fund balance at October 1, 2006	1,049,461	1,049,461	1,049,461	-
Fund balance at September 30, 2007	\$ 1,049,461	1,049,461	1,575,716	526,255

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Youth Services Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ 4,488,100	4,488,100	4,530,879	42,779
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	34,000	34,000	-	(34,000)
Other	-	-	-	-
Total revenues	<u>4,522,100</u>	<u>4,522,100</u>	<u>4,530,879</u>	<u>8,779</u>
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	1,621,600	1,621,600	1,557,027	(64,573)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	44,211	44,211
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>1,621,600</u>	<u>1,621,600</u>	<u>1,601,238</u>	<u>(20,362)</u>
Excess (deficiency) of revenues over (under) expenditures	2,900,500	2,900,500	2,929,641	29,141
Other Financing Sources (Uses):				
Transfers in	1,100,000	1,100,000	1,100,000	-
Transfers out	(4,000,500)	(4,000,500)	(4,000,500)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(2,900,500)</u>	<u>(2,900,500)</u>	<u>(2,900,500)</u>	<u>-</u>
Net change in fund balances	-	-	29,141	29,141
Fund balance at October 1, 2006	<u>1,100,178</u>	<u>1,100,178</u>	<u>1,100,178</u>	<u>-</u>
Fund balance at September 30, 2007	<u>\$ 1,100,178</u>	<u>1,100,178</u>	<u>1,129,319</u>	<u>29,141</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Building Authority Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	629	629
Other	-	-	-	-
Total revenues	-	-	629	629
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	629	629
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	629	629
Fund balance at October 1, 2006	-	-	-	-
Fund balance at September 30, 2007	\$ -	-	629	629

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Stadium and Land Development Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	7,200,000	7,200,000	7,403,499	203,499
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	13,000	13,000	36,958	23,958
Other	-	-	-	-
Total revenues	<u>7,213,000</u>	<u>7,213,000</u>	<u>7,440,457</u>	<u>227,457</u>
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	378,800	378,800	164,038	(214,762)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	6,834,200	6,834,200	5,433,421	(1,400,779)
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>7,213,000</u>	<u>7,213,000</u>	<u>5,597,459</u>	<u>(1,615,541)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	1,842,998	1,842,998
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(2,515,075)	(2,515,075)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,515,075)</u>	<u>(2,515,075)</u>
Net change in fund balances	-	-	(672,077)	(672,077)
Fund balance at October 1, 2006	<u>674,082</u>	<u>674,082</u>	<u>674,082</u>	-
Fund balance at September 30, 2007	<u>\$ 674,082</u>	<u>674,082</u>	<u>2,005</u>	<u>(672,077)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Budget Stabilization Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance at October 1, 2006	3,000,000	3,000,000	3,000,000	-
Fund balance at September 30, 2007	\$ 3,000,000	3,000,000	3,000,000	-

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Environmental Programs Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	737,065	737,065	543,987	(193,078)
Local grants and contracts	248,628	248,628	604,888	356,260
Charges for services	3,488,316	3,488,316	2,785,703	(702,613)
Interest and rents	70,000	70,000	305,985	235,985
Other	-	-	-	-
Total revenues	4,544,009	4,544,009	4,240,563	(303,446)
Expenditures:				
Current operations:				
Personnel	913,592	913,592	841,986	(71,606)
Fringe benefits	415,743	415,743	389,950	(25,793)
Pension	105,600	105,600	99,284	(6,316)
Materials and supplies	196,300	121,300	21,522	(99,778)
Contractual services	2,624,174	2,728,774	1,693,005	(1,035,769)
Travel	85,000	85,000	52,773	(32,227)
Operating	83,100	84,100	53,542	(30,558)
Rentals	65,000	65,000	60,725	(4,275)
Other charges	15,500	15,500	5,607	(9,893)
Capital outlay	40,000	40,000	21,600	(18,400)
Debt service	-	-	-	-
Total expenditures	4,544,009	4,574,609	3,239,994	(1,334,615)
Excess (deficiency) of revenues over (under) expenditures	-	(30,600)	1,000,569	1,031,169
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(30,600)	1,000,569	1,031,169
Fund balance at October 1, 2006	3,149,101	3,149,101	3,149,101	-
Fund balance at September 30, 2007	\$ 3,149,101	3,118,501	4,149,670	1,031,169

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Nuisance Abatement Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	472	472
Total revenues	-	-	472	472
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	871	871
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	110,944	110,944
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	111,815	111,815
Excess (deficiency) of revenues over (under) expenditures	-	-	(111,343)	(111,343)
Other Financing Sources (Uses):				
Transfers in	-	-	196,191	196,191
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	196,191	196,191
Net change in fund balances	-	-	84,848	84,848
Fund balance at October 1, 2006	(2,385,932)	(2,385,932)	(2,385,932)	-
Fund balance at September 30, 2007	<u>\$ (2,385,932)</u>	<u>(2,385,932)</u>	<u>(2,301,084)</u>	<u>84,848</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Health and Family Services Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	22,268,873	22,416,435	22,214,603	(201,832)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>22,268,873</u>	<u>22,416,435</u>	<u>22,214,603</u>	<u>(201,832)</u>
Expenditures:				
Current operations:				
Personnel	502,700	502,700	481,414	(21,286)
Fringe benefits	231,800	231,800	229,004	(2,796)
Pension	58,100	58,100	67,624	9,524
Materials and supplies	37,500	37,500	11,607	(25,893)
Contractual services	21,368,127	21,475,689	21,697,614	221,925
Travel	31,400	31,400	7,205	(24,195)
Operating	24,600	32,100	14,825	(17,275)
Rentals	1,100	16,100	-	(16,100)
Other charges	13,546	31,046	9,319	(21,727)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>22,268,873</u>	<u>22,416,435</u>	<u>22,518,612</u>	<u>102,177</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(304,009)	(304,009)
Other Financing Sources (Uses):				
Transfers in	-	-	304,009	304,009
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>304,009</u>	<u>304,009</u>
Net change in fund balances	-	-	-	-
Fund balance at October 1, 2006	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at September 30, 2007	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Pinnacle Aeropark Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	95,553	95,553
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	2,115,000	2,115,000	72,122	(2,042,878)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	<u>2,115,000</u>	<u>2,115,000</u>	<u>167,675</u>	<u>(1,947,325)</u>
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	1,000	-	(1,000)
Contractual services	1,588,600	1,587,600	2,928,612	1,341,012
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	1,300,000	1,300,000	599,482	(700,518)
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>2,888,600</u>	<u>2,888,600</u>	<u>3,528,094</u>	<u>639,494</u>
Excess (deficiency) of revenues over (under) expenditures	(773,600)	(773,600)	(3,360,419)	(2,586,819)
Other Financing Sources (Uses):				
Transfers in	-	-	2,515,075	2,515,075
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,515,075</u>	<u>2,515,075</u>
Net change in fund balances	(773,600)	(773,600)	(845,344)	(71,744)
Fund balances at October 1, 2006	<u>1,123,128</u>	<u>1,123,128</u>	<u>1,123,128</u>	<u>-</u>
Fund balances at September 30, 2007	<u>\$ 349,528</u>	<u>349,528</u>	<u>277,784</u>	<u>(71,744)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 General Debt Service Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	15,998,600	15,998,600	15,998,563	(37)
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	612,120	612,120
Other	-	-	-	-
Total revenues	15,998,600	15,998,600	16,610,683	612,083
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	183,574	183,574
Capital outlay	-	-	-	-
Debt service	17,019,900	17,019,900	17,018,848	(1,052)
Total expenditures	17,019,900	17,019,900	17,202,422	182,522
Excess (deficiency) of revenues over (under) expenditures	(1,021,300)	(1,021,300)	(591,739)	429,561
Other Financing Sources (Uses):				
Transfers in	-	1,021,300	1,021,286	(14)
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	(38,889,668)	(38,889,668)
Bond issuance	1,021,300	-	16,015,000	16,015,000
Bond premium	-	-	4,900	4,900
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,021,300	1,021,300	(21,848,482)	(22,869,782)
Net change in fund balances	-	-	(22,440,221)	(22,440,221)
Fund balances at October 1, 2006	27,496,189	27,496,189	27,496,189	-
Fund balances at September 30, 2007	\$ 27,496,189	27,496,189	5,055,968	(22,440,221)

CHARTER COUNTY OF WAYNE, MICHIGAN
 Budgetary Comparison Schedule
 Non-major Governmental Funds
 Roads Debt Service Fund
 For the Year Ended September 30, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	1,558	1,558
Other	-	-	-	-
Total revenues	-	-	1,558	1,558
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	5,961,000	5,961,000	5,960,906	(94)
Total expenditures	5,961,000	5,961,000	5,960,906	(94)
Excess (deficiency) of revenues over (under) expenditures	(5,961,000)	(5,961,000)	(5,959,348)	1,652
Other Financing Sources (Uses):				
Transfers in	5,961,000	5,961,000	5,960,906	(94)
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	5,961,000	5,961,000	5,960,906	(94)
Net change in fund balances	-	-	1,558	1,558
Fund balances at October 1, 2006	13,752	13,752	13,752	-
Fund balances at September 30, 2007	<u>\$ 13,752</u>	<u>13,752</u>	<u>15,310</u>	<u>1,558</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, 2007

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
Revenues:				
Taxes				
Property	\$ -	-	-	-
State sales	-	-	-	-
Excise	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	14,707,500	14,707,500	14,997,143	289,643
Other	-	-	-	-
Total revenues	<u>14,707,500</u>	<u>14,707,500</u>	<u>14,997,143</u>	<u>289,643</u>
Expenditures:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	300	300	299	(1)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	14,707,200	14,707,200	15,280,725	573,525
Total expenditures	<u>14,707,500</u>	<u>14,707,500</u>	<u>15,281,024</u>	<u>573,524</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(283,881)	(283,881)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	(51,388,591)	(51,388,591)
Bond issuance	-	-	50,380,000	50,380,000
Bond premium	-	-	1,578,154	1,578,154
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>569,563</u>	<u>569,563</u>
Net change in fund balances	-	-	285,682	285,682
Fund balances at October 1, 2006	<u>5,940,049</u>	<u>5,940,049</u>	<u>5,940,049</u>	<u>-</u>
Fund balances at September 30, 2007	<u>\$ 5,940,049</u>	<u>5,940,049</u>	<u>6,225,731</u>	<u>285,682</u>

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.

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.

Wetlands 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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Enterprise Funds
Combining Statement of Net Assets
As of September 30, 2007

<u>Assets</u>	Northeast Sewage Disposal System	Jail Commissary	Parking Lots	Wetlands Mitigation	Copy Center	Total Non-major Enterprise Funds
Current assets:						
Unrestricted current assets:						
Equity in pooled cash and investments	\$ 1,703,970	445,012	-	-	238,600	\$ 2,387,582
Other cash and investments	-	40,000	-	-	-	40,000
Receivables:						
Accounts	1,530,371	115,401	5,102	-	-	1,650,874
Due from other governmental units	2,843,663	-	-	-	-	2,843,663
Restricted current assets:						
Equity in pooled cash and investments	1,778,417	-	-	-	-	1,778,417
Accounts receivable	475,111	-	-	-	-	475,111
Total current assets	8,331,532	600,413	5,102	-	238,600	9,175,647
Non-current assets:						
Restricted assets - bond principal due from municipalities	3,129,866	-	-	-	-	3,129,866
Capital assets:						
Non-depreciable	11,040	-	1,422,679	155,467	-	1,589,186
Depreciable, net	4,742,298	6,774	78,083	-	17,812	4,844,967
Total non-current assets	7,883,204	6,774	1,500,762	155,467	17,812	9,564,019
Total assets	\$ 16,214,736	607,187	1,505,864	155,467	256,412	\$ 18,739,666
<u>Liabilities and Net Assets</u>						
Current liabilities:						
Payable from unrestricted current assets:						
Negative equity in pooled cash	\$ -	-	4,794	-	-	\$ 4,794
Accounts and contracts payable	2,591,293	170,399	308	-	8,432	2,770,432
Accrued wages and benefits	-	-	-	-	6,757	6,757
Current portion of long-term obligations	-	-	-	-	2,273	2,273
Other liabilities	-	24,100	-	-	-	24,100
Payable from restricted current assets:						
Accounts payable	175,271	-	-	-	-	175,271
Current portion of long-term obligations	475,711	-	-	-	-	475,711
Other liabilities	28,920	-	-	-	-	28,920
Total current liabilities	3,271,195	194,499	5,102	-	17,462	3,488,258
Noncurrent liabilities:						
Long-term obligations - bonds payable from restricted assets	3,129,266	-	-	-	-	3,129,266
Total non-current liabilities	3,129,266	-	-	-	-	3,129,266
Total liabilities	6,400,461	194,499	5,102	-	17,462	6,617,524
Net Assets:						
Invested in capital assets, net of related debt	1,148,361	6,774	1,500,762	155,467	17,812	2,829,176
Restricted for bond programs	5,179,203	-	-	-	-	5,179,203
Unrestricted	3,486,711	405,914	-	-	221,138	4,113,763
Total net assets	9,814,275	412,688	1,500,762	155,467	238,950	12,122,142
Total liabilities and net assets	\$ 16,214,736	607,187	1,505,864	155,467	256,412	\$ 18,739,666

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, 2007

	Northeast Sewage Disposal System	Jail Commissary	Parking Lots	Wetlands Mitigation	Copy Center	Total Non-major Enterprise Funds
Operating revenues:						
Sewage disposal charges	\$ 15,306,086	-	-	-	-	\$ 15,306,086
Other charges for services	-	2,404,743	225,464	-	329,122	2,959,329
Total operating revenues	15,306,086	2,404,743	225,464	-	329,122	18,265,415
Operating expenses:						
Personnel	-	-	-	-	137,435	137,435
Fringe benefits	-	-	-	-	66,168	66,168
Pension	-	-	-	-	25,838	25,838
Materials and supplies	2,000	788,619	-	-	11,274	801,893
Contractual services	14,849,249	1,050,002	104,651	1,272	46,830	16,052,004
Miscellaneous operating	301,520	1,686	-	-	13,375	316,581
Rentals	255,071	-	-	-	-	255,071
Other charges	-	268,386	2,010	-	15,845	286,241
Depreciation and amortization	328,757	40,016	327	-	3,562	372,662
Total operating expenses	15,736,597	2,148,709	106,988	1,272	320,327	18,313,893
Operating income (loss)	(430,511)	256,034	118,476	(1,272)	8,795	(48,478)
Non-operating revenues (expenses)						
Investment earnings (loss)	237,456	4,201	(49,973)	(8,175)	6,388	189,897
Collections from participating local units	115,640	-	-	-	-	115,640
Interest expense	(129,929)	-	-	-	-	(129,929)
Federal grants	-	-	-	-	-	-
Total non-operating revenues (expenses)	223,167	4,201	(49,973)	(8,175)	6,388	175,608
Net income (loss) before transfers	(207,344)	260,235	68,503	(9,447)	15,183	127,130
Transfers in	-	-	1,022,780	172,170	-	1,194,950
Change in net assets	(207,344)	260,235	1,091,283	162,723	15,183	1,322,080
Net assets at October 1, 2006	10,021,619	152,453	409,479	(7,256)	223,767	10,800,062
Net assets at September 30, 2007	\$ 9,814,275	412,688	1,500,762	155,467	238,950	\$ 12,122,142

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2007

	Northeast Sewage Disposal System	Jail Commissary	Parking Lots	Wetlands Mitigation	Copy Center	Total Non-major Enterprise Funds
Cash flows from operating activities:						
Receipts from customers	\$ 15,759,973	2,406,607	220,362	-	329,122	\$ 18,716,064
Payments to suppliers	(16,069,179)	(1,914,798)	(106,513)	(1,272)	(78,892)	(18,170,654)
Payments to employees	-	-	-	-	(221,268)	(221,268)
Net cash provided by (used in) operating activities	(309,206)	491,809	113,849	(1,272)	28,962	324,142
Cash flows from non-capital financing activities:						
Transfers from other funds	-	-	1,022,780	172,170	-	1,194,950
Net cash provided by non-capital and related financing activities	-	-	1,022,780	172,170	-	1,194,950
Cash flows from capital and related financing activities:						
Repayment of long-term debt	(921,422)	-	-	-	-	(921,422)
Bond principal received from municipalities	460,711	-	-	-	-	460,711
Interest received from participating local units	115,640	-	-	-	-	115,640
Acquisition of capital assets	(35,271)	-	(78,410)	-	(21,374)	(135,055)
Interest paid	(129,928)	-	-	-	-	(129,928)
Net cash provided used in capital and related financing activities	(510,270)	-	(78,410)	-	(21,374)	(610,054)
Cash flows from investing activities:						
Investment earnings	237,456	4,201	(49,973)	(8,175)	6,388	189,897
Net cash provided by investing activities	237,456	4,201	(49,973)	(8,175)	6,388	189,897
Net decrease in cash and cash equivalents	(582,020)	496,010	1,008,246	162,723	13,976	1,098,935
Cash and cash equivalents at October 1, 2006	4,064,407	(10,998)	(1,013,040)	(162,723)	224,624	3,102,270
Cash and cash equivalents at September 30, 2007	\$ 3,482,387	485,012	(4,794)	-	238,600	\$ 4,201,205
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (430,511)	256,034	118,476	(1,272)	8,795	\$ (48,478)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:						
Depreciation and amortization	328,757	40,016	327	-	3,562	372,662
Decreases (increases) in current assets:						
Accounts receivable	459,211	1,864	(5,102)	-	-	455,973
Due from other governmental units	(5,324)	-	-	-	-	(5,324)
Prepayments and deposits	-	50,561	-	-	-	50,561
Increases (decreases) in current liabilities:						
Accounts and contracts payable	(629,786)	164,475	148	-	8,432	(456,731)
Accrued wages and benefits	-	-	-	-	5,900	5,900
Other liabilities	(31,553)	(21,141)	-	-	-	(52,694)
Compensated absences	-	-	-	-	2,273	2,273
Net cash provided by (used in) operating activities	\$ (309,206)	491,809	113,849	(1,272)	28,962	\$ 324,142
Cash and cash equivalents at September 30, 2007 consists of the following:						
Equity in pooled cash and investments	\$ 1,703,970	445,012	-	-	238,600	2,387,582
Negative equity in pooled cash	-	-	(4,794)	-	-	(4,794)
Other cash and investments	-	40,000	-	-	-	40,000
Restricted assets:						
Equity in pooled cash and equivalents	1,778,417	-	-	-	-	1,778,417
Total cash and investments	\$ 3,482,387	485,012	(4,794)	-	238,600	\$ 4,201,205

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 governmental units, on a cost-reimbursement basis.*

Central Services – This fund is used to distribute the operating costs of the departments of Management and Budget, Technology and Personnel/Human Resources, and the Building and Grounds Maintenance Division of the Department of Public Services.

Department of Environment – This fund is used to distribute costs to the various sewage districts, drains, and other Department of 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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Internal Service Funds
Combining Statement of Net Assets
As of September 30, 2007

<u>Assets</u>	Central Services	Department of Environment	Long-Term Disability	General Health
Current assets:				
Equity in pooled cash and investments	\$ 4,471,618	223,057	3,057,306	6,458,991
Other cash and investments	3,450	1,375	-	100
Due from component units	70,226	-	-	-
Receivables:				
Accounts	240	-	-	1,193,221
Due from other governmental units	-	2,398	-	-
Supplies inventory, at cost	188,102	-	-	-
Prepayments and deposits	93,837	-	-	-
Total current assets	4,827,473	226,830	3,057,306	7,652,312
Non-current assets:				
Capital assets:				
Non-depreciable	1,218,484	23,678	-	-
Depreciable, net	4,614,497	715,384	-	-
Other Assets:				
Long-term receivables	-	-	-	-
Total non-current assets	5,832,981	739,062	-	-
Total assets	<u>\$ 10,660,454</u>	<u>965,892</u>	<u>3,057,306</u>	<u>7,652,312</u>
<u>Liabilities and Net Assets</u>				
Current liabilities:				
Negative equity in pooled cash	\$ -	-	-	-
Accounts and contracts payable	802,189	18,494	-	265,121
Accrued wages and benefits	555,881	55,622	22,764	-
Due to component units	-	-	430,039	719,008
Current portion of long-term obligations	2,437,816	421,771	-	-
Other liabilities	3,279,918	-	331,086	4,864,813
Total current liabilities	7,075,804	495,887	783,889	5,848,942
Non-current liabilities:				
Other liabilities	-	54,123	-	-
Advances from other funds	-	-	-	-
Notes payable	-	-	-	-
Total non-current liabilities	-	54,123	-	-
Total liabilities	7,075,804	550,010	783,889	5,848,942
Net assets:				
Invested in capital assets, net of related debt	5,832,981	739,062	-	-
Unrestricted	(2,248,331)	(323,180)	2,273,417	1,803,370
Total net assets	3,584,650	415,882	2,273,417	1,803,370
Total liabilities and net assets	<u>\$ 10,660,454</u>	<u>965,892</u>	<u>3,057,306</u>	<u>7,652,312</u>

Workers' Compensation Self Insurance	General Liability	Equipment Lease Financing	Building and Grounds Maintenance	Totals
8,311,266	1,827,766	-	-	\$ 24,350,004
-	-	-	-	4,925
-	-	-	-	70,226
-	-	-	-	1,193,461
-	-	-	-	2,398
-	-	-	-	188,102
-	-	-	-	93,837
8,311,266	1,827,766	-	-	25,902,953
-	-	47,527,087	30,000	48,799,249
-	-	7,073,070	22,949,622	35,352,573
-	-	-	30,752,951	30,752,951
-	-	54,600,157	53,732,573	114,904,773
8,311,266	1,827,766	54,600,157	53,732,573	\$ 140,807,726
-	-	-	5,475,789	\$ 5,475,789
49,189	-	-	2,165,498	3,300,491
-	-	-	333,487	967,754
908,882	116,597	-	-	2,174,526
-	-	-	1,875,824	4,735,411
7,280,595	75,000	-	-	15,831,412
8,238,666	191,597	-	9,850,598	32,485,383
-	-	-	30,752,951	30,807,074
-	-	44,320,351	-	44,320,351
-	-	-	10,540,152	10,540,152
-	-	44,320,351	41,293,103	85,667,577
8,238,666	191,597	44,320,351	51,143,701	118,152,960
-	-	10,279,806	11,340,924	28,192,773
72,600	1,636,169	-	(8,752,052)	(5,538,007)
72,600	1,636,169	10,279,806	2,588,872	22,654,766
8,311,266	1,827,766	54,600,157	53,732,573	\$ 140,807,726

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, 2007

	Central Services	Department of Environment	Long-Term Disability	General Health
Operating revenues:				
Charges for services	\$ 69,936,568	6,063,129	1,439,418	116,643,200
Rentals and expense recoveries	-	238,312	-	-
Other charges for services	-	13,214	-	-
Total operating revenues	<u>69,936,568</u>	<u>6,314,655</u>	<u>1,439,418</u>	<u>116,643,200</u>
Operating expenses:				
Personnel	23,471,936	2,612,421	-	-
Fringe benefits	13,085,860	1,169,308	-	-
Pension	3,002,040	330,474	-	-
Materials and supplies	482,720	94,874	-	80
Contractual services	25,013,683	1,636,810	5,773	153,143
Travel	445,868	21,324	-	-
Miscellaneous operating	5,351,693	114,502	908,354	114,459,128
Rentals	1,748,314	195,861	-	-
Other charges	179,238	-	576,277	1,081,228
Depreciation and amortization	1,027,655	115,815	-	-
Total operating expenses	<u>73,809,007</u>	<u>6,291,389</u>	<u>1,490,404</u>	<u>115,693,579</u>
Operating income (loss)	<u>(3,872,439)</u>	<u>23,266</u>	<u>(50,986)</u>	<u>949,621</u>
Non-operating revenues (expenses):				
Investment earnings (loss)	(457,192)	(18,230)	-	-
Interest expense	-	-	-	-
Federal grants	496,840	-	-	-
Total non-operating revenues (expenses)	<u>39,648</u>	<u>(18,230)</u>	<u>-</u>	<u>-</u>
Income (loss) before capital contributions and transfers	<u>(3,832,791)</u>	<u>5,036</u>	<u>(50,986)</u>	<u>949,621</u>
Capital transfers	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(3,832,791)	5,036	(50,986)	949,621
Net assets at October 1, 2006	<u>7,417,441</u>	<u>410,846</u>	<u>2,324,403</u>	<u>853,749</u>
Net assets at September 30, 2007	<u>\$ 3,584,650</u>	<u>415,882</u>	<u>2,273,417</u>	<u>1,803,370</u>

Workers' Compensation Self Insurance	General Liability	Equipment Lease Financing	Building and Grounds Maintenance	Totals
4,206,906	2,357,464	-	23,033,534	\$ 223,680,219
-	-	1,327,032	1,858,480	3,423,824
-	-	-	444	13,658
4,206,906	2,357,464	1,327,032	24,892,458	227,117,701
-	-	-	7,212,329	33,296,686
-	-	-	3,928,747	18,183,915
-	-	-	863,914	4,196,428
-	-	-	1,343,972	1,921,646
277,376	7,802	2,702	2,110,302	29,207,591
-	-	-	67,195	534,387
5,184,551	2,353,249	-	5,073,308	133,444,785
-	-	-	3,058,419	5,002,594
1,213,064	-	-	29,336	3,079,143
-	-	405,928	2,141,027	3,690,425
6,674,991	2,361,051	408,630	25,828,549	232,557,600
(2,468,085)	(3,587)	918,402	(936,091)	(5,439,899)
-	-	(2,063,645)	303,159	(2,235,908)
-	-	-	(991,903)	(991,903)
-	-	-	-	496,840
-	-	(2,063,645)	(688,744)	(2,730,971)
(2,468,085)	(3,587)	(1,145,243)	(1,624,835)	(8,170,870)
-	-	2,500,000	-	2,500,000
-	-	-	1,129,960	1,129,960
-	-	(2,500,000)	(2,750)	(2,502,750)
(2,468,085)	(3,587)	(1,145,243)	(497,625)	(7,043,660)
2,540,685	1,639,756	11,425,049	3,086,497	29,698,426
72,600	1,636,169	10,279,806	2,588,872	\$ 22,654,766

CHARTER COUNTY OF WAYNE, MICHIGAN
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2007

	Central Services	Department of Environment	Long-term Disability	General Health
Cash flows from operating activities:				
Receipts for interfund services provided	\$ 70,984,276	6,390,902	1,442,348	116,068,015
Receipts from interfund loans	62,699	172,503	570	40,261
Payments to employees and payments for benefits	(36,945,481)	(3,682,843)	3,224	(4,253)
Payments to suppliers	(34,376,161)	(2,670,255)	(1,491,679)	(118,448,389)
Receipts from component units	229,467	-	430,071	721,648
Net cash provided by (used in) operating activities	(45,200)	210,307	384,534	(1,622,718)
Cash flows from noncapital financing activities:				
Long-term receivable	-	-	-	-
Advances to other funds	-	-	-	-
Transfers (to) from other funds	-	-	-	-
Federal grants	496,840	-	-	-
Net cash provided by (used in) noncapital and related financing activities	496,840	-	-	-
Cash flows from capital and related financing activities:				
Repayment of long-term debt	-	-	-	-
Capital transfers from other funds	-	-	-	-
Acquisition of capital assets	(676,418)	(93,367)	-	-
Disposition of capital assets	(57,277)	-	-	-
Interest paid	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(733,695)	(93,367)	-	-
Cash flows from investing activities:				
Investment earnings (loss)	(457,192)	(18,230)	-	-
Net cash provided by investing activities	(457,192)	(18,230)	-	-
Net increase (decrease) in cash and cash equivalents	(739,247)	98,710	384,534	(1,622,718)
Cash and cash equivalents at October 1, 2006	5,214,315	125,722	2,672,772	8,081,809
Cash and cash equivalents at September 30, 2007	\$ 4,475,068	224,432	3,057,306	6,459,091
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (3,872,439)	23,266	(50,986)	949,621
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,027,655	115,815	-	-
(Increases) decreases in current assets:				
Accounts receivable	1,047,708	75,802	2,930	(575,185)
Due from other funds	62,699	196,828	570	40,261
Due from other governmental units	-	445	-	-
Due from component units	229,467	-	32	2,640
Other assets	(34,620)	-	-	-
Increases (decreases) in current liabilities:				
Accounts and contracts payable	(1,796,257)	(136,263)	(1,275)	(3,388,363)
Accrued wages and benefits	176,539	7,589	3,224	(1,109)
Due to other funds	-	(24,325)	-	-
Due to component units	-	-	430,039	719,008
Other liabilities	676,232	(470,621)	-	630,409
Compensated absences payable	2,437,816	421,771	-	-
Net cash provided by (used in) operating activities	\$ (45,200)	210,307	384,534	(1,622,718)
Cash and cash equivalents at September 30, 2007 consists of the following:				
Equity in pooled cash and investments	\$ 4,471,618	223,057	3,057,306	6,458,991
Negative equity in pooled cash	-	-	-	-
Other cash and investments	3,450	1,375	-	100
Total cash and investments	\$ 4,475,068	224,432	3,057,306	6,459,091

Workers' Compensation Self Insurance	General Liability	Equipment Lease Financing	Building and Grounds Maintenance	Totals
5,751,729	2,438,440	1,327,032	26,316,059	\$ 230,718,801
3,123	1,134	-	-	280,290
-	-	-	(11,013,763)	(51,643,116)
(5,705,524)	(2,366,406)	(2,702)	(11,014,322)	(176,075,438)
908,905	116,634	-	-	2,406,725
958,233	189,802	1,324,330	4,287,974	5,687,262
-	-	-	(1,655,218)	(1,655,218)
-	-	3,239,315	-	3,239,315
-	-	-	1,655,218	1,655,218
-	-	-	-	496,840
-	-	3,239,315	-	3,736,155
-	-	-	(1,169,951)	(1,169,951)
-	-	-	1,127,210	1,127,210
-	-	(2,500,000)	(75,869)	(3,345,654)
-	-	-	-	(57,277)
-	-	-	(991,903)	(991,903)
-	-	(2,500,000)	(1,110,513)	(4,437,575)
-	-	(2,063,645)	303,159	(2,235,908)
-	-	(2,063,645)	303,159	(2,235,908)
958,233	189,802	-	3,480,620	2,749,934
7,353,033	1,637,964	-	(8,956,409)	16,129,206
8,311,266	1,827,766	-	(5,475,789)	\$ 18,879,140
(2,468,085)	(3,587)	918,402	(936,091)	\$ (5,439,899)
-	-	405,928	2,141,027	3,690,425
1,544,823	80,976	-	1,423,601	3,600,655
3,123	1,134	-	-	304,615
-	-	-	-	445
23	37	-	-	232,199
-	-	-	-	(34,620)
(184,199)	(5,355)	-	668,209	(4,843,503)
-	-	-	213,950	400,193
-	-	-	-	(24,325)
908,882	116,597	-	-	2,174,526
1,153,666	-	-	-	1,989,686
-	-	-	777,278	3,636,865
958,233	189,802	1,324,330	4,287,974	\$ 5,687,262
8,311,266	1,827,766	-	-	\$ 24,350,004
-	-	-	(5,475,789)	(5,475,789)
-	-	-	-	4,925
8,311,266	1,827,766	-	(5,475,789)	\$ 18,879,140

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 pension 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 benefits 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, 2007

	<u>Employees</u>	<u>Circuit Court Commissioners Bailiffs'</u>	<u>Defined Contribution Plan</u>	<u>Total Pension and (Other Employee Benefit) Trust Funds</u>
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,061,896	296,450	438,072	\$ 1,796,418
Due from component unit	-	-	12,985	12,985
Receivables:				
Accounts receivable	9,382,116	-	-	9,382,116
Accrued interest receivable	1,664,057	2,058	-	1,666,115
Total receivables	11,046,173	2,058	-	11,048,231
Retirement investments:				
Equity securities	695,807,828	6,498,473	337,995,165	1,040,301,466
Debt securities	136,167,415	96,672	96,491,136	232,755,223
Money market funds	22,490,511	115,929	-	22,606,440
Other investments	176,350,769	-	33,289,846	209,640,615
Total retirement investments	1,030,816,523	6,711,074	467,776,147	1,505,303,744
Prepayments and deposits	56,792	-	-	56,792
Depreciable capital assets, net	5,067	-	-	5,067
Total assets	\$ 1,042,986,451	7,009,582	468,227,204	\$ 1,518,223,237
<u>Liabilities</u>				
Accounts and contracts payable	\$ 706,040	-	-	\$ 706,040
Accrued wages and benefits	25,886	-	-	25,886
Other liabilities	102,691	-	-	102,691
Due to broker for securities purchased	4,173,430	-	-	4,173,430
Total liabilities	\$ 5,008,047	-	-	\$ 5,008,047
<u>Net Assets</u>				
Net assets held in trust for pension benefits	\$ 1,037,978,404	7,009,582	468,227,204	\$ 1,513,215,190

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, 2007

	Employees	Circuit Court Commissioners Bailiffs'	Defined Contribution Plan	Total Pension and (Other Employee Benefits) Trust Funds
<u>Additions</u>				
Investment income:				
Net appreciation to fair market value	\$ 109,177,456	1,403,450	46,191,080	\$ 156,771,986
Interest and dividends	31,897,385	12,662	7,304,330	39,214,377
Other investment income	3,602,315	50,592	466,194	4,119,101
Investment expenses	(3,785,565)	-	-	(3,785,565)
Net investment income	140,891,591	1,466,704	53,961,604	196,319,899
Retirement contributions:				
Employer	15,398,157	38,117	26,662,283	42,098,557
Employee	7,834,258	33,682	7,999,089	15,867,029
Total additions	164,124,006	1,538,503	88,622,976	254,285,485
<u>Deductions</u>				
Administrative expenses:				
Personnel	1,211,125	-	-	1,211,125
Fringe benefits	661,434	-	-	661,434
Pension	159,619	-	-	159,619
Materials and supplies	91,356	-	-	91,356
Contractual services	604,392	12,550	403,359	1,020,301
Travel	82,751	-	-	82,751
Rentals	258,304	-	-	258,304
Depreciation and amortization	58,284	-	-	58,284
Other charges	15,070	-	-	15,070
Total administrative expenses	3,142,335	12,550	403,359	3,558,244
Participant benefits	110,418,628	122,586	25,814,786	136,356,000
Total participant benefits	110,418,628	122,586	25,814,786	136,356,000
Total deductions	113,560,963	135,136	26,218,145	139,914,244
Change in net assets	50,563,043	1,403,367	62,404,831	114,371,241
Net assets at October 1, 2006	987,415,361	5,606,215	405,822,373	1,398,843,949
Net assets at September 30, 2007	\$ 1,037,978,404	7,009,582	468,227,204	\$ 1,513,215,190

CHARTER COUNTY OF WAYNE, MICHIGAN
Combining Statement of Fiduciary Net Assets
Agency Funds
As of September 30, 2007

	Trust and Agency	Undistributed Tax	Library Penal Fines	Office of the County Clerk	Retainages	Imprest Payroll	Imprest Retirement Payroll	Total Agency Funds
<u>Assets</u>								
Equity in pooled cash and investments	\$ 3,696,827	123,409,720	901,960	5,998,299	478,210	5,762,466	4,112,452	\$ 144,359,934
Other cash and investments	1,894,134	-	-	612,932	281,076	-	-	2,788,142
Accounts receivable	<u>665,729</u>	<u>-</u>	<u>-</u>	<u>66,213</u>	<u>-</u>	<u>-</u>	<u>1,313</u>	<u>733,255</u>
Total assets	<u>\$ 6,256,690</u>	<u>123,409,720</u>	<u>901,960</u>	<u>6,677,444</u>	<u>759,286</u>	<u>5,762,466</u>	<u>4,113,765</u>	<u>\$ 147,881,331</u>
<u>Liabilities</u>								
Accounts and contracts payable	\$ 868,024	686,198	-	220,234	9,088	2,488,692	1,101,129	\$ 5,373,365
Due to other governmental units	220,625	-	-	-	-	1,536,188	-	1,756,813
Accrued wages and benefits	-	-	-	-	-	1,688,639	3,012,636	4,701,275
Undistributed taxes	100	122,723,522	-	-	-	-	-	122,723,622
Retainage	1,894,134	-	-	-	750,198	-	-	2,644,332
Other liabilities	<u>3,273,807</u>	<u>-</u>	<u>901,960</u>	<u>6,457,210</u>	<u>-</u>	<u>48,947</u>	<u>-</u>	<u>10,681,924</u>
Total liabilities	<u>\$ 6,256,690</u>	<u>123,409,720</u>	<u>901,960</u>	<u>6,677,444</u>	<u>759,286</u>	<u>5,762,466</u>	<u>4,113,765</u>	<u>\$ 147,881,331</u>

CHARTER COUNTY OF WAYNE, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended September 30, 2007

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
Trust and Agency				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 5,495,119	1,556,247,415	1,558,045,707	\$ 3,696,827
Other cash and investments	-	3,697,454	1,803,320	1,894,134
Receivables:				
Accounts	634,426	29,301,638	29,270,335	665,729
Due from other funds	8,390	2,453,761,873	2,453,770,263	-
Due from component units	593	-	593	-
Total assets	<u>\$ 6,138,528</u>	<u>4,043,008,380</u>	<u>4,042,890,218</u>	<u>\$ 6,256,690</u>
<u>Liabilities</u>				
Accounts and contracts payable	\$ 919,833	27,532,778	27,584,587	\$ 868,024
Due to other funds	-	2,997,700	2,997,700	-
Due to other governmental units	492,589	33,613,404	33,885,368	220,625
Undistributed taxes	100	-	-	100
Retainage	1,481,066	413,068	-	1,894,134
Other liabilities	3,244,940	4,243,915,581	4,243,886,714	3,273,807
Total liabilities	<u>\$ 6,138,528</u>	<u>4,308,472,531</u>	<u>4,308,354,369</u>	<u>\$ 6,256,690</u>
 Undistributed Tax				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 188,656,542	1,310,930,718	1,375,964,870	\$ 123,409,720
Other cash and investments	-	806,169,896	806,169,896	-
Receivables:				
Accounts	7,292,363	-	7,292,363	-
Due from other funds	-	1,067,497,233	1,067,497,233	-
Total assets	<u>\$ 195,948,905</u>	<u>3,184,597,847</u>	<u>3,256,924,362</u>	<u>\$ 123,409,720</u>
<u>Liabilities</u>				
Accounts and contracts payable	\$ 58,705	217,083,040	217,710,532	\$ 686,198
Undistributed taxes	195,890,200	1,639,927,201	1,566,882,773	122,723,522
Other liabilities	-	-	90,419	-
Total liabilities	<u>\$ 195,948,905</u>	<u>1,857,010,241</u>	<u>1,784,683,724</u>	<u>\$ 123,409,720</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended September 30, 2007

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
Library Penal Fines				
Equity in pooled cash and investments	\$ 1,244,274	2,926,564	3,268,878	\$ 901,960
Receivables:				
Due from other funds	-	3,650,394	3,650,394	-
Total assets	<u>\$ 1,244,274</u>	<u>6,576,958</u>	<u>6,919,272</u>	<u>\$ 901,960</u>
<u>Liabilities</u>				
Accounts and contracts payable	\$ -	-	-	\$ -
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Due to other governmental units	-	-	-	-
Accrued wages and benefits	-	-	-	-
Undistributed taxes	-	-	-	-
Retainage	-	-	-	-
Other liabilities	1,244,274	6,661,641	7,003,955	901,960
Total liabilities	<u>\$ 1,244,274</u>	<u>6,661,641</u>	<u>7,003,955</u>	<u>\$ 901,960</u>

Office of the County Clerk

<u>Assets</u>				
Equity in pooled cash and investments	\$ 7,584,976	25,552,762	27,139,439	\$ 5,998,299
Other cash and investments	-	74,573,531	73,960,599	612,932
Receivables:				
Accounts	83,387	23,995	41,169	66,213
Due from other funds	-	23,624,190	23,624,190	-
Due from component units	-	-	-	-
Total assets	<u>\$ 7,668,363</u>	<u>123,774,478</u>	<u>124,765,397</u>	<u>\$ 6,677,444</u>
<u>Liabilities</u>				
Accounts and contracts payable	\$ 316,467	3,867,688	3,963,921	\$ 220,234
Due to other funds	-	-	-	-
Due to component unit	-	-	-	-
Due to other governmental units	-	-	-	-
Accrued wages and benefits	-	-	-	-
Undistributed taxes	-	-	-	-
Retainage	-	-	-	-
Other liabilities	7,351,896	55,756,760	56,651,446	6,457,210
Total liabilities	<u>\$ 7,668,363</u>	<u>59,624,448</u>	<u>60,615,367</u>	<u>\$ 6,677,444</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities, Continued
For the Year Ended September 30, 2007

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
Retainages				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 905,374	167,115	594,279	\$ 478,210
Other cash and investments	313,522	6,488,257	6,520,703	281,076
Receivables:				
Accounts	54,589	-	54,589	-
Due from other funds	-	637,100	637,100	-
Due from component units	-	-	-	-
Total assets	<u>\$ 1,273,485</u>	<u>7,292,472</u>	<u>7,806,671</u>	<u>\$ 759,286</u>
<u>Liabilities</u>				
Accounts and contracts payable	\$ 43,534	4,079,924	4,114,370	\$ 9,088
Due to other funds	-	-	-	-
Due to component unit	-	543,356	543,356	-
Due to other governmental units	-	-	-	-
Accrued wages and benefits	-	-	-	-
Undistributed taxes	-	-	-	-
Retainage	1,229,951	-	479,753	750,198
Other liabilities	-	-	-	-
Total liabilities	<u>\$ 1,273,485</u>	<u>4,623,280</u>	<u>5,137,479</u>	<u>\$ 759,286</u>
Imprest Payroll				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 5,361,883	339,724,917	339,324,334	\$ 5,762,466
Other cash and investments	-	-	-	-
Receivables:				
Accounts	1,094,330	-	1,094,330	-
Due from other funds	-	391,206,276	391,206,276	-
Due from component units	-	-	-	-
Total assets	<u>\$ 6,456,213</u>	<u>730,931,193</u>	<u>731,624,940</u>	<u>\$ 5,762,466</u>
<u>Liabilities</u>				
Accounts and contracts payable	\$ 2,460,531	75,510,319	75,482,158	\$ 2,488,692
Due to other funds	-	23,326,622	23,326,622	-
Due to component unit	-	-	-	-
Due to other governmental units	3,073,011	127,910,852	129,447,675	1,536,188
Accrued wages and benefits	451,795	660,266,216	659,029,372	1,688,639
Undistributed taxes	-	-	-	-
Retainage	-	-	-	-
Other liabilities	470,876	23,788,127	24,210,056	48,947
Total liabilities	<u>\$ 6,456,213</u>	<u>910,802,136</u>	<u>911,495,883</u>	<u>\$ 5,762,466</u>

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities, Continued
For the Year Ended September 30, 2007

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
Imprest Retirement Payroll				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 4,089,630	172,204,281	172,181,459	\$ 4,112,452
Other cash and investments	-	-	-	-
Receivables:				
Accounts	-	1,313	-	1,313
Due from other funds	-	828,212	828,212	-
Due from component units	-	-	-	-
Total assets	<u>\$ 4,089,630</u>	<u>173,033,806</u>	<u>173,009,671</u>	<u>\$ 4,113,765</u>
<u>Liabilities</u>				
Accounts and contracts payable	\$ 1,074,767	14,503,605	14,477,243	\$ 1,101,129
Due to other funds	-	874,911	874,911	-
Due to component unit	-	-	-	-
Due to other governmental units	6,385	13,823,960	13,830,345	-
Accrued wages and benefits	2,934,771	268,940,151	268,862,286	3,012,636
Undistributed taxes	-	-	-	-
Retainage	-	-	-	-
Other liabilities	73,707	900,496	974,203	-
Total liabilities	<u>\$ 4,089,630</u>	<u>299,043,123</u>	<u>299,018,988</u>	<u>\$ 4,113,765</u>
Totals - All Agency Funds				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 213,337,798	3,407,753,772	3,476,518,966	\$ 144,359,934
Other cash and investments	313,522	890,929,138	888,454,518	2,788,142
Receivables:				
Accounts	9,159,095	29,326,946	37,752,786	733,255
Due from other funds	8,390	3,941,205,278	3,941,213,668	-
Due from component units	593	-	593	-
Total assets	<u>\$ 222,819,398</u>	<u>8,269,215,134</u>	<u>8,343,940,531</u>	<u>\$ 147,881,331</u>
<u>Liabilities</u>				
Accounts and contracts payable	\$ 4,873,837	342,577,354	343,332,811	\$ 5,373,365
Due to other funds	-	27,199,233	27,199,233	-
Due to component units	-	543,356	543,356	-
Due to other governmental units	3,571,985	175,348,216	177,163,388	1,756,813
Accrued wages and benefits	3,386,566	929,206,367	927,891,658	4,701,275
Undistributed taxes	195,890,300	1,639,927,201	1,566,882,773	122,723,622
Retainage	2,711,017	413,068	570,172	2,644,332
Other liabilities	12,385,693	4,331,022,605	4,332,726,374	10,681,924
Total liabilities	<u>\$ 222,819,398</u>	<u>7,446,237,400</u>	<u>7,376,309,765</u>	<u>\$ 147,881,331</u>

(Concluded)

NON-MAJOR 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. Discretely presented component units are reported in a separate column to emphasize that they are legally separate from the County.

Detroit-Wayne County Stadium Authority (DWCSA) – This authority was incorporated by the County on August 20, 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.

Chapter 8, 20 and 21 Drainage Districts – 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. There are 408 active drainage districts that are component units of the County.

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.

Non-MAJOR DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

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. Discretely presented component units are reported in a separate column to emphasize that they are legally separate 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.

Metropolitan Growth and Development Corporation – This fund is used to account for the administration of federal loans received from the Small Business Administration and the Federal Grant Urban Loan Fund. These loans are then distributed to minority businesses and businesses in distressed communities.

Brownfield Redevelopment Authority (BRA) – The BRA was established by State enabling legislation. The BRA will assist the Wayne County Department of 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 – 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.

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Discretely Presented Component Units
Combining Statement of Net Assets
As of September 30, 2007

<u>Assets</u>	Stadium Authority	Chapter 8 Drainage District	Chapter 20 Drainage District	Chapter 21 Drainage District	Probate Court	Economic Development Corporation
Current assets:						
Equity in pooled cash and investments	\$ -	4,561,885	8,741,932	-	396,702	290,505
Other cash and investments	7,801,179	-	100	-	-	-
Due from primary government	-	-	-	-	184,678	-
Receivables:						
Accounts receivable	-	3,494	-	-	11,432	-
Special assessments	-	420,317	1,784,054	1,805,000	-	-
Due from other governmental units	-	186,013	1,265,942	306,260	-	-
Less allowance for uncollectible accounts	-	(140,274)	-	-	-	-
Inventory - real property held for sale	-	-	-	-	-	-
Prepayments and deposits	-	-	-	-	157,478	-
Restricted assets:						
Equity in pooled cash and investments	-	-	-	1,180,015	-	-
Total current assets	7,801,179	5,031,435	11,792,028	3,291,275	750,290	290,505
Non-current assets:						
Capital assets:						
Non-depreciable	81,983,744	-	52,948	-	-	-
Depreciable, net	515,321,577	-	17,981,647	15,898,351	1,566,189	-
Special assessments	-	1,262,266	3,290,699	7,655,095	-	-
Long-term receivables	-	-	-	-	-	-
Total non-current assets	597,305,321	1,262,266	21,325,294	23,553,446	1,566,189	-
Total assets	\$ 605,106,500	6,293,701	33,117,322	26,844,721	2,316,479	290,505
<u>Liabilities and Net Assets</u>						
Current liabilities:						
Accounts and contracts payable	\$ -	658,760	745,575	191,165	24,367	1,949
Accrued wages and benefits	-	-	4,679	4,214	75,099	-
Due to other governmental units	-	-	104,133	-	-	-
Accrued interest	-	-	150,988	19,088	-	-
Current portion of long-term obligations	1,840,000	420,317	1,799,175	1,834,850	654,023	-
Unearned revenue	-	1,311,583	-	-	40,105	-
Other liabilities	-	16,718	-	-	193,522	-
Total current liabilities	1,840,000	2,407,378	2,804,550	2,049,317	987,116	1,949
Long-term obligations:						
Bonds payable	74,580,000	1,262,266	3,290,699	7,655,095	-	-
Total liabilities	76,420,000	3,669,644	6,095,249	9,704,412	987,116	1,949
Net assets:						
Invested in capital assets, net of related debt	520,885,321	-	12,959,842	6,438,256	1,329,363	-
Restricted net assets:						
Bond programs	7,206,956	420,317	1,784,054	2,985,015	-	-
Unrestricted	594,223	2,203,740	12,278,177	7,717,038	-	288,556
Total net assets	528,686,500	2,624,057	27,022,073	17,140,309	1,329,363	288,556
Total liabilities and net assets	\$ 605,106,500	6,293,701	33,117,322	26,844,721	2,316,479	290,505

Wayne County- Detroit CDE, Inc.	Greater Wayne County Economic Development Corporation	Metropolitan Growth and Development Corporation	Brownfield Redevelopment Authority	HealthChoice of Michigan	Regional Jobs and Economic Growth Foundation	Development Corporation of Wayne County	Wayne County Land Bank Corporation	Total Non-major Discretely Presented Component Units
-	-	-	73,385	-	-	-	1,167,158	\$ 15,231,567
165,923	576,328	678,915	-	5,267,097	63,211	2,462,832	-	17,015,585
-	-	-	-	-	-	-	-	184,678
39,000	32,726	177,219	228,920	16,666	-	-	-	509,457
-	-	-	-	-	-	-	-	4,009,371
-	-	-	132,800	-	-	-	-	1,891,015
-	-	-	-	-	-	-	-	(140,274)
-	-	-	-	-	-	-	62,242	62,242
-	5,801	1,261	-	2,922	-	1,304	-	168,766
-	-	-	-	-	-	-	-	1,180,015
204,923	614,855	857,395	435,105	5,286,685	63,211	2,464,136	1,229,400	40,112,422
-	-	-	-	-	-	-	-	82,036,692
-	18,298	1,806	-	20,088	-	-	-	550,807,956
-	-	-	-	-	-	-	-	12,208,060
-	-	402,303	-	-	-	-	-	402,303
-	18,298	404,109	-	20,088	-	-	-	645,455,011
204,923	633,153	1,261,504	435,105	5,306,773	63,211	2,464,136	1,229,400	\$ 685,567,433
-	50,400	-	-	3,001,316	18,405	3,919	8,675	\$ 4,704,531
-	-	-	-	-	-	-	5,147	89,139
-	-	820,769	-	-	-	-	-	924,902
-	-	-	-	-	-	-	-	170,076
-	-	-	-	8,759	-	-	-	6,557,124
-	-	-	-	548,427	-	-	-	1,900,115
19,399	2,179	24,658	-	-	-	-	87,587	344,063
19,399	52,579	845,427	-	3,558,502	18,405	3,919	101,409	14,689,950
-	-	-	-	5,830	-	-	-	86,793,890
19,399	52,579	845,427	-	3,564,332	18,405	3,919	101,409	101,483,840
-	18,298	1,806	-	5,499	-	-	-	541,638,385
-	-	-	-	-	-	-	-	12,396,342
185,524	562,276	414,271	435,105	1,736,942	44,806	2,460,217	1,127,991	30,048,866
185,524	580,574	416,077	435,105	1,742,441	44,806	2,460,217	1,127,991	584,083,593
204,923	633,153	1,261,504	435,105	5,306,773	63,211	2,464,136	1,229,400	\$ 685,567,433

CHARTER COUNTY OF WAYNE, MICHIGAN
Non-major Discretely Presented Component Units
Combining Statement of Activities
For the Year Ended September 30, 2007

	Stadium Authority	Chapter 8 Drainage District	Chapter 20 Drainage District	Chapter 21 Drainage District	Probate Court	Economic Development Corporation
Expenses	\$ 35,714,198	1,915,890	3,253,674	3,199,718	11,789,858	7,570
Program revenues:						
Charges for services	7,948,498	1,072,097	2,625,401	1,974,859	848,871	-
Operating grants and contributions	53,197	136,006	334,565	292,095	11,071,807	-
Capital grants and contributions	-	-	1,455,084	-	-	-
Total program revenues	<u>8,001,695</u>	<u>1,208,103</u>	<u>4,415,050</u>	<u>2,266,954</u>	<u>11,920,678</u>	<u>-</u>
Net (expense) / program revenue	<u>(27,712,503)</u>	<u>(707,787)</u>	<u>1,161,376</u>	<u>(932,764)</u>	<u>130,820</u>	<u>(7,570)</u>
General revenues:						
Investment earnings (loss)	\$ 487,874	188,393	360,540	57,258	13,816	14,101
Other revenue	-	-	128,564	-	10,547	-
Total general revenues	<u>487,874</u>	<u>188,393</u>	<u>489,104</u>	<u>57,258</u>	<u>24,363</u>	<u>14,101</u>
Change in net assets	(27,224,629)	(519,394)	1,650,480	(875,506)	155,183	6,531
Net assets at October 1, 2006	<u>555,911,129</u>	<u>3,143,451</u>	<u>25,371,593</u>	<u>18,015,815</u>	<u>1,174,180</u>	<u>282,025</u>
Net assets at September 30, 2007	<u>\$ 528,686,500</u>	<u>2,624,057</u>	<u>27,022,073</u>	<u>17,140,309</u>	<u>1,329,363</u>	<u>288,556</u>

Wayne County- Detroit CDE, Inc.	Greater Wayne County Economic Development Corporation	Metropolitan Growth and Development Corporation	Brownfield Redevelopment Authority	HealthChoice of Michigan	Regional Jobs and Economic Growth Foundation	Development Corporation of Wayne County	Wayne County Land Bank Corporation	Total Non-major Discretely Presented Component Units
100,403	377,182	148,627	52,095	10,624,813	361,255	1,611,842	883,589	\$ 70,040,714
55,004	-	155,700	500	11,041,872	-	-	1,000	25,723,802
-	944,862	-	79,741	-	125,141	2,000,000	1,999,718	17,037,132
-	-	-	-	-	-	-	-	1,455,084
55,004	944,862	155,700	80,241	11,041,872	125,141	2,000,000	2,000,718	44,216,018
(45,399)	567,680	7,073	28,146	417,059	(236,114)	388,158	1,117,129	(25,824,696)
-	1,770	-	4,028	70,164	-	54,551	10,862	\$ 1,263,357
-	-	-	-	-	-	-	-	139,111
-	1,770	-	4,028	70,164	-	54,551	10,862	1,402,468
(45,399)	569,450	7,073	32,174	487,223	(236,114)	442,709	1,127,991	(24,422,228)
230,923	11,124	409,004	402,931	1,255,218	280,920	2,017,508	-	608,505,821
185,524	580,574	416,077	435,105	1,742,441	44,806	2,460,217	1,127,991	\$ 584,083,593

STATISTICAL

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note 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.

FINANCIAL TRENDS

CHARTER COUNTY OF WAYNE, MICHIGAN
Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 1

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Governmental activities						
Invested in capital assets, net of related debt	\$ 1,039,751,307	\$ 1,073,350,154	\$ 1,120,349,764	\$ 1,197,506,095	\$ 1,121,200,569	\$ 1,132,155,998
Restricted	125,822,817	86,317,600	78,499,486	89,283,168	116,567,440	107,936,275
Unrestricted	82,708,669	66,706,322	31,744,912	(100,261,050)	14,882,430	9,136,192
Total governmental activities net assets	<u>\$ 1,248,282,793</u>	<u>\$ 1,226,374,076</u>	<u>\$ 1,230,594,162</u>	<u>\$ 1,186,528,213</u>	<u>\$ 1,252,650,439</u>	<u>\$ 1,249,228,465</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 160,423,855	\$ 180,638,043	\$ 215,294,234	\$ 213,588,076	\$ 210,961,174	\$ 218,771,660
Restricted	211,788,868	188,935,224	27,756,939	8,860,494	5,597,729	23,508,151
Unrestricted	22,294,507	22,332,239	226,293,783	263,048,648	284,801,461	275,035,522
Total business-type activities net assets	<u>\$ 394,507,230</u>	<u>\$ 391,905,506</u>	<u>\$ 469,344,956</u>	<u>\$ 485,497,218</u>	<u>\$ 501,360,364</u>	<u>\$ 517,315,333</u>
Primary government						
Invested in capital assets, net of related debt	\$ 1,200,175,162	\$ 1,253,988,197	\$ 1,335,643,998	\$ 1,411,094,171	\$ 1,332,161,743	\$ 1,350,927,658
Restricted	337,611,685	275,252,824	106,256,425	98,143,662	122,165,169	131,444,426
Unrestricted	105,003,176	89,038,561	258,038,695	162,787,598	299,683,891	284,171,714
Total primary government net assets	<u>\$ 1,642,790,023</u>	<u>\$ 1,618,279,582</u>	<u>\$ 1,699,939,118</u>	<u>\$ 1,672,025,431</u>	<u>\$ 1,754,010,803</u>	<u>\$ 1,766,543,798</u>

Source: Statement of Net Assets

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Expenses						
Governmental activities:						
Legislative	\$ 9,871,083	\$ 8,972,403	\$ 9,188,573	\$ 10,177,044	\$ 11,411,617	\$ 11,875,687
Judicial	98,344,673	96,897,346	97,825,306	96,132,126	95,641,722	108,709,078
General government	174,233,704	151,149,473	145,810,861	153,568,662	138,170,641	129,032,360
Public safety	177,761,868	166,593,399	155,603,090	155,073,064	143,033,539	140,377,340
Public works	7,509,953	6,991,922	7,213,592	1,405,283	1,361,556	1,611,438
Highways, streets and bridges	140,230,472	164,344,774	153,092,909	155,501,853	136,367,997	191,949,420
Health and welfare	950,270,241	944,028,810	901,419,542	898,801,705	810,848,226	847,542,104
Recreation and cultural	27,309,630	32,173,152	29,385,031	21,381,501	25,315,782	20,370,195
Community and economic development	17,762,873	17,965,678	-	-	-	-
Non-departmental *	-	16,057,236	26,348,341	68,457,086	16,193,940	10,556,323
Interest on long-term debt	18,465,395	27,411,535	24,700,535	21,852,165	18,523,682	20,396,369
Total governmental activities net expenses	<u>1,621,759,892</u>	<u>1,632,585,728</u>	<u>1,550,587,780</u>	<u>1,582,350,489</u>	<u>1,396,868,702</u>	<u>1,482,420,314</u>
Business-type activities						
Sewage Disposal Systems	92,063,794	157,498,984	93,032,938	94,528,542	88,811,396	88,383,960
Jail Commissary	2,148,709	1,648,359	1,187,155	1,617,312	1,519,288	1,894,398
Parking Lots	106,988	114,193	203,767	219,255	204,126	273,512
Wetlands Mitigation	1,272	665	4,714	3,412	18,043	348,886
Copy Center	320,327	23,278	-	-	-	-
Total business-type activities expenses	<u>94,641,090</u>	<u>159,285,479</u>	<u>94,428,574</u>	<u>96,368,521</u>	<u>90,552,853</u>	<u>90,900,756</u>
Total primary government expenses	<u>\$ 1,716,400,982</u>	<u>\$ 1,791,871,207</u>	<u>\$ 1,645,016,354</u>	<u>\$ 1,678,719,010</u>	<u>\$ 1,487,421,555</u>	<u>\$ 1,573,321,070</u>
Program Revenues						
Governmental activities:						
Charges for services:						
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,112
Judicial	21,600	2,058	-	-	-	-
General government	82,762,639	111,035,210	110,026,444	98,694,975	53,753,677	51,978,765
Public safety	30,437,190	26,020,237	27,283,187	21,876,293	31,025,293	31,648,776
Public works	6,608,824	5,972,865	6,030,406	165,596	149,994	282,722
Highways, streets and bridges	8,078,101	6,648,977	6,440,722	2,515,692	14,058,496	12,516,999
Health and welfare	14,517,869	24,881,371	30,722,630	28,000,366	36,016,844	31,930,051
Recreation and cultural	2,630,834	5,712,871	3,681,338	5,024,490	3,604,126	4,385,943
Community and economic development	758,377	1,320,675	-	-	-	-
Non-departmental *	-	-	1,366,679	3,016,276	7,831,229	2,512,615
Operating grants and contributions	869,537,400	878,984,865	872,743,248	866,483,146	788,897,167	796,511,575
Capital grants and contributions	15,347,171	12,681,096	10,280,664	18,963,218	8,277,614	8,998,302
Total governmental activities program revenues	<u>\$ 1,030,700,005</u>	<u>\$ 1,073,260,225</u>	<u>\$ 1,068,575,318</u>	<u>\$ 1,044,740,052</u>	<u>\$ 943,614,440</u>	<u>\$ 940,805,860</u>

* - 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
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

		Fiscal Year					
		2007	2006	2005	2004	2003	2002
Business-type activities:							
Charges for services:							
Sewage Disposal Systems	\$	68,162,087	\$ 67,552,992	\$ 68,001,057	\$ 68,028,486	\$ 65,805,555	\$ 65,171,991
Jail Commissary		2,404,743	1,314,368	1,313,955	1,218,282	1,387,085	1,427,123
Parking Lots		225,464	196,838	174,439	314,121	482,715	273,512
Wetlands Mitigation		-	-	-	2,501	6,579	62,258
Copy Center		329,122	247,039	-	-	-	-
Operating grants and contributions		6,160,917	7,070,727	7,121,073	9,286,908	4,415,319	8,579,817
Capital grants and contributions		17,467,230	3,316,543	334,776	1,508,266	1,890,080	1,406,452
Total business-type activities program revenues		94,749,563	79,698,507	76,945,300	80,358,564	73,987,333	76,921,153
Total primary government revenues	\$	1,125,449,568	\$ 1,152,958,732	\$ 1,145,520,618	\$ 1,125,098,616	\$ 1,017,601,773	\$ 1,017,727,013
Net revenue (expense)							
Governmental activities		(591,059,887)	(559,325,503)	(482,012,462)	(537,610,437)	(453,254,262)	(541,614,454)
Business-type activities		108,473	(79,586,972)	(17,483,274)	(16,009,957)	(16,565,520)	(13,979,603)
Total primary government net revenue (expense)	\$	(590,951,414)	\$ (638,912,475)	\$ (499,495,736)	\$ (553,620,394)	\$ (469,819,782)	\$ (555,594,057)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes	\$	485,553,599	\$ 484,636,368	\$ 465,466,446	\$ 382,482,152	\$ 378,550,713	\$ 362,890,580
Investment earnings		37,696,735	33,317,194	29,596,690	21,817,258	28,434,900	30,946,890
State sales tax		21,985,337	-	-	31,687,048	36,295,009	39,683,268
Airport parking taxes		13,866,308	12,696,145	10,170,273	7,227,758	6,689,988	13,031,194
Other revenue		47,658,076	24,455,710	20,845,002	28,319,339	6,816,810	7,920,187
Excise		7,403,499	-	-	-	-	-
Transfers		(1,194,950)	-	-	(45,344)	(111,184)	-
Total governmental activities		612,968,604	555,105,417	526,078,411	471,488,211	456,676,236	454,472,119
Business-type activities:							
Investment earnings		2,416,713	2,147,521	1,156,012	101,467	499,367	510,685
Other revenue		-	-	175,000	-	-	201,154
Transfers of capital assets		(1,118,412)					
Transfers in (out)		1,194,950	-	-	45,344	111,184	-
Total business-type activities		2,493,251	2,147,521	1,331,012	146,811	610,551	711,839
Total primary government	\$	615,461,855	\$ 557,252,938	\$ 527,409,423	\$ 471,635,022	\$ 457,286,787	\$ 455,183,958
Change in Net Assets							
Governmental activities	\$	21,908,717	\$ (4,220,086)	\$ 44,065,949	\$ (66,122,226)	\$ 3,421,974	\$ (87,142,335)
Business-type activities		2,601,724	(77,439,451)	(16,152,262)	(15,863,146)	(15,954,969)	(13,267,764)
Total primary government	\$	24,510,441	\$ (81,659,537)	\$ 27,913,687	\$ (81,985,372)	\$ (12,532,995)	\$ (100,410,099)

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

	Fiscal Year					Fiscal Year				
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General fund										
Reserved	\$ 4,230,406	\$ 7,856,642	\$ 5,558,375	\$ 2,034,486	\$ 16,243,273	\$ 2,717,219	\$ 2,504,350	\$ 2,504,350	\$ 2,575,708	\$ 2,527,107
Unreserved	21,148,150	15,842,351	18,078,957	17,065,541	14,516,980	27,705,724	27,355,022	22,418,540	16,955,160	16,666,238
Total general fund	<u>25,378,556</u>	<u>23,698,993</u>	<u>23,637,332</u>	<u>19,100,027</u>	<u>30,760,253</u>	<u>30,422,943</u>	<u>29,859,372</u>	<u>24,922,890</u>	<u>19,530,868</u>	<u>19,193,345</u>
All other governmental funds										
Reserved	121,622,032	116,088,849	53,910,375	50,624,376	71,896,261	65,273,732	86,763,871	87,255,224	103,911,785	110,513,349
Unreserved, reported in:										
Special revenue funds	33,024,860	22,448,208	81,509,501	49,647,768	33,272,083	31,667,942	73,548,313	81,437,161	78,681,990	68,013,826
Total all other governmental funds	<u>\$ 154,646,892</u>	<u>\$ 138,537,057</u>	<u>\$ 135,419,876</u>	<u>\$ 100,272,144</u>	<u>\$ 105,168,344</u>	<u>\$ 96,941,674</u>	<u>\$ 160,312,184</u>	<u>\$ 168,692,385</u>	<u>\$ 182,593,775</u>	<u>\$ 178,527,175</u>

Source: Balance Sheet - Governmental Funds

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

	Fiscal Year				
	2007	2006	2005	2004	2003
Revenues					
Taxes	\$ 498,060,237	\$ 472,550,512	\$ 444,819,266	\$ 366,881,312	\$ 349,422,242
Licenses and permits	431,225	295,002	361,912	257,308	244,276
Federal grants	72,779,460	74,348,321	86,857,480	73,029,823	66,665,551
State grants and contracts	795,048,379	772,603,339	762,754,386	809,758,806	751,244,421
Local grants and contracts	19,008,232	23,278,766	25,185,504	21,601,175	23,132,104
Charges for services	98,635,622	115,191,349	133,186,617	118,979,951	123,714,357
Investment earnings	33,370,499	29,923,762	27,193,049	19,818,309	23,308,753
Other	32,382,087	22,401,861	17,908,702	17,784,226	22,273,783
Total revenues	1,549,715,741	1,510,592,912	1,498,266,916	1,428,110,910	1,360,005,487
Expenditures					
Legislative	11,806,806	10,991,753	11,024,055	11,369,556	11,399,270
Judicial	98,129,723	96,627,918	97,595,531	94,200,236	93,707,488
General government	134,864,572	124,876,459	109,078,546	117,704,116	109,917,422
Public safety	161,971,669	151,343,498	150,353,795	149,489,084	137,391,534
Public works	1,050,752	1,163,851	1,318,381	1,405,283	1,361,556
Highways, streets and bridges	87,022,323	94,821,171	102,427,859	106,791,407	86,604,534
Health and welfare	955,338,562	948,724,671	901,865,417	895,239,267	810,141,899
Recreation and cultural	20,921,430	25,100,377	28,148,791	21,937,798	23,916,073
Non-departmental *	-	17,665,758	26,348,344	21,664,698	23,258,713
Community and economic development	1,800,000	-	-	-	-
Capital outlay	12,953,674	11,846,269	13,412,324	16,149,894	44,848,675
Debt service:					
Principal	20,293,143	19,958,904	19,949,382	19,290,376	18,274,120
Interest	17,912,185	18,304,676	18,568,278	18,529,743	18,338,500
Other	578,562	9,000	17,448	68,628	15,601
Total expenditures	1,524,643,401	1,521,434,305	1,480,108,151	1,473,840,086	1,379,175,385
Excess of revenues over (under) expenditures	25,072,340	(10,841,393)	18,158,765	(45,729,176)	(19,169,898)
Other financing sources (uses)					
Transfers in	318,946,804	295,941,292	329,148,461	176,072,485	149,134,747
Transfers out	(304,768,964)	(282,441,292)	(308,148,461)	(147,980,578)	(135,140,868)
Payment to refunded bond escrow agent	(90,278,259)	-	-	-	-
Bond issuance	66,395,000	-	-	-	-
Bond premium	1,583,054	-	-	-	-
Proceeds from sale of capital assets	839,423	520,235	526,272	1,080,843	13,740,000
Other financing sources	-	-	-	-	-
Total other financing sources (uses)	(7,282,942)	14,020,235	21,526,272	29,172,750	27,733,879
Net change in fund balances	\$ 17,789,398	\$ 3,178,842	\$ 39,685,037	\$ (16,556,426)	\$ 8,563,981
Debt service as a percentage of noncapital expenditures	2.6%	2.5%	2.6%	2.6%	2.7%

* - 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

Fiscal Year				
2002	2001	2000	1999	1998
\$ 329,479,794	\$ 314,987,964	\$ 306,971,671	\$ 293,883,683	\$ 275,639,561
255,730	219,041	212,018	199,890	153,365
55,462,877	53,761,913	50,145,473	38,344,033	40,774,226
788,538,608	771,477,861	732,032,679	726,939,812	442,695,594
18,994,676	22,990,198	17,153,388	31,866,111	14,119,516
141,038,420	138,739,515	128,673,748	144,439,603	163,427,152
24,292,118	37,204,453	40,201,699	33,335,876	30,031,602
25,524,882	26,813,599	62,935,399	47,942,198	20,462,133
1,383,587,105	1,366,194,544	1,338,326,075	1,316,951,206	987,303,149
11,869,328	9,923,070	9,520,738	8,802,924	7,011,905
107,007,993	90,957,613	91,427,865	124,976,106	99,437,747
121,990,951	98,746,632	110,628,525	101,570,117	71,337,661
135,372,786	127,104,143	121,641,545	115,820,337	87,841,801
1,611,438	1,758,065	715,471	861,243	2,096,355
141,317,974	124,257,420	124,106,052	102,717,684	79,087,259
866,151,161	836,844,370	792,688,863	768,186,955	529,362,642
20,216,706	20,805,964	20,628,835	20,609,402	14,845,257
10,556,049	13,104,471	12,216,705	7,422,340	23,291,780
-	-	-	-	-
37,107,744	37,319,937	64,508,704	30,870,670	38,181,254
18,496,858	19,701,385	17,484,399	21,652,187	18,546,364
18,282,890	18,624,157	17,482,883	16,490,652	15,224,607
5,500	972,116	2,431,542	2,566,466	9,620
1,489,987,378	1,400,119,343	1,385,482,127	1,322,547,083	986,274,252
(106,400,273)	(33,924,799)	(47,156,052)	(5,595,877)	1,028,897
178,017,912	156,501,441	143,442,662	143,675,342	148,906,310
(154,017,912)	(144,501,441)	(132,991,395)	(133,675,342)	(138,906,310)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
19,774,797	15,731,080	-	(14,892,121)	-
-	2,750,000	28,195,417	14,892,121	31,315,000
43,774,797	30,481,080	38,646,684	10,000,000	41,315,000
\$ (62,625,476)	\$ (3,443,719)	\$ (8,509,368)	\$ 4,404,123	\$ 42,343,897
2.5%	2.9%	2.8%	3.2%	3.6%

REVENUE CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN
Taxable Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Table 5

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Developmental Property	Agricultural Property	Personal Property	(1) (2) Total Taxable Value	Direct Tax Rate	(3) Estimated Actual Value	Taxable Value as a Percentage of Estimated Actual Value
1998	\$ 19,615,711,452	\$ 4,543,933,708	\$ 2,530,490,491	\$ 3,346,913	\$ 29,419,167	\$ 5,546,412,960	\$ 32,269,314,691	7.9290	\$ 67,247,466,980	47.99%
1999	20,578,629,360	4,721,483,792	2,652,111,384	2,699,200	30,570,961	5,751,356,480	33,736,851,177	7.9290	72,706,597,492	46.40%
2000	21,570,510,242	4,904,487,549	2,862,278,523	2,422,428	31,722,500	6,021,813,142	35,393,234,384	7.9066	80,171,427,716	44.15%
2001	22,819,877,580	5,216,667,289	3,071,860,829	12,531,041	30,932,221	6,144,721,771	37,296,590,731	7.8574	88,784,450,206	42.01%
2002	24,538,741,746	5,633,694,266	3,222,115,143	16,835,082	31,184,947	6,243,469,918	39,686,041,102	7.8461	98,093,888,078	40.46%
2003	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%
2004	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%
2005	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%
2006	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	7.8220	125,359,817,812	38.54%
2007	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	7.8220	128,803,281,446	39.26%

- (1) The Taxable Valuation against which the tax levy is applied to is determined as of the December 31 prior to the 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 mileage 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.

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

	Year Taxes Are Payable									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
County direct rates										
General	6.6380	6.6380	6.6380	6.6380	6.6380	6.6380	6.6556	6.6651	6.7068	6.7258
Parks	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2473	0.2477	0.2493	0.2500
Jail	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9432	0.9446	0.9505	0.9532
Total direct rate	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8461	7.8574	7.9066	7.9290
Overlapping Rates										
Huron-Clinton Metro Authority	0.2146	0.2146	0.2146	0.2154	0.2161	0.2170	0.2186	0.2202	0.2218	0.2235
Wayne County Transit Authority	0.5900	0.5900	0.5980	0.5980	0.5980	0.6000	0.3258	0.3263	0.3288	0.3300
Cities (33)										
Low	11.5149	11.5683	11.3865	12.0064	12.0063	12.0269	10.9345	13.8537	11.1014	10.3556
High	34.2434	35.9706	36.3511	37.6525	38.0275	39.0000	35.5331	35.3585	33.7350	35.4126
Village (1)	14.3000	14.2996	14.3000	13.7000	13.6995	13.7500	13.3000	12.7500	13.9988	14.2500
Townships (10)										
Low	0.5943	0.5943	0.5961	2.6812	2.7880	2.7872	2.5652	2.4614	2.1115	2.1168
High	13.6179	13.4306	13.2917	15.1199	15.1276	14.9288	14.0116	14.3211	14.5666	14.8422
School Districts (36)										
Low	18.0000	18.0000	18.0000	18.0000	18.0000	17.9586	17.4207	17.9586	17.8812	18.0000
High	33.5000	33.5000	30.6236	30.7696	31.8000	31.1900	30.2836	30.2836	30.2836	29.2836
Intermediate School Districts (4)										
Monroe	4.7541	4.7541	4.4644	4.4644	4.7700	4.7922	4.8010	4.8010	4.8010	4.8189
Oakland	3.3690	3.3690	3.3690	3.1780	3.3991	3.4224	3.4526	2.0752	2.0998	2.1208
Washtenaw	3.9745	3.9745	3.9970	3.9350	3.0552	3.0738	3.1050	3.1311	3.1568	3.3168
Wayne	3.4643	3.4643	3.3678	3.3678	3.4643	3.4643	1.9753	1.9789	1.9914	1.9971
Community Colleges (3)										
Henry Ford	3.0000	3.0000	3.0000	2.4596	2.4596	2.4735	2.4735	2.4735	2.4915	2.5000
Schoolcraft	1.7967	1.7967	1.7967	1.7967	1.8024	1.8043	1.8193	1.8310	1.8440	1.8521
Wayne County	2.4769	2.4769	2.4769	2.4844	2.4862	2.4862	2.4995	1.0000	1.0190	1.1489
DDAs (4)										
Detroit	0.9887	0.9887	0.9887	0.9895	0.9895	0.9895	0.9895	0.9895	1.0000	1.0000
* Hamtramck	1.8380	2.0000	-	-	-	-	1.9932	1.9956	2.0000	-
Northville	1.8406	1.8617	1.9365	1.9664	1.9664	1.9956	1.9984	1.9713	1.9729	2.0000
** Wyandotte	-	-	-	-	1.7688	1.7688	1.8120	1.8256	1.8400	1.8500

Source: Wayne County Assessment and Equalization Division

* Abolished in tax year 2002 - 2005 and re-establish in tax year 2006.

** Elected not to levy the millage tax year 2004 - 2007

Millage is rate per \$1,000 of taxable value

CHARTER COUNTY OF WAYNE, MICHIGAN
Principal Property Taxpayers
Fiscal Year 2007
(Unaudited)

Table 7

<u>Company</u>	<u>Line of Business</u>	2007			1998		
		<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of State Equalized Value</u>	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of State Equalized Value</u>
Ford Motor Company	Automotive	\$ 1,560,809,660	1	2.42 %	\$ 1,838,403,074	1	5.47 %
DTE Energy *	Utility	1,009,871,003	2	1.57	785,342,033	2	2.34
Daimler Chrysler Corp. **	Automotive	425,214,864	3	0.66	413,582,195	3	1.23
General Motors Corp.	Automotive	298,624,472	4	0.46	356,850,480	4	1.06
United States Steel	Steel	213,766,632	5	0.33	-	-	-
MGM Grand Detroit LLC	Casino	164,692,964	6	0.26	-	-	-
Marathon Oil/ Ashland Petroleum LLC	Petroleum	157,376,388	7	0.24	-	-	-
Auto Alliance Int'l Inc.	Automotive	136,153,300	8	0.21	-	-	-
Severstal Steel Company	Steel	114,684,000	9	0.18	-	-	-
ATT Mobility LLC (f/n/a Cingular)	Wireless Phones	88,934,491	10	0.14	-	-	-
*** Michigan Consolidated Gas	Utility				306,128,753	5	0.91
National Steel Corp	Steel				220,720,820	6	0.66
Rouge Steel Company	Steel				147,761,450	7	0.44
Mellon US Leasing	Equipment				65,824,060	8	0.20
Dayton-Hudson Company	Retail				64,592,728	9	0.19
BASF Corporation	Technology				64,322,409	10	0.19
Total		<u>\$ 4,170,127,774</u>		6.48 %	<u>\$ 4,263,528,002</u>		12.68 %
Total State Equalized Value (S.E.V.) (1)		<u>\$ 64,401,640,723</u>			<u>\$ 33,623,733,490</u>		

(1) The State Equalized Value for the County's fiscal year 2007, which commenced October 1, 2006 was determined, as of December 31, 2005.

Note: Total assessments do not include abated properties.

* Formerly Detroit Edison in 1998

** In August 2007, Daimler AG closed on the sale of 80.1 percent of Chrysler and its related financial services business to Cerberus Capital Management. Daimler retains the remaining 19.9 percent.

*** Michigan Consolidated Gas and companies below were top ten property taxpayers in 1998, but not in 2007.

Source: Wayne County Assessment and Equalization Division.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

<u>For Tax Levy</u>	<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collection</u>	<u>Percent of Tax Levy Collected Before Delinquent</u>	<u>Reimbursed From Delinquent Tax Fund</u>	<u>Total Tax Collection</u>	<u>Ratio of Total Collection to Levy</u>	<u>Delinquent Personal Taxes</u>
December 1, 1997	1998	\$ 247,018,029	\$ 225,955,747	91.47 %	\$ 14,207,618	\$ 240,163,365	97.23 %	\$ 1,854,438
December 1, 1998	1999	254,999,786	234,945,114	92.14	16,702,140	251,647,254	98.69	1,883,896
December 1, 1999	2000	260,030,697	239,438,026	92.08	18,514,831	257,952,857	99.20	2,139,285
December 1, 2000	2001	272,033,478	248,582,057	91.38	18,858,352	267,440,409	98.31	4,655,954
December 1, 2001	2002	287,619,351	259,130,292	90.09	18,994,664	278,124,956	96.70	6,583,342
December 1, 2002	2003	299,829,827	270,740,080	90.30	20,918,039	291,658,119	97.27	7,218,939
December 1, 2003	2004	311,499,004	283,265,437	90.94	19,576,210	302,841,647	97.22	5,726,032
December 1, 2004	2005	326,906,648	295,662,273	90.44	23,843,012	319,505,285	97.74	6,268,748
July 1, 2005 (1)	2005	93,415,262	84,099,914	90.03	7,434,077	91,533,991	97.99	1,678,422
December 1, 2005	2006	248,139,625	223,395,200	90.03	19,747,193	243,142,393	97.99	4,458,404
July 1, 2006 (2)	2006	187,524,292	171,524,292	91.47	15,404,348	186,928,640	99.68	1,033,268
December 1, 2006	2007	173,099,347	157,972,809	91.26	14,219,398	172,192,207	99.48	953,786
July 1, 2007 (3)	2008	284,377,648	224,512,178	**	**	224,512,178	78.95	**

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, 2007 levy will become delinquent on March 1, 2008. Collections on this levy are from the levy date through November 30, 2007

DEBT CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Table 9

Fiscal year	Governmental Activities				Business-Type Activities		Total Primary Government
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Sewer Bonds	Revenue Bonds	
1998	\$ -	\$ 1,916,394	\$ 64,950,000	\$ 23,670,972	\$ 214,724,800	\$ 1,441,407,866	\$ 1,746,670,032
1999	-	1,638,195	67,390,000	24,405,630	267,223,568	1,424,916,285	1,785,573,678
2000	-	1,219,523	59,100,000	22,337,630	292,452,751	1,407,289,970	1,782,399,874
2001	-	855,279	46,800,000	20,302,534	283,593,848	1,657,103,155	2,008,654,816
2002	131,298,816	84,843,000	53,069,276	66,418,468	264,089,165	5,788,532	605,507,257
2003	204,732,085	3,566,000	84,800,000	63,394,198	251,349,838	5,377,821	613,219,942
2004	183,854,770	3,294,000	135,000,000	15,381,635	236,718,744	4,952,110	579,201,259
2005	165,505,194	3,007,000	142,400,000	14,054,647	221,840,603	4,511,399	551,318,843
2006	146,835,865	2,702,000	139,800,000	12,808,649	209,452,483	4,065,688	515,664,685
2007	132,949,222	-	180,000,000	11,638,698	211,232,926	3,604,977	539,425,823

Source: Wayne County Department of Management and Budget.

(A) - 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
1998	2,109,282	\$ 32,269,314,691	\$ 702,835,477	2.18 %	\$ 333.21
1999	2,109,282	33,736,851,177	725,325,752	2.15	343.87
2000	2,109,282	35,393,234,384	742,868,123	2.10	352.19
2001	2,061,162	37,296,590,731	809,140,185	2.17	392.57
2002	2,061,162	39,686,041,102	771,793,219	1.94	374.45
2003	2,061,162	41,905,186,259	788,049,544	1.88	382.33
2004	2,061,162	43,339,343,473	798,858,655	1.84	387.58
2005	2,006,527	45,917,929,737	757,276,595	1.65	377.41
2006	1,985,999	48,309,100,039	717,144,569	1.48	361.10
2007	1,938,918	50,572,359,004	737,510,822	1.46	380.37

Source: SEMCOG, U.S. Census Bureau and Wayne County Department of Management and Budget.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Direct and Overlapping Governmental Activities Debt
As of September, 2007
(Unaudited)

Table 11

Indebtedness:

The following table sets forth the indebtedness of the County as of September 30, 2007:

Debt Carrying the County's Limited Tax General Obligation:	
Building Authority Bonds ⁽¹⁾	\$ 27,115,000
Capital Improvement Bonds	12,235,000
MMBA Ref 91A (Fiscal Stabilization Bonds)	16,015,000
MMBA Ref 94 A (Building Authority Bonds, Series 1994A)	50,380,000
Stadium Authority Bonds ⁽¹⁾	76,420,000
Chapter 8 Drainage Notes	1,682,583
Drainage Districts Bonds	14,534,848
Probate Court Installment Purchase Agreement (IPA)	236,826
Michigan Transportation Fund Bonds	32,680,000
Delinquent Tax Notes	180,000,000
Airport Hotel Revenue Bonds	110,685,000
Sewage Disposal Bonds	<u>215,526,565</u>
Total Debt Carrying the County's Limited Tax General Obligation	737,510,822
Other Debt:	
Metro Airport Revenue Bonds	2,326,065,000
Hotel Debt (Capital Loans)	6,306,838
Willow Run Notes	671,102
Airport Energy Conservation IPA	7,532,539
Capital Lease Obligations ⁽¹⁾	11,638,698
Healthchoice Debt (Capital Leases)	14,589
State of Michigan Emergency Loan	<u>52,677,418</u>
Total Other Debt	2,404,906,184
Gross Direct Debt	\$ 3,142,417,006
Deductions:	
Metro Airport Revenue Bonds ⁽²⁾	2,326,065,000
Airport Energy Conservation IPA ⁽²⁾	7,532,539
Willow Run Notes ⁽²⁾	671,102
MMBA Ref91A (Fiscal Stabilization Bonds) ⁽³⁾	16,015,000
Stadium Authority Bonds ⁽⁴⁾	76,420,000
Drainage Districts Bonds ⁽⁵⁾	14,534,848
Michigan Transportation Fund Bonds ⁽⁶⁾	32,680,000
Delinquent Tax Notes ⁽⁷⁾	180,000,000
Airport Hotel Revenue Bonds ⁽⁸⁾	110,685,000
Sewage Disposal Bonds ⁽⁵⁾	215,526,565
State of Michigan Emergency Loan ⁽³⁾	<u>52,677,418</u>
Total Deductions	3,032,807,472
Net Direct Debt	<u>\$ 109,609,534</u>

- (1) Payable from lease rentals which constitute full faith and credit obligations of the County.
- (2) Payable solely from airport revenues, passenger facility charges, or direct airline pledges.
- (3) Revenues are projected to be sufficient to cover debt service, based on experience.
- (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) 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, 2007.

OVERLAPPING DEBT	
As of September 30, 2007	
School Districts	\$ 3,119,440,416
Cities and Villages	2,120,118,637
Townships	208,442,036
Libraries	32,506,648
Community Colleges	<u>40,575,000</u>
Total Overlapping Debt	<u>\$ 5,521,082,737</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, 2007:

NET DIRECT AND OVERLAPPING DEBT	
As of September 30, 2007	
Direct debt:	
Gross Principal amount	\$ 3,142,417,006
Less amount payable from other sources	<u>3,032,807,472</u>
Net direct debt	109,609,534
Overlapping debt	<u>5,521,082,737</u>
Net direct and overlapping debt	<u>\$ 5,630,692,271</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, 2007
(Unaudited)

Table 12

Fiscal 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
1998	\$ 33,623,733,490	\$ 3,362,373,349	\$ 702,835,477	\$ 2,659,537,872	2.09%
1999	36,353,298,746	3,635,329,875	725,325,751	2,910,004,124	2.00%
2000	40,085,713,858	4,008,571,386	742,868,123	3,265,703,263	1.85%
2001	44,392,225,103	4,439,222,510	890,140,185	3,549,082,325	2.01%
2002	49,046,944,039	4,904,694,404	771,793,219	4,132,901,185	1.57%
2003	53,800,509,901	5,380,050,990	788,049,544	4,592,001,446	1.46%
2004	56,973,417,310	5,697,341,731	798,858,655	4,898,483,076	1.40%
2005	60,193,381,061	6,019,338,106	757,018,978	5,262,319,128	1.26%
2006	62,679,908,906	6,267,990,891	717,144,569	5,550,846,322	1.14%
2007	64,401,640,723	6,440,164,072	737,510,822	5,702,653,250	1.15%

Source: Wayne County Department of Management and Budget.

CHARTER COUNTY OF WAYNE, MICHIGAN
Pledged - Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Table 13

Fiscal year	Water and Sewer Revenue Bonds						Special Assessment Bonds			
	Gross Revenues	Operating Expenses	Net Revenue	Debt service		Coverage	Special Assessment	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
1998	\$ 11,083,351	\$ 11,253,198	\$ (169,847)	\$ 360,000	\$ 249,260	(0.28)	\$ 2,125,927	\$ 1,395,000	\$ 726,883	1.00
1999	9,298,048	8,973,307	324,741	420,000	227,440	0.50	2,055,551	1,436,527	666,305	0.98
2000	11,301,809	10,781,349	520,460	395,000	202,298	0.87	2,027,150	1,440,000	616,392	0.99
2001	11,837,910	10,651,185	1,186,725	400,000	191,000	2.01	2,077,541	1,480,000	573,077	1.01
2002	13,522,434	13,444,794	77,640	410,000	179,495	0.13	2,058,024	1,530,000	528,024	1.00
2003	14,800,881	14,612,719	188,162	425,000	166,548	0.32	2,015,691	1,570,000	480,002	0.98
2004	15,288,876	16,260,962	(972,086)	440,000	152,785	(1.64)	2,074,250	1,610,000	429,939	1.02
2005	14,551,744	15,706,530	(1,154,786)	455,000	139,205	(1.94)	2,036,382	1,655,000	381,382	1.00
2006	15,895,468	15,721,329	174,139	460,000	127,505	0.30	2,037,657	1,700,000	337,657	1.00
2007	15,659,182	15,736,597	(77,415)	475,000	115,640	(0.13)	2,042,094	1,750,000	292,094	1.00

Source: Department of Environment

See accompanying accountant's report.

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		
1998	9,847,942	0.40%	2,085,111	-0.75%	\$ 26,883	\$ 26,919	\$ 24,846	32.2	5.0%
1999	9,897,116	0.50%	2,072,114	-0.63%	27,939	28,095	25,970	32.2	4.8
2000	9,956,689	0.60%	2,059,247	-0.62%	29,843	29,551	27,515	35.1	4.3
2001	10,003,243	0.47%	2,049,981	-0.45%	30,562	29,945	28,250	35.1	6.1
2002	10,038,165	0.35%	2,037,921	-0.59%	30,795	30,231	28,246	35.1	7.3
2003	10,068,311	0.30%	2,023,800	-0.70%	31,466	31,138	29,288	35.1	8.6
2004	10,093,398	0.25%	2,008,343	-0.77%	33,072	31,730	29,526	35.1	8.6
2005	10,100,833	0.07%	1,990,932	-0.87%	34,685	32,804	30,855	35.1	8.6
2006	10,095,643	-0.05%	1,971,853	-0.97%	36,629	33,847	N/A	36.8	8.4
2007	10,120,860	0.25%	1,938,918	-1.70%	N/A	N/A	N/A	37.2	8.6

Source: U.S. Census Bureau, U.S. Department of Commerce-Bureau of Economic Analysis and Michigan Department of Labor and Economic Growth-Bureau of Labor Market Information & Strategic Initiatives

N/A: Information for 2007 per capita income is not yet published

See accompanying accountant's report.

Table 15

	2007			1998		
			Percentage of Total County Employment			Percentage of Total County Employment
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>		<u>Employees</u>	<u>Rank</u>	
Ford Motor Company	42,309	1	5.23%	57,659	1	6.33%
Detroit Public Schools	17,329	2	2.14%	17,286	2	1.90%
City of Detroit	13,593	3	1.68%	17,302	3	1.90%
Henry Ford Health System	11,475	4	1.42%	9,872	8	1.08%
Detroit Medical Center	10,190	5	1.26%	13,967	6	1.90%
U.S. Postal Service	9,396	6	1.16%			
Chrysler LLC *	9,000	7	1.11%	15,834	4	1.53%
General Motors Corporation	7,843	8	0.97%	11,067	7	1.22%
Oakwood Healthcare Inc.	7,510	9	0.93%	6,653	10	1.74%
U.S. Government	7,417	10	0.92%	14,140	5	0.73%
St. John Health System	-			7,136	9	0.78%
	<u>136,062</u>		<u>16.83%</u>	<u>170,916</u>		<u>6.00%</u>

Total: Wayne County Employment 2007 & 1998	808,380	910,396
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* In August 2007, Daimler AG closed on the sale of 80.1 percent of Chrysler and its related financial services business to Cerberus Capital Management. Daimler retains the remaining 19.9 percent

Source: Michigan Labor Market Information: Labor & Economic Growth , Crain's Detroit Business: Book of Lists

See accompanying accountant's report.

OPERATING INFORMATION

CHARTER COUNTY OF WAYNE, MICHIGAN
Full-time Equivalent County Government Employees by Function / Program
Last Nine Fiscal Years
(Unaudited)

Table 16

Full-time Equivalent Employees as of September 30									
	2007	2006	2005	2004	2003	2002	2001	2000	1999
<u>Function/Program</u>									
Legislative									
Board of Commissioners	90	83	89	81	75	84	43	83	81
Auditor General's Office	16	15	14	17	21	23	23	17	15
Judicial									
All court and court related actives	820	819	806	806	766	940	1,004	1,041	985
General government									
Treasurer's Office	80	81	89	83	78	78	72	85	49
Tax Assessment	45	49	46	49	50	50	49	47	43
Tax Billings/collections	7	7	8	8	0	0	0	0	0
Budgeting	18	16	9	16	9	10	10	9	16
Purchasing	23	26	29	27	25	25	25	22	22
Central Accounting	44	42	44	37	50	54	54	56	50
Central Administration	63	57	59	66	68	71	69	71	86
Other Financial Administration	103	115	121	131	113	133	152	178	119
Data Processing	49	49	52	52	35	46	37	29	31
Building Maintenance	122	130	135	144	147	143	139	129	129
County Clerk	276	293	285	277	277	274	274	271	276
Register of Deeds	90	89	100	78	87	76	82	77	74
Prosecuting Attorney	295	308	300	309	302	287	245	256	250
Corporation Counsel	90	93	88	76	67	75	75	70	71
Public safety									
Sheriff's Department									
Arresting Powers	1149	409	386	697	744	773	678	693	530
Civilian	123	126	139	139	0	0	120	156	247
Jails & Detention Facilities	20	744	744	711	698	658	666	680	1,087
Firefighters	0	0	0	0	0	64	67	61	56
Public works									
Public works	108	132	162	202	206	205	206	62	97
Sewage Disposal	114	105	107	101	106	112	112	112	284
Airport (1)	0	0	0	0	6	661	649	609	407
Highways, streets and bridges									
Administration	14	20	40	42	39	37	32	35	38
Engineering	130	141	145	151	157	169	159	169	150
Maintenance	447	508	582	606	598	592	576	581	577
Health and welfare	623	623	776	559	492	487	482	493	490
Recreation and cultural									
Parks	76	82	78	72	67	68	60	58	54
Libraries	38	42	77	44	44	41	42	51	41
Other	247	261	296	307	297	308	303	282	100
Total	<u>5,320</u>	<u>5,465</u>	<u>5,806</u>	<u>5,888</u>	<u>5,624</u>	<u>6,544</u>	<u>6,505</u>	<u>6,483</u>	<u>6,455</u>

(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) Prior to 2007, all employees who are based in the Jails were categorized as "Jails & Detention Facilities" employees. In 2007, we have distinguished those more accurately by categorizing appropriate individuals, including deputies, as having arresting powers.

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									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<u>Function</u>										
Police										
Physical Arrests	2,219	1,820	1,972	2,075	2,188	2,230	2,360	2,173	2,061	1,937
Bookings	692	1,820	1,972	2,075	2,188	2,230	2,360	2,173	2,061	1,937
Parking Violations	23	110	132	141	94	87	101	99	88	97
Traffic Violations	18,930	23,469	24,359	24,387	25,133	26,741	27,410	24,109	23,987	22,105
Incidents	6,987	15,923	16,767	16,310	17,301	17,685	18,735	16,109	16,524	16,978
Crash Reports	331	276	291	303	311	330	345	290	284	234
Culture and recreation										
Rounds of Golf - Warren Valley	42,154	47,482	60,486	60,819	61,917	64,817	69,396	62,772	62,772	74,300
Picnic Permits	1,019	1,004	1,042	1,048	1,059	1,013	1,061	940	888	856
Nankin Mills Center - (program attendance)	13,239	17,524	19,509	17,890	16,105	13,360	12,571	9,126	8,890	6,506
Crosswinds Marsh (program attendance)	3,518	3,647	3,172	2,620	2,413	2,734	2,589	2,478	2,138	1,540
Highways, streets and bridges										
Street resurfacing asphalt (tons)	44,658	76,420	42,143	92,932	64,677	93,932	109,548	103,095	141,000	100,000
Street resurfacing (miles)	16	14	7	20	14	20	33	33	21	22
Snow removing salt (tons)	98,243	120,000	93,886	151,342	184,544	56,172	172,000	130,612	138,700	83,478
Ditching program (Lineal feet)	55,433	86,620	121,385	86,620	86,345	85,900	264,000	264,000	145,685	200,000
Ditching program (miles)	11	16	23	16	16	16	50	50	61	30
Emergency road repairs (tons)	3,122	2,670	4,808	4,426	3,090	3,000	6,103	5,389	4,900	6,193
Forestry Section										
Tree removal	1,947	2,900	2,869	3,087	5,700	8,000	5,000	1,900	4,950	3,910
Tree planting & trimming	1,183	875	1,956	688	450	4,700	2,400	3,200	400	3,704

Source: Various county departments

N/A, Information for 2006 & 2007 Emergency road repairs is not yet published

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Unaudited)

Table 18

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<u>Function</u>										
Public safety										
Stations - Road Patrol	1	1	1	1	1	1	1	1	1	1
Police Services Automobiles	59	62	62	62	62	62	45	45	45	45
Marine Safety (Boats and Vans)	14	13	13	13	13	13	13	12	11	9
Jail Automobiles	12	21	21	21	21	21	13	13	13	13
Motorcycles	25	25	33	45	45	35	35	35	27	27
Culture and recreation*										
Pavilions	14	14	14	14	14	14	14	13	13	7
Golf Courses	2	2	2	2	2	2	2	2	2	2
Playscapes	13	13	13	13	13	13	13	12	12	6
Soccer Fields	25	25	25	24	24	23	23	23	19	19
Picnic Areas	9	9	9	9	17	17	17	17	17	17
Baseball Diamonds	26	26	26	26	26	26	26	26	23	15
Highways, streets and bridges*										
Traffic signal (maintained)	97	48	40	48	50	46	34	39	59	111
Traffic signs (installed)	2,708	2,500	4,435	2,500	2,500	2,300	4,500	-	-	-

Source: Various County departments

* Capital asset indicators are not available for all prior years.

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	Revenues by Source				Expenses by Type			
	Contributions		Investment		Admini-		stration	
	<u>Employee</u>	<u>Employer</u>	<u>Income</u>	<u>Total</u>	<u>Benefits</u>		<u>Total</u>	
Wayne County Employee's Retirement System (1)								
1998	\$ 2,178	\$ 7,095	\$ 63,271	\$ 72,544	\$ 49,637	\$ 4,458	\$ 54,095	
1999	2,405	7,642	229,381	239,428	91,216	5,448	96,664	
2000	2,911	3,805	200,475	207,191	93,282	4,339	97,621	
2001	2,807	39	44,181	47,027	96,801	5,046	101,847	
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	159,237	182,469	110,419	6,928	117,347	
Wayne County Common Pleas Court Bailiff's Retirement System (2)								
Wayne County Circuit Court Commissioners Bailiff's Retirement System (1)								
1998	\$ 42	\$ 43	\$ 280	\$ 365	\$ 110	\$ 26	\$ 136	
1999	34	71	201	306	124	24	148	
2000	26	67	275	368	130	19	149	
2001	29	61	201	291	152	16	168	
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	

Ten year historical trend is required supplementary information.

(1) Fiscal Year 1998 ended September 30, 1998, supplemental information for 1998 is for 10 months

(2) 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 9/30	Net Assets Available for Benefit as Used by the Actuaries	Pension Benefit Obligation	Percentage Funded	Unfunded (Excess) Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
Wayne County Employee's Retirement System (1)						
1997	\$ 878	\$ 870	101%	\$ (8)	\$ 224	\$ -
1998	933	907	103%	(26)	231	-
1999	967	915	106%	(52)	256	-
2000	1,029	948	109%	(81)	276	-
2001	1,042	979	106%	(63)	294	-
2002	1,043	1,011	103%	(32)	309	-
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
Wayne County Common Pleas Court Bailiff's Retirement System (2)						
Wayne County Circuit Court Commissioners Bailiff's Retirement System						
1997	\$ 3,617	\$ 3,409	106%	(208)	\$ 827	\$ -
1998	3,854	3,455	112%	(399)	768	-
1999	4,097	3,730	110%	(367)	838	-
2000	4,324	3,789	114%	(535)	714	-
2001	4,391	3,789	116%	(602)	714	-
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	-

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.

(1) Fiscal years 1991-97 ended November 30

(2) 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.