CHARTER COUNTY OF WAYNE MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2008

A CORNERSTONE FOR THE FUTURE

ROBERT A. FICANO
COUNTY EXECUTIVE

CHARTER COUNTY OF WAYNE, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2008

PREPARED BY:
DEPARTMENT OF MANAGEMENT & BUDGET

CHARTER COUNTY OF WAYNE, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2008

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CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Robert A. Ficano
County Executive

January 31, 2009

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, 2008.

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, 2008. 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

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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.

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's economy has spent the last eight years in recession, largely driven by the same fundamental restructuring that is affecting manufacturing globally. Manufacturing has experienced a significant rise in productivity as the economy has become more global. These factors have been complicated for Michigan as the automobile companies; General Motors, Ford and Chrysler have lost market share, even though they have made productivity gains. This decrease in market share is due to greater competition which has resulted in reduced demand. The overall result as been a decrease in available employment in Michigan. The rapid decline in automotive sales in late 2008 indicates that this will be a long and difficult recession for Michigan, one that may be more severe than any since post World War II.

Michigan's employment situation has fared worse than the national average over the last eight years also. Nevertheless, Michigan's job performance is not necessarily inconsistent with other states, considering the state's economic composition. By September 2008, Michigan's unemployment rate had risen to 8.5%, 9.3% in October and 9.6% in November. Additionally, a weak market for housing, credit, high energy prices and substantial debt burdens has been particularly dramatic on job growth and employment. Looking into the future, Michigan's economy is expected to continue to contract in 2009. Both job growth and personal income are expected to remain below the national average and as a result the unemployment rate is expected to increase to 10.6% in 2009 and 11.3% in 2010, keeping the Michigan unemployment rate well above the national average.

The North American International Auto Show provides a huge annual economic boost to this region, benefiting hotels, restaurants, exhibit companies, and retail throughout the metro area.. 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 (Cobo) more financially attractive to new conventions and exhibitions. As part of this effort, the Governor for the State of Michigan signed legislation on January 16, 2009 that cleared the way for the expansion and renovation of Detroit's Cobo. The legislation transfers the ownership and operation of Cobo from the city of Detroit to a new regional authority and provides funding to pay for the expansion.

The Cobo expansion not only marks a new chapter for one of Detroit's iconic meeting places, this renovation will mark a new chapter for Detroit and will breathe new life, create new jobs, and attract new visitors into the Motor City. The growth and revitalization of Detroit is critical to the growth and revitalization of Michigan and our economy. Keeping the North American International Auto Show's prominent place in Detroit preserves Michigan's trademark and brand.

Under the new legislation, a $279 million expansion will add about 166,000 square feet of exhibit space to Cobo's current 700,000 square feet by converting Cobo Arena. The plan will also add meeting rooms and other improvements to the exhibition facility. The start of any construction will have to be approved by a new five-member governing authority comprised of appointees of the governor, the Detroit mayor, the Oakland and Wayne county executives, and the chair of the Macomb County board of commissioners. All five will have individual veto power over decisions regarding both the construction and the operation of Cobo. The Detroit City Council has 45 days to reject the plan before control transfers to the authority 90 days after the legislation becomes law. Funding for the expansion extends taxes on statewide liquor sales and metro Detroit hotel-motel rooms until 2039 unless bonds to finance the project can be repaid before then.

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 the sprawling Airport City project intended for development at the Airport. July 18, 2008, opening day at the new Pinnacle Race Course, saw an overflow crowd of more than ten-thousand people. The inaugural season included 63 days of racing through November 2nd, with racing every Tuesday, Friday, Saturday, and Sunday. The horseracing facility brought approximately 300 race track jobs and ultimately, multiple developments in three phases over the next couple of years, including shopping, restaurants and other growth.

Property tax is the County's largest revenue source representing seventy 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

Despite the current economic situation, all is not doom and gloom for the County. There are alternatives to cuts across the board, laying off employees and slashing services. 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 were implemented 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 savings to governmental activities of approximately $4.3 million.

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 prefund a portion of its other post employment benefit obligation (OPEB), which is the County's liability for the future payment of health and life insurance benefits to County retirees. In fiscal year 2008, the County implemented Government Accounting Standard Board Statements Nos. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* which required the County to disclose its net OPEB obligation in the footnotes to its Comprehensive Annual Financial Report. As of October 1, 2007, the County's OPEB unfunded liability was projected at $838.1 million. It is anticipated that the County will prefund approximately 75 percent of its unfunded liability, during fiscal year 2009. Prefunding its OPEB obligation, allows the use of a higher discount rate, 8.0% which greatly reduces the OPEB obligation.

The General Fund has an unreserved, undesignated fund deficit of $10.6 million at September 30, 2008, which 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, cuts in State revenue sharing and cost overruns in other General Fund supported services. 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 over which it has control and that state shared revenues may diminish in the future, the financial requirements for the County's operating and capital needs will be determined on a multi-year basis. Management will identify the funding gap between revenues and expenditures and include in the annual budget process a detailed one-year budget, a three-year budget forecast, and an annual update of the 10-year projection, including identification of the long-term funding gap and the County's progress in addressing that gap. The County will need to raise sufficient revenue to meet long-term operating and financial requirements, recognizing that inflation increases the cost of both operating and capital programs. Additionally, the County will annually identify and provide for capital from current funding, annual debt servicing costs, and for changes to operating costs arising from new/replaced infrastructure. Finally, the plan for the replacement of infrastructure through the use of life cycle costing and the development of replacement reserves will be examined.

Deliver Services in a Cost-Effective and Efficient Manner

As part of the 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. As of September 30, 2007 and 2008, TURBO had real estate investments totaling $27 million and $280 million respectively. Additionally there are approximately $35 million approved or pending projects for fiscal year 2009.

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.

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 Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions (OPEB)*, public agencies across the country will have to begin reporting and recording a liability for future OPEB obligations. As noted previously, the County implemented this standard in fiscal year 2008. This standard required the County to calculate its OPEB liability, establish the Annual Required Contribution (ARC) and record a difference between the ARC and current year payments for OPEB benefits. The County is in the process of establishing a Trust Fund, and as discussed earlier, intends to prefund approximately 75% of its actuarial accrued liability of $838.1 million, using a funded rate of 8.0%. OPEB bonds totaling $628.6 million are anticipated to be issued during fiscal year ended September 30, 2009.

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 2009. 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, 2007. 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 2007 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, 2007. 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, 2007. 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

Corporation Counsel
Judge Edward M. Thomas

Environment
Kurt L. Heise

Health & Human Services
Edith Killins

Homeland Security/Emergency Management
James P. Buford

Economic and Neighborhood Development
Turkia Mullins

Management & Budget
Carla E. Sledge, CPA, CGFM

Personnel/Human Resources
Timothy R. Taylor

Public Services
James Jackson

Senior Citizens & Veterans Affairs
Kevin F. Kelley

Technology
Tahir Kazmi

OTHER ELECTED OFFICIALS

Circuit Court
Chief Judge Virgil Smith

County Clerk
Cathy M. Garrett

Probate Court
Chief Judge Milton L. Mack, Jr.

Prosecuting Attorney
Kym L. Worthy

Register of Deeds
Bernard J. Youngblood

Sheriff
Warren C. Evans

Treasurer
Raymond J. Wojtowicz

WAYNE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Director
Ronald C. Yee

WAYNE COUNTY COMMISSIONERS

Edward A. Boike, Jr.
Chairman
15th District

Keith D. Williams
Vice Chair
6th District

Ilona Varga
Vice Chair Pro Tempore
5th District

Timothy P. Killeen
1st District

Bernard Parker
2nd District

Moe Blackwell
3rd District

Jewel C. Ware
4th District

Burton Leland
7th District

Alisha R. Bell
8th District

Diane Webb
9th District

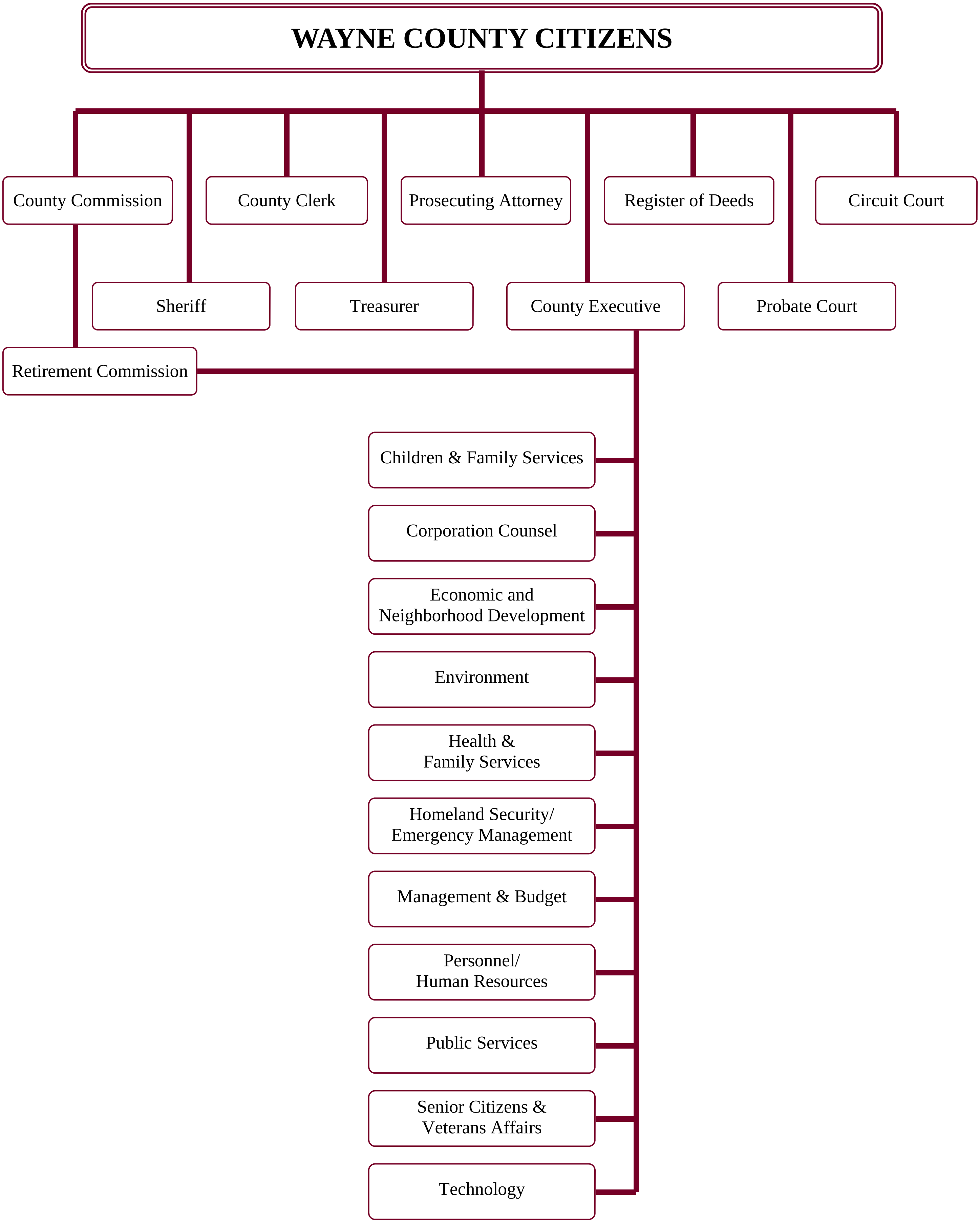
Laura Cox
10th District

Kevin McNamara
11th District

Joan Gebhardt
12th District

Gary Woronchak
13th District

Joseph Palamara
14th District


WAYNE COUNTY CITIZENS
County Commission
County Clerk
Prosecuting Attorney
Register of Deeds
Circuit Court
Sheriff
Treasurer
County Executive
Probate Court
Retirement Commission
Children & Family Services
Corporation Counsel
Economic and Neighborhood Development
Environment
Health & Family Services
Homeland Security/ Emergency Management
Management & Budget
Personnel/ Human Resources
Public Services
Senior Citizens & Veterans Affairs
Technology

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, 2007

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.

President

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

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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, 2008, 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 16.44 percent and 37.21 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 Assets	Percent of Revenue
Wayne County-Detroit Community Development Entity, Inc	0.01%	0.04%
Greater Wayne County Economic Development	0.02%	0.07%
Metropolitan Growth and Development	0.03%	0.03%
Health Choice of Michigan	0.14%	2.10%
Regional Jobs and Economic Growth	0.00%	0.02%
Development Corporation of Wayne County	0.05%	0.44%

We also did not audit the financial statements of the Pension Trust Funds, which represent 68.32 percent of assets and had negative total revenue approximating 32.05 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, 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
- 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, 2008 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, 2009 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.

As described in note 13, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"*.

Plante & Moran, PLLC

January 31, 2009

plante moran

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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, 2008. 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, 2008, by $1.5 billion (net assets). Of this amount, $1.6 million, (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by $105.9 million (a 6.4 percent decrease) for the fiscal year ended September 30, 2008. Net assets of governmental activities decreased by $86.9 million (7.0 percent decrease), while net assets of the business-type activities decreased by $19 million (4.8 percent decrease). At September 30, 2008, the County's governmental funds reported combined ending fund balances of $128.1 million**,** a decrease of $52 million in comparison to the prior year.
- At the end of the year, the General Fund had an unreserved, undesignated fund deficit in the amount of $10.6 million.
- The County's total long-term obligations increased by $170.5 million (26.6 percent) during the year. This increase primarily represents the net difference of delinquent tax notes, $297 million issued, $158 million repaid; offset by the net difference between payments on bonds of $44 million and the issuance of refunding bonds of $69 million. In addition, the County implemented Governmental Accounting Standards Board Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which resulted in the recording of a $14 million liability for unfunded retirement benefits. These increases were offset by a $9.6 million decrease in the liability for claims, litigation and assessments.

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 s*tatement 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 s*tatement 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-182 to II-187.

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-188 to II-194 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-130 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-131 to II-137 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-139.

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 $1.5 billion at September 30, 2008.

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

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
Current assets	$ 767,603	$ 641,738	$ 46,836	$ 98,737	$ 814,439	$ 740,475
Capital assets, net	1,171,785	1,184,339	335,614	345,667	1,507,399	1,530,006
Other non-current assets	35,842	32,065	232,239	197,618	268,081	229,683
Total assets	1,975,230	1,858,142	614,689	642,022	2,589,919	2,500,164
Current liabilities	278,346	209,601	53,315	48,895	331,661	258,496
Non-current liabilities	535,524	400,258	185,853	198,620	721,377	598,878
Total liabilities	813,870	609,859	239,168	247,515	1,053,038	857,374
Net assets:						
Invested in capital assets, net of related debt	982,356	1,039,751	159,655	160,424	1,142,011	1,200,175
Restricted	193,203	125,823	200,105	211,789	393,308	337,612
Unrestricted	(14,199)	82,709	15,761	22,294	1,562	105,003
Total net assets	$1,161,360	$1,248,283	$ 375,521	$ 394,507	$1,536,881	$1,642,790

By far the largest portion of the County's net assets for Governmental Activities and Business-type Activities combined, ($1.1 billion, or 74.3 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 $58.2 million in net assets invested in capital assets, net of related debt, which was primarily due to depreciation on County capital assets of $81.1 million, contribution of land and other assets of $27 million and issuance of new capital related debt of $70.1 million offset by payments on capital related debt of $33.3 million (including the refunding of capital debt), and capital asset additions of $85.5 million.

An additional portion of the County's net assets ($393.3 million, or 25.4 percent) represents resources that are subject to external restrictions on how they may be used. There was an increase of $67.4 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 delinquent tax administration of $65.2 million due to amounts reserved for repayment of delinquent tax notes, an increase in restrictions for improvements for Roads of $8.0 million, an increase of $11.7 million in amounts restricted for sewage disposal system debt service and restrictions for other capital projects of $18.2 million. These increases were offset by a reduction in amounts restricted for Mental Health service, primarily related to the current year use of Mental Health reserves.

The remaining balance of unrestricted net assets ($1.6 million, .1 percent) may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets decreased by $103.4 million due to the increase in restricted assets of $67.4 million noted above combined with the use of $46 million of fund balance in the Revenue Sharing Reserve Fund.

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

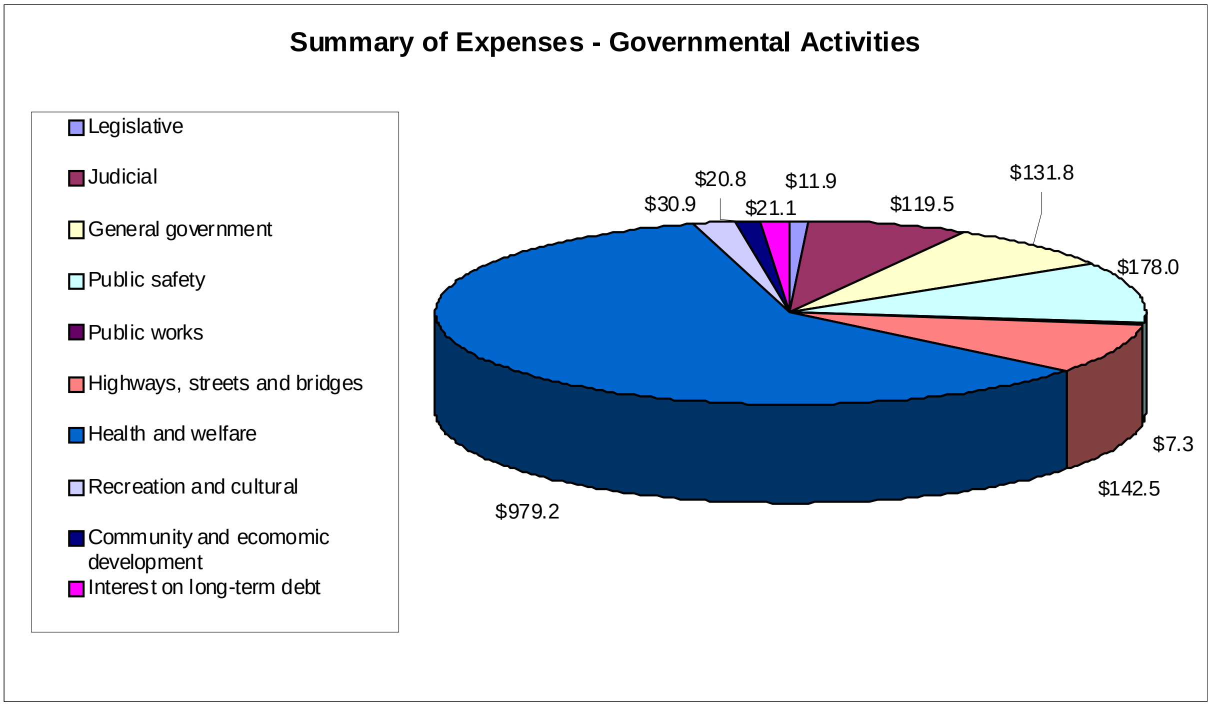
	Governmental Activities		Business-type Activities		Totals Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	$ 177,484	$ 160,859	$ 74,072	$ 71,121	$ 251,556	$ 231,980
Operating grants and contributions	880,502	869,537	5,486	6,161	885,988	875,698
Capital grants and contributions	24,411	15,347	640	17,467	25,051	32,814
General revenues:						
Property taxes	401,764	485,554	-	-	401,764	485,554
Sales taxes	21,701	21,985	-	-	21,701	21,985
Excise taxes	8,408	7,403	-	-	8,408	7,403
Airport parking taxes	15,276	13,866	-	-	15,276	13,866
Investment earnings	28,390	37,697	661	2,417	29,051	40,114
Other revenue and amortization of bond issuance costs	25,517	32,616	-	(1,118)	25,517	31,498
Contributed assets	(27,004)	-	(71)		(27,075)	-
Transfers in (out)	(359)	(1,195)	359	1,195	-	-
Total revenues	1,556,090	1,643,669	81,147	97,243	1,637,237	1,740,912
Expenses:						
Legislative	11,873	9,871	-	-	11,873	9,871
Judicial	119,539	117,166	-	-	119,539	117,166
General government	131,833	152,898	-	-	131,833	152,898
Public safety	177,999	177,762	-	-	177,999	177,762
Public works	7,290	7,510	-	-	7,290	7,510
Highways, streets and bridges	142,452	140,230	-	-	142,452	140,230
Health and welfare	979,211	950,270	-	-	979,211	950,270
Recreation and cultural	30,925	29,825	-	-	30,925	29,825
Community and economic			-	-		
development	20,780	17,763	-	-	20,780	17,763
Interest on long-term debt	21,111	18,465	-	-	21,111	18,465
Sewage Disposal Systems	-	-	96,723	92,065	96,723	92,065
Jail Commissary	-	-	2,545	2,149	2,545	2,149
Parking Lots	-	-	143	107	143	107
Wetlands Mitigation	-	-	-	320	-	320
Copy Center	-	-	722	-	722	-
Total expenses	1,643,013	1,621,760	100,133	94,641	1,743,146	1,716,401
Change in net assets	(86,923)	21,909	(18,986)	2,602	(105,909)	24,511
Net assets at October 1	1,248,283	1,226,374	394,507	391,905	1,642,790	1,618,279
Net assets at September 30	$ 1,161,360	$ 1,248,283	$ 375,521	$ 394,507	$ 1,536,881	$ 1,642,790

Governmental activities. Governmental activities decreased the County's net assets by $76.9 million. Key elements of this decrease are as follows:

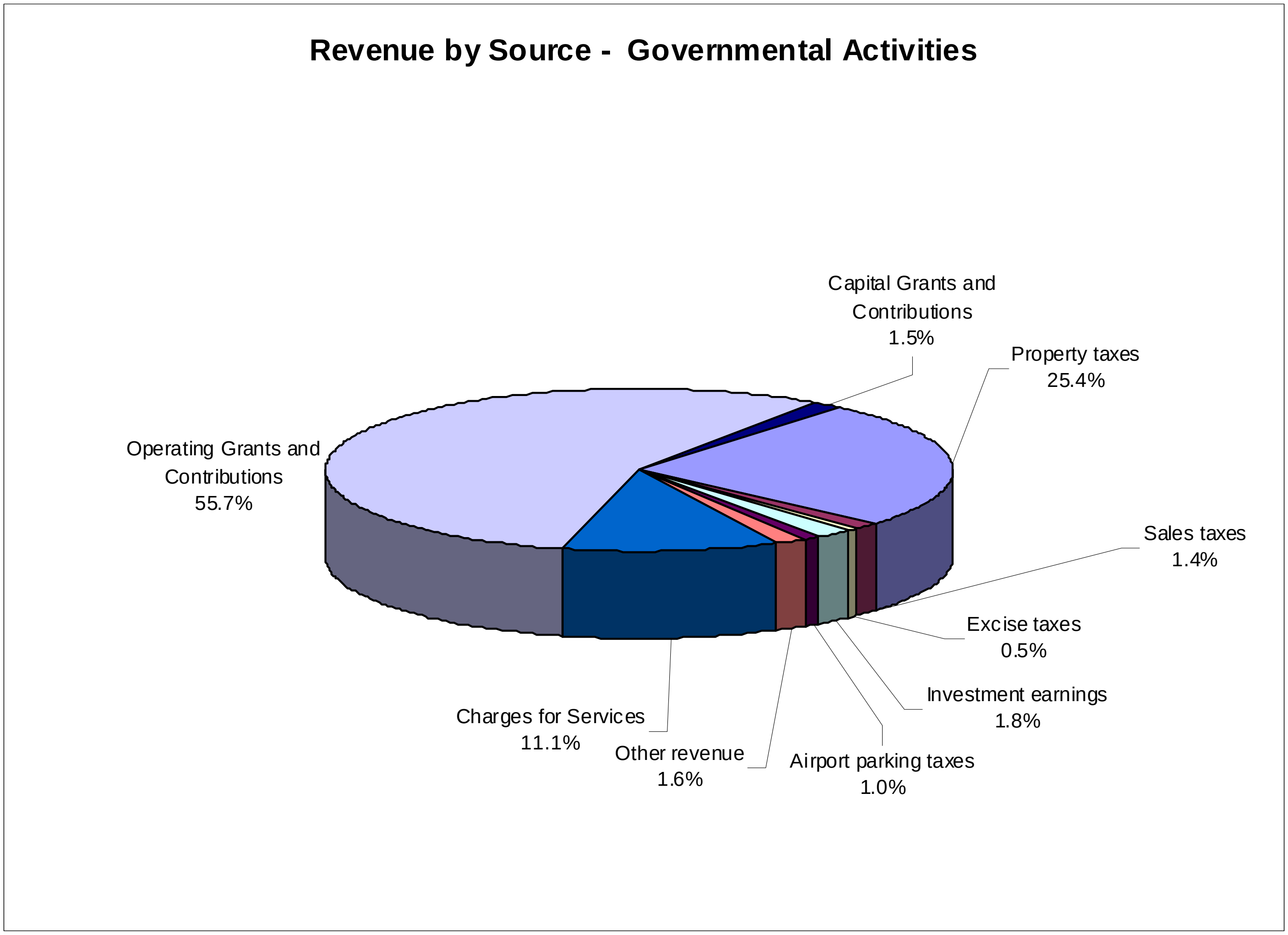
- *Property tax revenue* decreased approximately $83.8 million. Fiscal year 2007 was the final year of the shift from a December 1 general operating levy to a July1 general operating levy. This shift resulted in an additional one-third levy in each of the prior three fiscal years.
- The County contributed $17 million of land and $10 million of infrastructure assets toward the development of the Aerotropolis.
- *Investment earnings* decreased by $9.3 million due to the country's declining capital markets.
- *Other revenue* decreased $6.5 million due to a prior year decrease in reserves for amounts due to mental health providers offset by audit settlements completed in the current year that resulted in revenue to the County
- *Health and Welfare* expense increased by $18.4 million due expanded mental health programs to utilize reserves and $8.3 related to increased activity on a new program providing individualized care to children with special needs
- *Community and economic development expense increased $3.0 million* due mainly to increased funding of $2.6 million to the Wayne County Land Bank Corporation.
- *Interest on long-term debt* increased $2.6 million due to the increase in long-term bonds and notes payable.

The above decreases are off-set by the following revenue increases or reduction in expenses.

- *Charges for services revenue* increased approximately $16.6 million due to increased revenue from fines and interest on delinquent taxes totaling $9.2 million the completion of a Michigan Department of Transportation audit that resulted in $2.9 million of revenue to the County.
- *Operating grants and contributions* increased $11 million due to $6.3 million of State Medicaid revenue for mental health and $3.8 million of increased federal grants for mental health services.
- *Capital grants and contributions* increased approximately $9.1 million due to $7.8 of increased federal and $1 million of increased State funding for various road improvement projects.
- *General Government* expense decreased by $21.1 million, due to a prior year payment of $23.1 from cash reserves used to refund debt and $6.9 million of losses and expenses related to the prior year debt issuances. These decreases were offset by a $6.5 million increase in reserves for litigation.

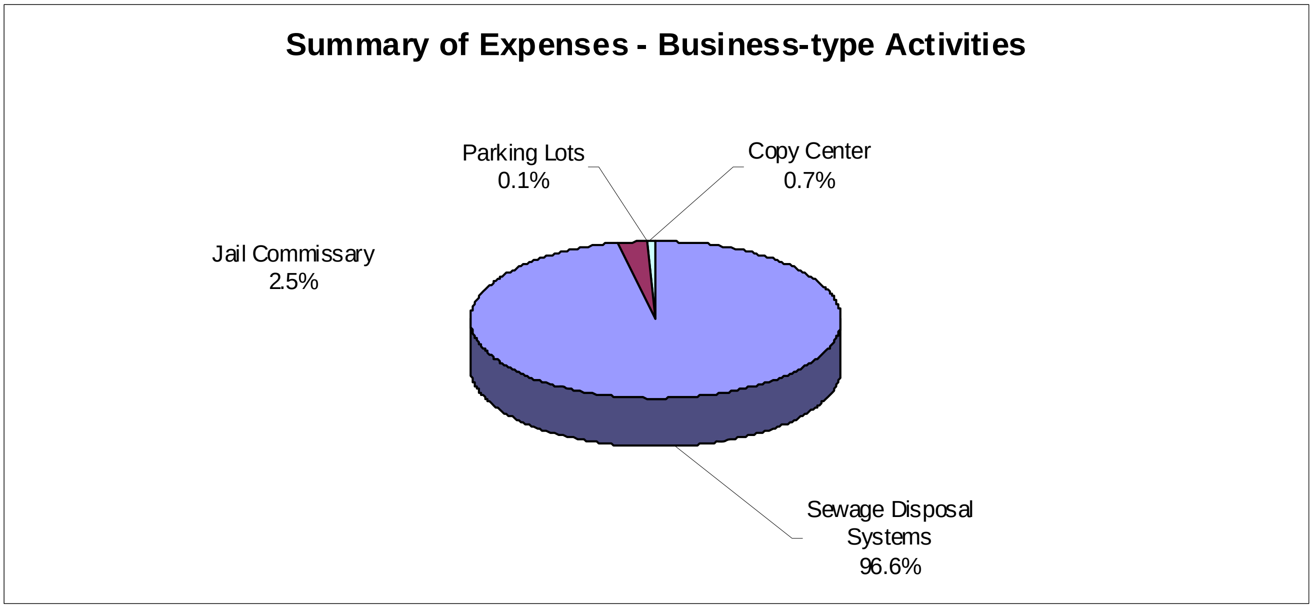


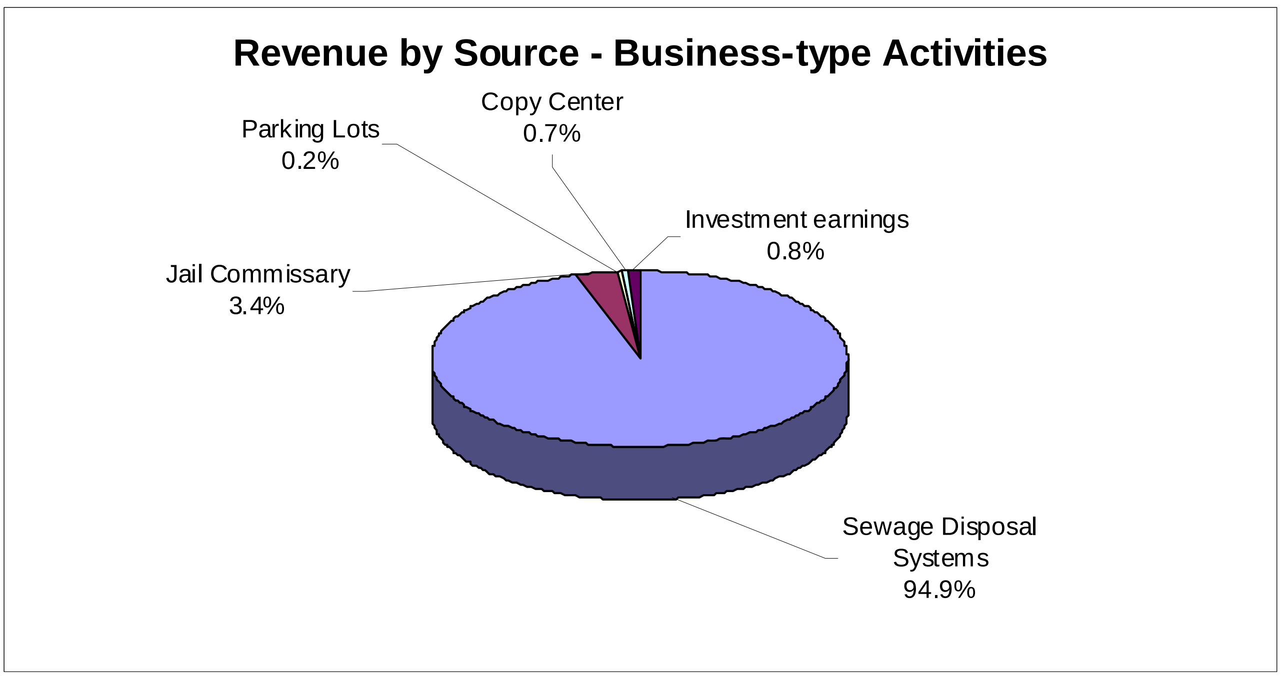
- Expenses for the *legislative, judicial, public safety, public works, highways streets and bridges and recreation and cultural* functions of the County remained relatively flat and decreased by a total of 1.6 percent over the prior year. This decrease is not attributable to any individually significant items.



Business-type activities. The business-type activities decreased the County's net assets by $19 million for the year. This increase resulted primarily from the following:

- *Depreciation expense* of $15.3 million, which was not recouped through sewage disposal rates.
- *Contractual service* expense in the Rouge Valley and Northeast Sewage Disposal Systems of $2.3 million, due to an increase in water rates charged to the County.





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 $128 million, a decrease of $52 million in comparison with the prior year. Approximately, 52 percent of this amount ($66.6 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. 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 ($7.2 million); 2) to pay debt service ($11.2 million); 3) to pay for the capital projects, ($38.6 million); 4) for inpatient hospitalization services ($5.1 million); and 5) for prepayments and deposits ($16.4 million).

The General Fund is the chief operating fund of the County. At the end of the fiscal year, total fund balance amounted to $25.5 million; however, the entire fund balance was reserved and is unavailable for future spending. The largest reservation ($29.6 million) is for long-term assets, mainly the negative equity in the County's pooled cash accounts, accumulated by certain funds with deficit fund balances. This reservation is required because the General Fund is viewed to be the "payer of last resort", meaning that the General Fund is ultimately responsible to cover the deficits of other governmental funds.

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

- Decrease in property tax revenue of $67.1 million as fiscal year 2007 was the final year of the shift from a December 1 general operating levy to a July1 general operating levy. This shift resulted in an additional one-third levy in each of the prior three fiscal years.
- Increase of $1.5 million in the Homeland Security Urban Areas Security Initiative grant due to increased expenditures by local communities.
- Increase of $1.4 million in parking fee revenue submitted by the State.
- Increase of $3.2 million in Board of Prisoner revenue due to a combination of increased rates ($1.3 million), collection of prior year deferred revenue ($1.6 million) and a reduction in the prior year due to the establishment of a reserve for potentially uncollectible billings ($1.3 million).
- Increase of $1.4 million in revenue received for the reimbursement of pharmaceuticals for prisoner medications due to increased grant funding.
- Increase of $1 million due to the refunding of a reserve by the prisoner medical insurance provider.
- Increase of $5.6 million in Sheriff's Office salaries and fringes due to the settlement of union contracts which resulted in retroactive pay increases, as well as an increase in health insurance costs.
- Increase of $1.8 million in contractual services expenditures due to the purchase of a Global Positioning System by the Sheriff's Office for use in an expanded prisoner tether program.
- Increase of $1.7 million in payments to communities under the Urban Areas Security Initiative grant program.
- Increase of $2.6 million in funding to the Wayne County Land Bank program for expanded program services.
- Increase of $2.1 million due to the purchase of a fleet of police vehicles.

The increases noted above were offset by the following reductions:

- Decrease of $3.3 million for Adult Benefit Waiver (ABW) program revenue due to the State's 'freezing' of enrollment into the program in the later portion of the fiscal year.

- Decrease of $80 million in transfer to the Revenue Sharing Reserve fund. In compliance with Public Act 357, each year, for the past three fiscal years, the County transferred approximately $80 million of property tax revenue to the Revenue Sharing Reserve fund. Fiscal year 2007 was the final year of this requirement. Refer to the discussion on revenue sharing below.
- Decrease of $2.3 million in Register of Deeds recording fees due to less activity in the housing market.

The Roads' fund balance increased by a net $4.8 million. This increase resulted primarily from a reduction in personnel costs of $1.2 million and a reduction in liability payments.

The Mental Health fund balance decreased by $35.7 million due to the planned use of fund balance of $25.7 million and increased funding to mental health programs in the Juvenile Detention Facility and the County Jail.

The Juvenile Justice fund balance decreased $2.4 million due to a reduction in personnel costs.

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 System*. $8.2 million; net assets decreased by $12.9 million over the prior year as the result of depreciation expense of $13 million.
- *Rouge Valley System*. $3.8 million; net assets decreased by $5.1 million over the prior year due to rates paid for water being greater than revenue recouped from customers by $3.1 million and $2 million of depreciation expense.

Unrestricted net assets for the Delinquent Tax Revolving Fund amounted to $16 million, The decrease in unrestricted net assets is due to reserve requirements on outstanding debt (three issuances were outstanding at the end of the fiscal year). Overall, net assets increased by $17.4 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 $4.9 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. The Revenue Sharing Reserve Fund will be depleted in fiscal year 2009, as approximately $45 million annually (plus an inflationary increase) was transferred to the General Fund in 2008 and in each of the prior three fiscal years. It is uncertain whether the State will restore revenue sharing once the Revenue Sharing Reserve Fund is depleted.

General Fund Budgetary Highlights

- During the year, there were only two significant changes from the original to the final amended budget. Both were related to approximately $4.1 million in increased federal grant revenue and related expenditures for the Urban Area Security Initiative Grant (UASI).

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

- State grant revenue was $9.5 million under budget due to the State's 'freezing' of enrollees into the Adult Benefit Waiver program in the later portion of the fiscal year.
- Actual liability payments and legal expenses were $9.1 million less than anticipated.
- Budget contractual services expenditures for the Register of Deeds exceeded actual costs by $1.7 million.
- Actual salaries and fringe benefits in the Sheriff's department exceeded budget by $10.5 million due to settlement of union contracts which resulted in retroactive pay adjustments ($3.8 million), unbudgeted over time in the jails ($3.7 million) and an increase in fringe benefits ($3.2 million).
- Budgeted health and welfare expenditures exceeded actual by $10.1 million due to the State's 'freezing' of enrollees into the Adult Benefit Waiver program noted above.
- Actual transfers out to the Mental Health Fund exceeded budget by $10.2 million due to available reserve dollars available for local match falling below expectations.
- Transfers from the Delinquent Tax Revolving fund exceeded budget by $6 million due to excess collections.

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, 2008, 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, $80.3 million, during the current fiscal year included the following:

- The purchase of two new buildings and a parking garage for $34.2 million. The larger building, the historic Guardian Building, will be used as the County's main administrative offices.
- Infrastructure improvements to the Pinnacle Aeropark land near totaling $11.0 million. The Pinnacle Aeropark land is located near the Detroit-Wayne County Metropolitan Airport.
- 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 $8.2 million.
- The purchase of a fleet of police vehicles for the Sheriff's Office totaling $2.1 million.

In addition, the County contributed $17.0 million of Pinnacle Aeropark land for the construction of a thoroughbred race track.

Major acquisitions for business-type activities of $5.3 million, included various building and system additions for the Downriver Sewage Disposal System ($3.3 million) and various system improvements for the Rouge Valley Sewage Disposal System ($1.8 million). Construction in progress as of the close of the fiscal year was $3.2 million and $2.7 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	
	2008	2007	2008	2007	2008	2007
Land and improvements	$ 537,549	$ 554,961	$ 6,548	$ 5,397	$ 544,097	$ 560,358
Buildings and improvements	160,461	131,822	9,536	10,091	169,997	141,913
Machinery, equipment and vehicles	13,346	12,017	671	614	14,017	12,631
Infrastructure	440,865	464,141	312,842	322,204	753,707	786,345
Construction in progress	29,566	21,398	6,017	7,362	35,583	28,760
Total	$ 1,181,787	$ 1,184,339	$ 335,614	$ 345,668	$ 1,517,401	$ 1,530,007

Additional information on the County's capital assets can be found in Note 8 on pages II-75 to II-83 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of $693.6 million. Of this amount, $367.2 million comprised debt backed by the full faith and credit of the County. The remainder of the County's debt, $326.4 million represented bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total bonded debt increased by a net $165.8 million (31.4 percent) during the current fiscal year. Debt for governmental activities increased by $177 million, due to an increase of $38 million in the amount of limited tax (general obligation notes) outstanding at year-end and an increase in delinquent tax notes totaling $139 million. The increase in general obligation debt is due to the issuance of bonds for the purchase of a new administrative building and other capital improvements totaling $64 million, offset by repayments totaling $27.7 million. The increase in delinquent tax notes is due to the difference between new notes that were issued to finance the purchase of delinquent taxes receivable of $297 million and repayment of delinquent tax notes (both current and prior year) totaling $158 million. Debt for business-type activities decreased by $11.2 million (5.2 percent) as a result of issuance of new debt of $4.9 million net of debt payments and amortization of $16.4 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
General obligation bonds (backed by the County):	$ 174,780	$ 138,425	196,574	211,822	$ 371,354	$ 350,247
Deferred loss on refunding	(5,790)	(6,355)	(1,496)	(1,705)	(7,286)	(8,060)
Bond discount	(560)	(670)	-	-	(560)	(670)
Bond premium	2,543	1,549	1,115	1,116	3,658	2,665
Total general obligation bonds, net of bond discount and loss on refunding	170,973	132,949	196,193	211,233	367,166	344,182
Revenue bonds and notes (backed by specific tax and fee revenues)	319,000	180,000	7,515	3,705	326,515	183,705
Deferred loss on refunding	-	-	(86)	(100)	(86)	(100)
Total revenue bonds, net of loss on refunding	319,000	180,000	7,429	3,605	326,429	183,605
Total bonds and notes payable, net of bond discounts and loss on refundings	$ 489,973	$ 312,949	203,622	214,838	$ 693,595	$ 527,787

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 $897 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-90 to II-117 of this report.

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

- The County's 2008 Equalization Report indicates that the total State Equalized Valuation for the County declined to $63.7 billion, an increase of 3.6 percent over the prior year. Additionally, the total taxable valuation of the County, which serves as the basis for current and future tax levies, remained relatively flat, declining $.1 billion.
- 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 November 2008 increased to 10.6 percent, compared to the September 30, 2008 rate of 10.1, which also increased over the September 30, 2007 rate of 8.9 percent. In addition, during the period from September 2008 to December 2008, the Wayne County labor force decreased by approximately 7,000 workers.

The consumer price index for all urban customers (CPI-U) for the Detroit metropolitan area showed a slight decrease of 1.0 percent from 200.201 in December of 2007 to 197.991 in December of 2008. According to the US Department of Labor, Bureau of Labor Statistics, the decrease is due mainly to the decrease in gasoline prices from December 2007.

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, 2008
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS:				
Current assets:				
Equity in pooled cash and investments (Note 4)	$ 119,707	14,182	$ 133,889	$ 21,967
Other cash and investments (Note 4)	4,583	41	4,624	97,214
Due from fiduciary funds (Note 10)	134	-	134	-
Due from component units (Note 10)	4,595	240	4,835	-
Due from primary government (Note 10)	-	-	-	1,906
Internal balances	(8)	8	-	-
Receivables:				
Current property taxes	114,271	-	114,271	-
Delinquent property taxes	292,149	-	292,149	-
Accounts	28,395	1,496	29,891	23,030
Special assessments	-	-	-	3,225
Due from other governmental units (Note 10)	81,748	12,835	94,583	37,463
Less allowance for uncollectible accounts	(5,688)	(119)	(5,807)	(659)
Inventory	7,395	-	7,395	67
Prepayments and deposits	16,658	188	16,846	2,468
Restricted assets:				
Equity in pooled cash and investments (Notes 4 and 5)	-	17,965	17,965	-
Other cash and investments (Notes 4 and 5)	-	-	-	88,538
Accounts receivable	-	-	-	9,538
Total current assets	663,939	46,836	710,775	284,757
Non-current assets:				
Restricted assets:				
Equity in pooled cash and investments (Notes 4 and 5)	103,665	30,223	133,888	296
Other cash and investments (Notes 4 and 5)	-	7,071	7,071	545,145
Accounts receivable (Notes 4 and 5)	-	12,554	12,554	-
Bond principal due from municipalities (Notes 4 and 5)	-	181,434	181,434	-
Capital assets (Note 8)				
Non-depreciable	554,246	11,327	565,573	383,787
Depreciable, net	617,539	324,287	941,826	2,558,704
Bond issuance costs, net of amortization	3,281	957	4,238	28,461
Long-term receivables (Note 7)	32,560	-	32,560	995
Special assessments receivable	-	-	-	10,680
Total non-current assets	1,311,291	567,853	1,879,144	3,528,068
Total assets	$ 1,975,230	614,689	$ 2,589,919	$ 3,812,825

See accompanying notes to the basic financial statements.

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
As of September 30, 2008
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES:				
Current liabilities:				
Negative equity in pooled cash	$ -	-	$ -	$ 47,916
Accounts and contracts payable	84,272	12,961	97,233	71,633
Accrued wages and benefits	7,745	124	7,869	3,830
Due to fiduciary funds (Note 10)	51	-	51	-
Due to component units (Note 10)	1,906	-	1,906	-
Due to primary government (Note 10)	-	-	-	4,876
Due to other governmental units (Note 10)	6,396	-	6,396	901
Current portion of long-term obligations (Note 11)	105,601	541	106,142	10,454
Accrued interest	2,674	-	2,674	892
Unearned revenue	3,921	-	3,921	5,424
Other liabilities	65,780	245	66,025	39,882
Payable from restricted assets:				
Accounts payable	-	7,800	7,800	-
Current portion of long-term obligations (Note 11)	-	17,965	17,965	49,005
Accrued interest	-	1,130	1,130	36,980
Unearned revenue	-	103	103	2,554
Other restricted liabilities	-	12,446	12,446	-
Total current liabilities	278,346	53,315	331,661	274,347
Non-current liabilities:				
Non-current portion of long-term obligations (Note 11)	502,964	-	502,964	2,369,765
Other liabilities	32,560	-	32,560	13,125
Payable from restricted assets:				
Bonds payable from restricted assets (Note 11)	-	185,853	185,853	-
Total non-current liabilities	535,524	185,853	721,377	2,382,890
Total liabilities	813,870	239,168	1,053,038	2,657,237
NET ASSETS:				
Invested in capital assets, net of related debt	982,356	159,655	1,142,011	700,551
Restricted net assets:				
Health and welfare	28,986	-	28,986	-
Delinquent tax administration	103,665	-	103,665	-
Parks	14,652	-	14,652	-
Roads	14,541	-	14,541	-
Debt service	4,958	200,105	205,063	257,976
Capital projects	21,226	-	21,226	140,144
Veterans programs	2,628	-	2,628	-
Community corrections	796	-	796	-
Economic development	1,751	-	1,751	-
Drug enforcement	-	-	-	2,490
Airport operations	-	-	-	30,722
Unrestricted net assets	(14,199)	15,761	1,562	23,705
Total net assets	1,161,360	375,521	1,536,881	1,155,588
Total liabilities and net assets	$ 1,975,230	614,689	$ 2,589,919	$ 3,812,825

See accompanying notes to the basic financial statements.

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008
(in thousands)

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Functions/Programs					
Primary government:					
Governmental activities:					
Legislative	$ 11,873	1,612	-	-	$ (10,261)
Judicial	119,539	19,460	20,527	-	(79,552)
General government	131,833	78,978	4,232	525	(48,098)
Public safety	177,999	42,122	19,201	-	(116,676)
Public works	7,290	6,324	-	-	(966)
Highways, streets and bridges	142,452	10,966	92,084	23,886	(15,516)
Health and welfare	979,211	14,555	732,787	-	(231,869)
Recreation and cultural	30,925	2,605	312	-	(28,008)
Community and economic development	20,780	862	11,359	-	(8,559)
Interest on long-term debt	21,111	-	-	-	(21,111)
Total governmental activities	1,643,013	177,484	880,502	24,411	(560,616)
Business-type activities:					
Sewage Disposal Systems	96,723	70,645	5,486	640	(19,952)
Jail Commissary	2,545	2,745	-	-	200
Parking Lots	143	142	-	-	(1)
Wetlands Mitigation	-	-	-	-	-
Copy Center	722	540	-	-	(182)
Total business-type activities	100,133	74,072	5,486	640	(19,935)
Total primary government	$ 1,743,146	251,556	885,988	25,051	$ (580,551)
Component units:					
Airport Authority	$ 463,408	358,913	2,193	54,817	$ (47,485)
Circuit Court	125,937	6,428	115,225	-	(4,284)
Probate Court	11,833	876	10,889	-	(68)
Stadium Authority	34,014	7,547	28	-	(26,439)
Drainage Districts	9,289	6,041	1,146	714	(1,388)
Economic Development Corporation	7	-	-	-	(7)
Wayne County - Detroit CDE, Inc.	146	277	-	-	131
Greater Wayne County Economic Development Corp.	434	-	419	-	(15)
Metropolitan Growth and Development Corporation	383	153	-	-	(230)
Brownfield Authority	222	5	160	-	(57)
HealthChoice of Michigan	12,543	12,824	-	-	281
Regional Jobs and Economic Growth Foundation	204	-	139	-	(65)
Development Corporation of Wayne County	1,786	-	2,653	-	867
Wayne County Land Bank Corporation	2,061	123	2,800	-	862
Total component units	$ 662,267	393,187	135,652	55,531	$ (77,897)

See accompanying notes to the basic financial statements.

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF ACTIVITIES, CONTINUED
For the Year Ended September 30, 2008
(in thousands)

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
Net expense from previous page	$ (560,616)	(19,935)	$ (580,551)	$ (77,897)
General revenues:				
Taxes:				
Property	401,764	-	401,764	-
Sales	21,701	-	21,701	-
Excise	8,408	-	8,408	-
Airport parking	15,276	-	15,276	-
Investment earnings	28,390	661	29,051	27,434
Other revenue	25,517	-	25,517	1,052
Contributed assets	(27,004)	(71)	(27,075)	-
Transfers in (out)	(359)	359	-	-
Total general revenues and transfers	473,693	949	474,642	28,486
Change in net assets	(86,923)	(18,986)	(105,909)	(49,411)
Net assets at October 1, 2007 (Note 17)	1,248,283	394,507	1,642,790	1,204,999
Net assets at September 30, 2008	$ 1,161,360	375,521	$ 1,536,881	$ 1,155,588

(Concluded)

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2008
(in thousands)

	General Fund	Roads	Mental Health
ASSETS:			
Equity in pooled cash and investments (Note 4)	$ -	12,865	50,419
Other cash and investments (Note 4)	208	2	12
Due from other funds (Note 10)	18,754	-	-
Due from component units (Note 10)	3,996	238	-
Receivables:			
Current property taxes	114,271	-	-
Delinquent property taxes	1,384	-	-
Accounts	1,321	18,673	5,338
Due from other governmental units (Note 10)	22,714	23,810	3,502
Less allowance for uncollectible accounts	(1,412)	(3,412)	(747)
Supplies inventory, at cost	808	5,444	-
Prepayments and deposits	644	375	13,510
Total assets	$ 162,688	57,995	72,034
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Negative equity in pooled cash (note 4)	$ 47,511	-	-
Accounts and contracts payable	3,299	3,701	47,989
Due to other funds (Note 10)	5,427	2	205
Due to component units (Note 10)	-	-	-
Due to other governmental units (Note 10)	2,908	3,488	-
Accrued wages and benefits	3,908	904	220
Deposits	-	28,611	-
Other liabilities	14,306	-	400
Deferred revenue	59,829	5,971	4,977
Total liabilities	137,188	42,677	53,791
Fund balances:			
Reserved for:			
Supplies inventory	808	5,444	-
Prepayments and deposits	644	375	13,510
Inpatient hospitalization	5,057	-	-
Other long-term assets	29,597	-	-
Debt service funds	-	-	-
Capital projects funds	-	-	-
Capital improvements	-	6,098	-
Unreserved, reported in :			
General Fund, undesignated	(10,606)	-	-
Special revenue funds, undesignated	-	3,401	4,733
Total fund balances	25,500	15,318	18,243
Total liabilities and fund balances	$ 162,688	57,995	72,034

Health	Juvenile Justice and Abuse/Neglect	Total Major Funds	Non-major Governmental Funds	Total Governmental Funds
2,399	-	65,683	98,991	$ 164,674
1	1	224	4,355	4,579
-	1,203	19,957	2,399	22,356
-	-	4,234	218	4,452
-	-	114,271	-	114,271
-	-	1,384	-	1,384
95	419	25,846	1,166	27,012
535	23,449	74,010	7,212	81,222
-	-	(5,571)	(117)	(5,688)
836	156	7,244	-	7,244
-	1,156	15,685	894	16,579
3,866	26,384	322,967	115,118	$ 438,085
-	27,439	74,950	6,783	$ 81,733
145	21,041	76,175	3,565	79,740
-	1	5,635	389	6,024
-	-	-	1,906	1,906
-	-	6,396	-	6,396
287	523	5,842	605	6,447
-	-	28,611	-	28,611
1,094	82	15,882	5,077	20,959
1,177	658	72,612	5,602	78,214
2,703	49,744	286,103	23,927	310,030
836	156	7,244	-	7,244
-	1,156	15,685	694	16,379
-	-	5,057	-	5,057
-	-	29,597	37,051	66,648
-	-	-	11,207	11,207
-	-	-	21,226	21,226
-	-	6,098	11,309	17,407
-	-	(10,606)	-	(10,606)
327	(24,672)	(16,211)	9,704	(6,507)
1,163	(23,360)	36,864	91,191	128,055
3,866	26,384	322,967	115,118	$ 438,085

CHARTER COUNTY OF WAYNE, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
As of September 30, 2008
(in thousands)

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

Total fund balances - total governmental funds		$ 128,055
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	2,447,306	
Less accumulated depreciation	(1,340,154)	1,107,152
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 on the Statement of Net Assets.		5,083
The assets and liabilities of the Delinquent Tax Revolving fund, an enterprise fund, are recorded as governmental activities on the Statement of Net Assets.		119,702
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the governmental funds.		74,293
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund		
Bond costs	4,202	
Less accumulated amortization	(921)	3,281
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds		
Governmental long term debt payable	(174,780)	
Premium	(2,543)	
Discount	560	
Deferred loss on refunding	5,790	
Accrued interest payable	(2,674)	
Compensated absences	(24,021)	
Claims, litigation and assessments	(15,024)	
Other long-term obligations	(63,514)	(276,206)
Net assets of governmental activities		$ 1,161,360

See accompanying notes to the basic financial statements.

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CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2008
(in thousands)

	General Fund	Roads	Mental Health
REVENUES:			
Taxes:			
Property	$ 383,529	-	-
Sales	5,701	-	-
Excise	-	-	-
Licenses and permits	204	-	-
Federal grants	8,912	2,460	9,363
State grants and contracts	52,822	89,572	536,855
Local grants and contracts	1,075	8,494	-
Charges for services	70,161	6,805	25
Interest and rents	275	1,378	2,668
Other	24,620	4	-
Total revenues	547,299	108,713	548,911
EXPENDITURES:			
Current operations:			
Legislative	11,629	-	-
Judicial	98,332	-	-
General government	107,505	-	-
Public safety	153,074	-	-
Public works	1,098	-	-
Highways, streets, and bridges	-	89,833	-
Health and welfare	90,201	-	580,385
Recreational and cultural	-	-	-
Community and economic development	2,800	-	-
Capital outlay	3,345	8,211	-
Debt service	-	-	-
Total expenditures	467,984	98,044	580,385
Excess (deficiency) of revenues over (under) expenditures	79,315	10,669	(31,474)
OTHER FINANCING SOURCES (USES):			
Transfers in (Note 10)	72,401	-	17,734
Transfers out (Note 10)	(151,645)	(5,958)	(22,025)
Bond issuance	-	-	-
Bond premium	-	-	-
Proceeds from sale of capital assets	50	118	-
Total other financing sources (uses):	(79,194)	(5,840)	(4,291)
Net change in fund balances	121	4,829	(35,765)
Fund balances at October 1, 2007	25,379	10,489	54,008
Fund balances at September 30, 2008	$ 25,500	15,318	18,243

See accompanying notes to the basic financial statements.

Health	Juvenile Justice and Abuse/Neglect	Total Major Funds	Non-major Governmental Funds	Total Governmental Funds
-	-	383,529	19,076	402,605
-	-	5,701	16,000	21,701
-	-	-	8,408	8,408
-	-	204	70	274
11,744	1,427	33,906	47,156	81,062
5,715	100,557	785,521	7,827	793,348
154	4,663	14,386	2,920	17,306
5,494	378	82,863	17,547	100,410
-	-	4,321	20,964	25,285
2	-	24,626	291	24,917
23,109	107,025	1,335,057	140,259	1,475,316
-	-	11,629	-	11,629
-	-	98,332	2,038	100,370
-	-	107,505	17,380	124,885
-	-	153,074	14,395	167,469
-	-	1,098	-	1,098
-	-	89,833	-	89,833
29,855	233,091	933,532	51,471	985,003
-	-	-	29,821	29,821
-	-	2,800	10,002	12,802
20	-	11,576	36,112	47,688
-	-	-	39,586	39,586
29,875	233,091	1,409,379	200,805	1,610,184
(6,766)	(126,066)	(74,322)	(60,546)	(134,868)
6,909	128,417	225,461	24,045	249,506
-	-	(179,628)	(52,360)	(231,988)
-	-	-	64,045	64,045
-	-	-	1,158	1,158
-	-	168	8	176
6,909	128,417	46,001	36,896	82,897
143	2,351	(28,321)	(23,650)	(51,971)
1,020	(25,711)	65,185	114,841	180,026
1,163	(23,360)	36,864	91,191	$ 128,055

CHARTER COUNTY OF WAYNE, MICHIGAN
RECONCILATION 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, 2008

(in thousands)

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

Net change in fund balances - total governmental funds		$	(51,971)
The change in net assets of the internal service funds is reported with governmental activities in the Statement of Activities.			(17,572)
The change in net assets of the Delinquent Tax Revolving Fund, an enterprise fund, is reported with governmental activities in the Statement of Activities.			17,407
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	47,692		
Less current year depreciation	(62,108)		(14,416)
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.			30
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 sale proceeds resulting in a gain on the sale in the Statement of Activities. Thus more revenue is reported in the governmental funds.			(42)
Repayment of bond principal and other debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Assets.			27,690
Revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenues in the funds.			4,985
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.			21,426
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. The amount represents the proceeds received net of bond issuance costs, discounts/premiums, and other deferred charges that must be amortized over the life of the bond			(63,049)
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	36		
Change in other long-term obligations	(10,837)		
Change in accrued compensated absences	15		
Change in accrued claims, litigation and assessments	71		
Amortization of current year bond premium	163		
Amortization of current year bond discounts	(110)		
Amortization of deferred loss on refunding	(565)		
Amortization of current year bond cost	(184)		(11,411)
Change in net assets of governmental activities		$	(86,923)

See accompanying notes to the basic financial statements.

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CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
As of September 30, 2008
(in thousands)

	Enterprise Funds					Governmental Activities
	Sewage Disposal Systems					
	Downriver	Rouge Valley	Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS:						
Current assets:						
Equity in pooled cash and investments (Note 4)	$ 5,552	5,554	20,156	3,299	$ 34,561	$ 21,196
Other cash and investments (Note 4)	1	-	-	40	41	4
Due from other funds (Note 10)	-	22	-	14	36	2,029
Due from component units (Note 10)	232	8	-	-	240	143
Receivables:						
Delinquent property taxes	-	-	290,765	-	290,765	-
Accounts	150	-	73	1,346	1,569	1,310
Due from other governmental units (Note 10)	3,146	6,349	-	3,340	12,835	526
Less allowance for uncollectible accounts	(3)	-	-	(116)	(119)	-
Supplies inventory, at cost	-	-	-	-	-	151
Prepayments and deposits	188	-	-	-	188	79
Restricted assets: Equity in pooled cash and investments (Notes 4 and 5)	13,999	740	-	3,226	17,965	-
Total current assets	23,265	12,673	310,994	11,149	358,081	25,438
Non-current assets:						
Restricted assets:						
Equity in pooled cash and investments (Notes 4 and 5)	21,326	4,121	103,665	4,776	133,888	-
Other cash and investments (Note 4)	5,381	1,690	-	-	7,071	-
Accounts receivable (Note 5)	9,380	22	-	3,152	12,554	-
Bond principal due from municipalities (Note 5)	152,078	970	-	28,386	181,434	-
Capital assets:						
Non-depreciable	5,586	4,152	-	1,589	11,327	32,843
Depreciable, net	236,987	82,646	24	4,654	324,311	31,766
Other assets:						
Bond issuance cost, net of amortization	618	-	-	339	957	-
Advances to other funds (Note 10)	-	-	43,956	-	43,956	-
Long-term receivables (Note 7)	-	-	-	-	-	32,560
Total non-current assets	431,356	93,601	147,645	42,896	715,498	97,169
Total assets	$ 454,621	106,274	458,639	54,045	$ 1,073,579	$ 122,607

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS, CONTINUED
PROPRIETARY FUNDS
As of September 30, 2008
(in thousands)

	Enterprise Funds					Governmental Activities
	Sewage Disposal Systems					
	Downriver	Rouge Valley	Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES AND NET ASSETS:						
Current liabilities:						
Negative equity in pooled cash	$ -	-	-	223	$ 223	$ 4,586
Accounts and contracts payable	699	8,092	327	4,170	13,288	4,205
Accrued wages and benefits	121	-	31	3	155	1,267
Due to other funds (Note 10)	14	14	18,227	-	18,255	59
Notes payable (Note 11)	-	-	57,000	-	57,000	-
Current portion of long-term obligations (Note 11)	538	-	115	3	656	4,551
Other liabilities	81	-	1,024	164	1,269	15,186
Payable from restricted current assets:						
Current portion of long-term obligations (Note 11)	13,999	740	-	3,226	17,965	-
Total current liabilities	15,452	8,846	76,724	7,789	108,811	29,854
Non-current liabilities:						
Payable from restricted non-current assets:						
Accounts payable	4,741	20	-	3,039	7,800	-
Deferred revenue	-	103	-	-	103	-
Other liabilities	13,093	18	-	465	13,576	-
Bonds payable (Note 11)	157,861	230	-	27,566	185,657	-
Other liabilities (Note 11)	189	-	213	7	409	34,205
Advances from other funds (Note 10)	-	-	-	-	-	43,956
Notes payable (Note 11)	-	-	262,000	-	262,000	9,509
Total non-current liabilities	175,884	371	262,213	31,077	469,545	87,670
Total liabilities	191,336	9,217	338,937	38,866	578,356	117,524
Net assets:						
Invested in capital assets, net of related debt	70,713	85,828	24	3,114	159,679	17,002
Restricted net assets:						
Delinquent tax administration	-	-	103,665	-	103,665	-
Bond programs	184,330	7,402	-	8,373	200,105	-
Unrestricted	8,242	3,827	16,013	3,692	31,774	(11,919)
Total net assets	263,285	97,057	119,702	15,179	495,223	5,083
Total liabilities and net assets	$ 454,621	106,274	458,639	54,045	1,073,579	$ 122,607

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

Total net assets - enterprise funds	$ 495,223
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).	(119,702)
Net assets of business-type activities	$ 375,521

See accompanying notes to the basic financial statements. (Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
PROPRIETARY FUNDS
For the Year Ended September 30, 2008
(in thousands)

	Enterprise Funds					Governmental Activities
	Sewage Disposal Systems					
	Downriver	Rouge Valley	Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:						
Sewage disposal charges	$ 15,990	34,173	-	15,783	$ 65,946	$ -
Industrial surcharges	2,147	-	-	-	2,147	-
Other charges for services	703	1	-	5,275	5,979	224,141
Fines and forfeitures	-	-	43,520	-	43,520	-
Rentals and expense recoveries	-	-	-	-	-	3,969
Other revenue	-	-	4,910	-	4,910	-
Total operating revenues	18,840	34,174	48,430	21,058	122,502	228,110
OPERATING EXPENSES:						
Personnel	3,462	-	969	141	4,572	34,207
Fringe benefits	1,716	-	443	68	2,227	16,259
Pension	421	-	105	26	552	4,280
Materials and supplies	2,174	34	812	890	3,910	1,496
Contractual services	6,212	38,129	5,368	19,055	68,764	25,132
Travel	8	-	10	-	18	498
Miscellaneous operating	3,609	86	1,687	731	6,113	134,918
Rentals	98	35	178	588	899	5,091
Other charges	-	-	-	489	489	1,914
Depreciation and amortization	12,998	1,951	9	357	15,315	3,647
Total operating expenses	30,698	40,235	9,581	22,345	102,859	227,442
Operating income (loss)	(11,858)	(6,061)	38,849	(1,287)	19,643	668
NON-OPERATING REVENUES (EXPENSES):						
Investment earnings (loss)	(417)	513	3,898	565	4,559	(793)
Collections from (payments to) participating local units	3,848	70	-	1,445	5,363	-
Interest expense	(5,169)	(66)	(7,340)	(1,620)	(14,195)	(1,063)
Federal grants	123	-	-	-	123	525
Total non-operating revenues (expenses)	(1,615)	517	(3,442)	390	(4,150)	(1,331)
Net income (loss) before capital contributions and transfers	(13,473)	(5,544)	35,407	(897)	15,493	(663)
Capital contributions	582	58	-	-	640	-
Contributed assets	-	-	-	(71)	(71)	(17,002)
Transfer of capital assets (note 8)	-	-	-	-	-	(30)
Transfers in	-	359	-	-	359	365
Transfers out	-	-	(18,000)	-	(18,000)	(242)
Change in net assets	(12,891)	(5,127)	17,407	(968)	(1,579)	(17,572)
Net assets at October 1, 2007	276,176	102,184	102,295	16,147	496,802	22,655
Net assets at September 30, 2008	$ 263,285	97,057	119,702	15,179	$ 495,223	$ 5,083

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	$ (1,579)
The Delinquent Tax Revolving Fund primarily serves the general government and therefore is reported as governmental activities in the Statement of Net Assets	(17,407)
Change in net assets of business-type activities	$ (18,986)

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, 2008
(in thousands)

	Enterprise Funds					Governmental Activities
	Sewage Disposal Systems					
	Downriver	Rouge Valley	Delinquent Tax Revolving	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers	$ 19,816	33,529	330,942	21,815	$ 406,102	$ 227,472
Payments to suppliers	(10,947)	(37,119)	(373,631)	(21,403)	(443,100)	(168,791)
Payments to employees and payments for benefits	(5,338)	-	(1,490)	(230)	(7,058)	(52,919)
Internal activity - receipts from other funds	14	4,444	-	-	4,458	-
Internal activity - payments to other funds	-	(4,458)	13,227	-	8,769	(1,605)
Internal activity - payments to component units	(216)	-	-	-	(216)	(2,248)
Net cash provided by (used in) operating activities	3,329	(3,604)	(30,952)	182	(31,045)	1,909
Cash flows from non-capital financing activities:						
Transfers from other funds	-	359	-	-	359	-
Transfers to other funds	-	-	-	-	-	(242)
Federal grants	123	-	-	-	123	525
Net cash provided by (used in) non-capital financing activities	123	359	-	-	482	283
Cash flows from capital and related financing activities:						
Repayment of long-term debt	(13,082)	(700)	(158,000)	(2,571)	(174,353)	(1,099)
Proceeds from issuance of long term debt	4,980	-	297,000	-	301,980	-
Bond principal received from municipalities	12,948	700	-	3,133	16,781	-
Interest received from participating local units	3,848	70	-	1,445	5,363	-
Capital transfers to/ from other funds	-	-	(18,000)	-	(18,000)	-
Contribution of capital	582	58	-	-	640	-
Acquisition of capital assets	(3,319)	(1,809)	-	(238)	(5,366)	(1,137)
Advances from other funds	-	-	364	-	364	(364)
Interest paid	(5,321)	(66)	(7,340)	(1,559)	(14,286)	(1,063)
Net cash provided by (used in) capital and related financing activities	636	(1,747)	114,024	210	113,123	(3,663)
Cash flows from investing activities:						
Investment earnings	(417)	513	3,898	565	4,559	(793)
Net cash provided by investing activities	(417)	513	3,898	565	4,559	(793)
Net increase (decrease) in cash and cash equivalents	3,671	(4,479)	86,970	957	87,119	(2,264)
Cash and cash equivalents at October 1, 2007	42,588	16,584	36,851	10,161	106,184	18,878
Cash and cash equivalents at September 30, 2008	$ 46,259	12,105	123,821	11,118	$ 193,303	$ 16,614
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	$ (11,858)	(6,061)	38,849	(1,287)	$ 19,643	$ 668
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	12,998	1,951	9	357	15,315	3,647
Decreases (increases) in current assets:						
Delinquent property taxes receivable	-	-	(78,861)	-	(78,861)	-
Accounts receivable	1,408	20	-	762	2,190	(115)
Due from other funds	-	(14)	-	(14)	(28)	(1,664)
Due from other governmental units	(374)	(665)	-	9	(1,030)	(523)
Due from component units	(216)	-	-	-	(216)	(73)
Other current assets	8	-	-	-	8	52
Increases (decreases) in current liabilities:						
Accounts and contracts payable	(226)	1,194	112	127	1,207	905
Accrued wages and benefits	51	-	13	(3)	61	299
Due to other funds	14	-	13,227	-	13,241	59
Due to component units	-	-	-	-	-	(2,175)
Compensated absences	-	-	14	8	22	(117)
Other liabilities	1,372	(29)	815	223	2,381	(699)
Deferred revenue	(58)	-		-	(58)	-
Advances from other funds	47	-	-	-	47	-
(Decrease) in non-current other liabilities	163	-	(5,130)	-	(4,967)	1,645
Net cash provided by (used in) operating activities	$ 3,329	(3,604)	(30,952)	182	$ (31,045)	$ 1,909
Cash and cash equivalents at September 30, 2008 consists of the following:						
Equity in pooled cash and investments	$ 5,552	5,554	20,156	3,299	$ 34,561	$ 21,196
Negative equity in pooled cash	-	-	-	(223)	(223)	(4,586)
Other cash and investments	1	-	-	40	41	4
Restricted assets:						
Equity in pooled cash and investments	21,326	4,861	103,665	8,002	137,854	-
Other cash and investments	19,380	1,690	-	-	21,070	-
Total cash and investments	$ 46,259	12,105	123,821	11,118	$ 193,303	$ 16,614

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
As of September 30, 2008
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds	Agency Funds
ASSETS:		
Equity in pooled cash and investments (Note 4)	$ 17,661	$ 278,115
Other cash and investments (Note 4)	-	1,730
Due from other funds (Note 10)	51	-
Due from component units (Note 10)	41	-
Accounts receivable	4,344	769
Accrued interest receivable	1,629	-
Retirement investments (Note 4):		
Equity securities	723,619	-
Debt securities	241,569	-
Money market funds	24,096	-
Other investments	221,410	-
Total retirement investments	1,210,694	-
Prepayments and deposits	26	-
Depreciable capital assets, net (Note 8)	-	-
Total assets	$ 1,234,446	$ 280,614
LIABILITIES:		
Accounts and contracts payable	$ 633	$ 2,136
Due to other funds (Note 10)	-	134
Due to other governmental units (Note 10)	-	1,333
Accrued wages and benefits	54	3,490
Due to broker for securities purchased	9,623	-
Undistributed taxes	-	261,862
Retainage	-	673
Other liabilities	160	10,986
Total liabilities	$ 10,470	$ 280,614
NET ASSETS:		
Net assets held in trust for pension benefits	$ 1,223,976	

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, 2008
(in thousands)

	Pension (and Other Employee Benefit) Trust Funds
ADDITIONS:	
Investment income (loss):	
Net depreciation to fair market value	$ (252,599)
Interest and dividends	36,156
Other investment income	1,742
Investment expenses	(3,710)
Net investment income (loss)	(218,411)
Retirement contributions:	
Employer	44,786
Employee	78,693
Total retirement contributions	123,479
Total additions	(94,932)
DEDUCTIONS:	
Administrative expenses:	
Personnel	1,317
Fringe benefits	610
Pension	171
Materials and supplies	108
Contractual services	1,173
Travel	95
Rentals	269
Depreciation and amortization	5
Other charges	16
Total administrative expenses	3,764
Participant benefits - retirement benefits	190,543
Total deductions	194,307
Change in net assets	(289,239)
Net assets at October 1, 2007	1,513,215
Net assets at September 30, 2008 (Note 12)	$ 1,223,976

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
COMPONENT UNITS
As of September 30, 2008
(in thousands)

	Airport Authority	Circuit Court	Non-major Component Units	Total Component Units
ASSETS:				
Current assets:				
Equity in pooled cash and investments (Note 4)	$ -	-	21,967	$ 21,967
Other cash and investments (Note 4)	80,433	7	16,774	97,214
Due from primary government (Note 10)	-	-	1,906	1,906
Receivables:				
Accounts receivable	21,923	67	1,040	23,030
Special assessments	-	-	3,225	3,225
Due from other governmental units (Note 10)	32,054	3,768	1,641	37,463
Less allowance for uncollectible accounts	(518)	-	(141)	(659)
Inventory - real property held for sale	-	-	67	67
Prepayments and deposits	2,032	-	436	2,468
Restricted assets:				
Other cash and investments (Note 4)	88,538	-	-	88,538
Accounts receivable	9,538	-	-	9,538
Total current assets	234,000	3,842	46,915	284,757
Non-current assets:				
Restricted assets (Note 5):				
Equity in pooled cash and investments (Note 4)	-	-	296	296
Other cash and investments (Note 4)	545,145	-	-	545,145
Capital assets (Note 8):				
Non-depreciable	291,847	9,956	81,984	383,787
Depreciable, net	2,037,907	481	520,316	2,558,704
Other assets:				
Bond issuance costs, net of amortization	27,825	-	636	28,461
Accounts receivable	498	-	497	995
Special assessments receivable	-	-	10,680	10,680
Total non-current assets	2,903,222	10,437	614,409	3,528,068
Total assets	$ 3,137,222	14,279	661,324	$ 3,812,825

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
STATEMENT OF NET ASSETS
COMPONENT UNITS
As of September 30, 2008
(in thousands)

	Airport Authority	Circuit Court	Non-major Component Units	Total Component Units
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Negative equity in pooled cash (note 4)	$ -	47,916	-	$ 47,916
Accounts and contracts payable	65,659	1,468	4,506	71,633
Accrued wages and benefits	2,586	905	339	3,830
Due to primary government (Note 10)	596	-	4,280	4,876
Due to other governmental units (Note 10)	-	-	901	901
Accrued interest	105	-	787	892
Current portion of long-term obligations (Note 11)	365	4,510	5,579	10,454
Unearned revenue	1,663	685	3,076	5,424
Other liabilities	38,300	895	687	39,882
Payable from restricted assets:				
Current portion of long-term obligations (Note 11)	49,005	-	-	49,005
Accrued interest	36,980	-	-	36,980
Unearned	2,554	-	-	2,554
Total current liabilities	197,813	56,379	20,155	274,347
Non-current liabilities				
Non-current portion of long-term obligations (Note 11)	2,289,352	-	80,413	2,369,765
Other liabilities (Note 11)	11,604	1,233	288	13,125
Total non-current liabilities	2,300,956	1,233	80,701	2,382,890
Total liabilities	2,498,769	57,612	100,856	2,657,237
Net assets:				
Invested in capital assets, net of related debt	170,386	10,437	519,728	700,551
Restricted net assets:				
Bond programs	236,160	-	21,816	257,976
Capital projects	139,549	-	595	140,144
Drug enforcement	2,490	-	-	2,490
Airport operations	30,722	-	-	30,722
Unrestricted net assets	59,146	(53,770)	18,329	23,705
Total net assets	638,453	(43,333)	560,468	1,155,588
Total liabilities and net assets	$ 3,137,222	14,279	661,324	$ 3,812,825

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, 2008
(in thousands)

	Airport Authority	Circuit Court	Non-major Component Units	Total Component Units
Expenses	$ 463,408	125,937	72,922	$ 662,267
Program revenues:				
Charges for services	358,913	6,428	27,846	393,187
Operating grants and contributions	2,193	115,225	18,234	135,652
Capital grants and contributions	54,817	-	714	55,531
Total program revenues	415,923	121,653	46,794	584,370
Net expense	(47,485)	(4,284)	(26,128)	(77,897)
General revenues:				
Investment earnings (loss)	28,082	(1,580)	932	27,434
Other revenue	521	342	189	1,052
Total general revenues	28,603	(1,238)	1,121	28,486
Change in net assets	(18,882)	(5,522)	(25,007)	(49,411)
Net assets at October 1, 2007 (Note 17)	657,335	(37,811)	585,475	1,204,999
Net assets at September 30, 2008	$ 638,453	(43,333)	560,468	$ 1,155,588

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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Notes to Basic Financial Statements

(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 there 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.

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.

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.

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.

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.

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

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

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

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

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

Related Organizations

County officials are also responsible for appointing members of boards of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments. County officials appoint the board members of the 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, wetlands mitigation, and copy center 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.

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.

- 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.

- 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.

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, 2008, 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 – A component of other assets in the enterprise funds represents bond issuance costs. Such issuance costs are amortized principally using methods that approximate the effective interest method.

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

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

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

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

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

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

Assets	Years
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.

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.

(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-131. The budgetary comparison schedules for the other governmental funds begin on page II-155.

(in thousands)	Final Amended Budget	Actual Expenditures	Amount Over Amended Budget
General Fund:			
Judicial:			
Third Circuit Court	$ 88,595	$ 88,598	$ 3
General Government:			
Office of County Executive	2,555	2,790	235
Corporation Counsel	1,482	1,930	448
County Clerk	20,897	21,902	1,005
Prosecuting Attorney	33,093	33,567	474
R of D Remonumentation	716	958	242
Public Safety:			
Sheriff Executive	4,143	4,361	218
Sheriff Court Services	18,600	19,895	1,295
Sheriff Field Services	3,603	4,536	933
Sheriff Marine/Park Patrol	2,814	3,685	871
Sheriff Deeds Invest Unit	397	406	9
Sheriff Auto Theft	74	176	102
County Jail	102,548	113,847	11,299
Homeland Security	6,823	8,459	1,636
Health and Welfare:			
Medical Examiner	8,131	8,514	383
Senior Citizen Services	2,423	2,440	17
Non Departmental:			
General fund Transfers	145,341	53,739	8,398
Total General Fund	$ 442,235	469,803	$ 27,568

(in thousands)	Final Amended Budget	Actual Expenditures	Amount Over Amended Budget
Special Revenue Funds:			
Mental Health:			
Mental Health	$ 564,852	$ 616,904	$ 52,052
Health :			
Other Health Programs	3,233	10,033	6,800
Law Enforcement:			
Sheriff Field Services	1,196	1,588	392
Sheriff Highland Park	-	49	49
Sheriff Auto Theft	637	705	68
CDBG:			
CDBG Administration	1,094	1,192	98
Nutrition:			
Food Distribution	113	135	22
E &ND:			
Economic and Neighborhood Development	4,231	4,246	15
Planning	567	622	55
Victim Witness:			
Prosecuting Attorney	1,932	2,038	106
Stadium and Land Development:			
Tourist Tax	7,545	8,416	871
Nuisance Abatement:			
Prosecuting Attorney	-	80	80
Youth Services:			
Youth Services	5,746	5,929	183
Total Special Revenue Funds	$ 591,146	$ 651,937	$ 60,791

General Fund – Actual expenditures in these functions exceeded budgeted expenditures by $27.568 million which relates mainly to excess expenditures in the Sheriff's Office and transfers to Mental Health in excess of budget. These overages were funded through savings in other functions.

Mental Health – Actual expenditures in this function exceeded budgeted expenditures by $52.052 million. This overage was mainly funded through use of fund balance.

Health – Actual expenditures in this function exceed budgeted expenditures by $6.8 million. This overage was mainly funded through expenditure savings in other functions and through additional grant revenues.

Law Enforcement – Actual expenditures in this function exceeded budgeted expenditures by $509 thousand. This fund is in deficit. Refer to Footnote 14 for disclosure of deficit elimination plan for this fund.

Community Development Block Grant Fund – Actual expenditures in this function exceeded budgeted expenditures by $98 thousand. This overage was funded through additional general fund contributions.

Nutrition Fund – Actual expenditures in this function exceeded budget by $22 thousand. The overage was funded through expenditure savings in other Nutrition Fund functions.

E&ND Fund – Actual expenditures in these functions exceeded budgeted expenditures by $70 thousand. This overage was funded through expenditure saving in other functions.

Victim Witness – Actual expenditures in these functions exceeded budgeted expenditures by $106 thousand. This overage was funded through general fund contributions.

Stadium and Land Development Fund – Actual expenditures exceeded budget by $871 thousand. The overage was funded through increased tourist tax revenue.

Nuisance Abatement – Actual expenditures in this function exceeded budgeted expenditures by $80 thousand. This overage was funded through general fund contributions and filing fee revenue. This fund is in deficit. Refer to Footnote 14 for disclosure of deficit elimination plan for this fund.

Youth Services – Actual expenditures in this function exceeded budgeted expenditures by $183 thousand. This overage was funded through increased property tax revenue.

(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.

A reconciliation of the County's self-insured claims liability (in thousands) at September 30, 2008 follows:

	Workers' Compensation	Hospitalization Insurance	Other Claims	Total
Claims liability, September 30, 2006	$ 6,127	4,234	75	$ 10,436
Claims incurred during fiscal year 2007	2,977	91,306	16	94,299
Change in estimate for prior period claims	3,361	(132)	-	3,229
Payments on claims	(5,185)	(90,543)	(16)	(95,744)
Claims liability, September 30, 2007	7,280	4,865	75	12,220
Claims incurred during fiscal year 2008	1,398	93,017	198	94,613
Change in estimate for prior period claims	4,134	(1,861)	(5)	2,268
Payments on claims	(4,402)	(91,300)	(198)	(95,900)
Claims liability, September 30, 2008	$ 8,410	4,721	70	$ 13,201

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, 2008, 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 3.0% 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 (in thousands) as of September 30, 2008:

	Primary Government	Component Units
Statement of Net Assets		
Current assets:		
Equity in pooled cash and investments	$ 133,889	$ 21,967
Other cash and investments	4,624	97,214
Restricted equity in pooled cash and investments	17,965	-
Restricted other cash and investments	-	88,538
Non-current assets:		
Restricted equity in pooled cash and investments	133,888	296
Restricted other cash and investments	7,071	545,145
Current liabilities:		
Negative equity in pooled cash	-	(47,916)
Total	$ 297,437	$ 705,244
Statement of Fiduciary Net Assets		
Equity in pooled cash and investments	$ 295,776	
Other cash and investments	1,730	
Equity securities	723,619	
Debt securities	241,569	
Money market funds	24,096	
Other investments	221,410	
Total	$ 1,508,200	

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.

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	$	4,944,591	Not Rated	PA 367 Fund
Money market funds		162,157,726	AAAm	S&P
Money market funds		38,915,820	AAAm-G	S&P
Money market funds		372	AAA-V1+	Fitch
Commercial paper		30,669,613	A-1+, P-1	S&P, Moody's

Custodial Credit Risk of Bank Deposits – Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government's deposits may not be recovered. The County's investment policy requires that deposits over the $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 $340,200,083 of bank deposits (primarily demand deposits and certificates of deposit) with a carrying value of $331,366,283, 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 $466,472 with a carrying value of $20,948. 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 or 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:

<u>Limits using capital strength test</u> – Maximum investment is 25% of combined capital and surplus position of that financial institution.

<u>Limits based upon use of specific instruments</u> –

Investment Type	Limit	Actual at Year-End
Bankers' acceptances	50%	0.00%
Repurchase agreements	25	1.32
U.S. government	100	0.00
Commercial paper	60	5.25
Money market funds, mutual funds and investment pools	50	35.24
Certificates of deposit (bank)	50	23.94
Certificates of deposit (credit union)	10	0.00
Certificates of deposit (savings and loan associations)	10	0.22

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, 2008 adhere to the guidelines concerning limits on maturities of investments.

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

		Fair Value (in thousands)	Avg. Days to Maturity
Commercial paper	$	30,670	25.63
U.S. Treasuries		7,737	121.00
Total investments subject to risk		38,407	
Cash/investments not subject to interest rate risk:			
Certificates of deposit and demand deposits		331,460	
Money market funds		205,797	
Total portfolio deposits and investments	$	575,664	

As of September 30, 2008, ownership of assets within the portfolio is as follows:

	Cash and Investment Portfolio (in thousands)				Non-Portfolio (in thousands)
Reporting Unit	Dollar Amount of Portfolio	Percentage of Portfolio	Equity (Negative Equity) in Pooled Cash	Other Cash and Investments	Other Cash and Investments
Governmental activities	$ 227,700	39.55	$ 223,371	$ 4,329	$ 254
Business-type activities	69,441	12.06	62,370	7,071	41
Fiduciary activities	296,052	51.43	295,776	276	1,454
Component Units	(17,916)	(3.11)	(25,653)	7,737	723,160
Subtotal	575,277	99.93	555,864	19,413	724,909
Other	387	0.07	-	-	-
Total	$ 575,664	100.00	$ 555,864	$ 19,413	$ 724,909

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.

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.

I. Wayne County Employees' Retirement System Defined Benefit Plan

As of September 30, 2008 and 2007, the Plan's investments are classified as follows (in thousands):

	2008	2007
Equity securities:		
Common stocks	$ 309,237	$ 504,189
Equity mutual funds	192,531	191,619
Total Equity Securities	501,768	695,808
Debt securities:		
Corporate bonds	42,466	36,221
Asset-backed securities	13,778	11,461
Commercial mortgage-backed securities	12,127	9,940
Government agencies mortgage-backed securities	33,636	45,314
Government agencies bonds	6,867	10,674
U.S. government bonds	6,325	6,148
State and municipal bonds	72	-
Bond mutual funds	17,053	16,409
Total Debt Securities	132,324	136,167
Money market funds:		
A1+ rating from Standard & Poor's, weighted average maturity of 41 days and 39 days in 2008 and 2007, respectively	23,958	22,491
Other investments:		
Real estate investment trusts	78,859	85,499
Investments in partnerships (net of valuation allowance of $1,000,000 in 2008 and 2007)	110,020	90,852
Total Other Investments	188,879	176,351
Total Investments	$ 846,929	$ 1,030,817

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 $17,001,630 and, $1,061,896 as of September 30, 2008 and 2007, 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 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, 2008 and 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 (other than bond mutual funds), and interest rate risk information for the Plan as of September 30, 2008 and 2007 are as follows (in thousands):

		Maturity Dates			
	Fair Value	One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
2008					
Corporate bonds:					
Ratings from Standard and Poor's:					
AAA rating	$ 1,257	$ -	$ 759	$ 498	$ -
AA+ rating	565	-	-	565	-
AA rating	787	-	49	693	45
AA- rating	3,762	1,685	714	1,363	-
A+ rating	3,869	500	97	2,900	372
A rating	6,384	1,434	3,680	957	313
A- rating	4,478	49	3,427	593	409
BBB+ rating	10,002	-	6,644	1,735	1,623
BBB rating	4,332	808	1,414	1,979	131
BBB- rating	3,947	344	2,560	367	676
BB rating	1,210	-	1,210	-	-
B- rating	1,415	371	658	386	-

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2008

		Maturity Dates			
	Fair Value	One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
2008 (continued)					
Corporate bonds (continued):					
Ratings from Moody's:					
B3 rating	43	-	-	-	43
C rating	-	-	-	-	-
A rating from Fitch	415	415	-	-	-
	42,466	5,606	21,212	12,036	3,612
Asset-backed securities:					
Ratings from Standard and Poor's:					
AAA rating	5,078	-	1,484	2,867	727
AA rating	1,002	-	-	-	1,002
BBB rating	560	-	560	-	-
Unrated	7,139	-	7,139	-	-
	13,779	-	9,183	2,867	1,729
Commercial mortgage-backed securities:					
Ratings from Standard and Poor's					
AAA rating	9,161	-	-	-	9,161
AA+ rating	82	-	-	-	82
A rating	43	-	-	-	43
AA- rating	36	-	-	-	36
Aaa rating from Moody's	2,805	-	-	-	2,805
	12,127	-	-	-	12,127
Government agencies mortgage-backed securities:					
AAA rating from Standard and Poor's	33,636	-	38	1,141	32,457
Government agencies bonds:					
Ratings from Standard and Poor's:					
AAA rating	5,515	-	3,021	1,866	628
AA+ rating	79	-	79	-	-
A+ rating	49	-	49	-	-
Aaa rating from Moody's	1,223	-	1,013	-	210
	6,866	-	4,162	1,866	838
U.S. government bonds:					
AAA rating from Standard and Poor's	5,429	1,754	-	1,931	1,744
Aaa rating from Moody's	896	-	-	896	-
	6,325	1,754	-	2,827	1,744
State and municipal bonds:					
AAA rating from Standard and Poor's	72	-	-	-	72
	$ 115,271	$ 7,360	$ 34,595	$ 20,737	$ 52,579

2007	Fair Value	Maturity Dates: One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
Corporate bonds:					
Ratings from Standard and Poor's:					
AAA rating	$ 810	$ -	$ 810	$ -	$ -
AA rating	187	-	-	187	-
AA- rating	4,522	823	2,948	751	-
A+ rating	1,593	-	692	901	-
A rating	3,133	-	2,156	711	266
A- rating	5,763	1,141	2,658	1,590	374
BBB+ rating	8,843	1,961	4,084	1,394	1,404
BBB rating	6,544	1,490	3,355	1,261	438
BBB- rating	660	-	53	40	567
BB rating	1,254	-	913	341	-
B rating	949	-	949	-	-
B- rating	371	-	371	-	-
Ratings from Moody's:					
Aa3 rating	255	-	-	255	-
Aa1 rating	407	-	-	407	-
A3 rating	48	-	-	48	-
A2 rating	106	-	-	106	-
A1 rating	776	-	-	776	-
	36,221	5,415	18,989	8,768	3,049
Asset-backed securities:					
AAA rating from Standard & Poor's	4,322	-	2,531	-	1,791
Unrated	7,139	-	-	7,139	-
	11,461	-	2,531	7,139	1,791
Commercial mortgage-backed securities:					
AAA rating from Standard & Poor's	8, 089	-	-	-	8,089
Aaa rating from Moody's	1,754	-	-	-	1,754
AA+ rating from Standard & Poor's	97	-	-	-	97
	9,940	-	-	-	9,940
Government agencies mortgage-backed securities:					
AAA rating from Standard & Poor's	45,314	-	74	754	44,486
Government agencies bonds:					
AAA rating from Standard & Poor's	10,595	3,156	6,470	969	-
AA+ rating from Standard & Poor's	79	-	79	-	-
	10,674	3,156	6,549	969	-
U.S. government bonds:					
AAA rating from Standard & Poor's	6,149	-	1,359	2,869	1,921
	$ 119,759	$ 8,571	$ 29,502	$ 20,499	$ 61,187

II. Wayne County Circuit Court Commissioners Bailiffs' Retirement System

As of September 30, 2008 and 2007, the Plan's investments are classified as follows (in thousands):

	2008	2007
Debt securities:		
Government agencies mortgage-backed securities:		
AAA rating from Standard & Poor's:		
Maturities greater than ten years	$ 51	60
Maturities between five and ten years	2	2
Government agencies bonds:		
Canada, AA rating from Standard & Poor's,		
Maturities between one and five years	35	-
Maturities between five and ten years	-	35
Total Debt Securities	88	97
Equity securities:		
Equity mutual funds	4,595	6,498
Money market funds:		
A1+ rating from Standard & Poor's, weighted average maturity of 41 days and 39 days in 2008 and 2007, respectively	138	116
Total Investments	$ 4,821	$ 6,711

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 $214,946 and $296,450 as of September 30, 2008 and 2007, 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 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, 2008 and 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, 2008 are identified in the preceding schedule.

III. Wayne County Employees' Retirement System Defined Contribution Plan

As of September 30, 2008 and 2007, the Plan's investments are classified as follows:

	2008	2007
Debt securities:		
Stable value funds:		
A rating from Standard & Poor's, weighted average maturity of 3.2 years and 3.4 years in 2008 and 2007, respectively	$ 98,888	$ 90,150
Bond mutual funds (grouped by Standard & Poor's ratings):		
AAA rating, weighted average maturity of 2.61 years, and AAA rating, weighted average maturity of 1.57 years in 2008 and 2007, respectively	2,015	2,232
AAA rating, weighted average maturity of 4.48 years, AA rating, weighted average maturity of 4.40 years in 2008 and 2007, respectively	7,580	3,686
BBB rating, weighted average maturity of 13.96 years, and A rating, weighted average maturity of 13.69 years, in 2008 and 2007, respectively	674	423
Total Bond Mutual Funds	10,269	6,341
Total Debt Securities	109,157	96,491
Equity securities:		
Equity mutual funds	217,256	337,995
Participant loans receivable:		
Unrated, weighted average maturity of 3.0 years	32,531	33,290
Total Investments	$ 358,944	$ 467,776

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 $444,251 and $438,072 as of September 30, 2008 and 2007, 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 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, 2008, 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, 2008 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.

<u>Airport Authority</u> -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 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
Primary government:				
Money market funds	$	126,360,002	AAA	S&P
Commercial paper		58,399,332	A-1, P-1	S&P, Moody
Commercial paper		75,199,991	A-1+, P-1	S&P, Moody
Federal Home Loan Mortgage		9,909,000	AAA	S&P, Moody
Federal National Mortgage		44,222,836	AAA	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 $215,199,807 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.

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

	Airport Authority Fair value (in thousands)	Airport Authority Average maturity
Investments subject to risk:		
Primary government:		
General fund:		
Commercial paper	$ 20,000	2 months
Federal Home Loan Mortgage	9,909	3.5 months
Federal National Mortgage	9,899	4 months
Bond reserves:		
U.S. Treasuries	110,033	7.5 months
Long-term repo	3,629	13.2 years
Bond payment funds:		
U.S. Treasuries	53,390	59 days
Capital interest funds:		
2005 Construction:		
U.S. Treasuries	10,192	53 days
2007 Construction:		
U.S. Treasuries	6,738	157 days
Construction funds:		
2003 Construction		
Commercial paper	8,500	7 days
2005 Construction:		
Commercial paper	8,000	7 days
Federal National Mortgage	10,065	15 days
2007 Construction:		
Commercial paper	24,500	7 days
Federal National Mortgage	24,259	2.5 months
Other construction and operating:		
Commercial paper	61,201	18.5 days
Hotel:		
Commercial paper	11,398	1 month
U.S. Treasuries	843	2 months
Investments subject to risk	372,556	
Deposits/investments not subject to risk:		
Primary government:		
Deposits	215,200	
Money market funds	126,360	
Total Primary Government	$ 714,116	

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.

Limits based upon use of specific instruments –

Investment Type	Limit	Actual % at Year-End
Bankers' acceptances	50%	0.0
Repurchase agreements	25	0.5
Certificates of deposit (bank)	50	26.1
Certificates of deposit (savings and loan associations)	10	0.0
Money market funds	50	18.1
Commercial paper	60	18.6
U.S. government	100	32.8

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
American Express	Commercial paper	$ 58,399,332	8.14%	A-1, P-1
CitiGroup	Commercial paper	55,199,991	7.70	A-1+, P-1
Comerica Bank	Certificates of deposit	101,977,622	14.22	A-1, P-1

(5) Restricted Assets

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

Restricted assets on the government-wide Statement of Net Assets, totaling $996 million, 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 Delinquent Tax Revolving Fund, the Airport Authority, and Chapter 21 Drainage District, a non-major component unit, at September 30, 2008, follows:

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	Sewage Disposal Systems	Delinquent Tax Revolving Fund	Airport Authority	Chapter 21 Drainage District	Total
Operations and maintenace					
Other cash and investments	$ -	-	30,156	-	$ 30,156
Accounts receivable	-	-	566	-	566
	-	-	30,722	-	30,722
Replacements and improvements					
Equity in pooled cash and investments	14,830	-	-	-	14,830
Other cash and investments	-	-	2,314	-	2,314
Accounts receivable	126	-	-	-	126
	14,956	-	2,314	-	17,270
Construction					
Equity in pooled cash and investments	5,928	-	-	-	5,928
Other cash and investments	1,690	-	208,296	-	209,986
Accounts receivable	-	-	774	-	774
	7,618	-	209,070	-	216,688
Bond and interest redemption					
Equity in pooled cash and investments	27,430	-	-	296	27,726
Other cash and investments	5,381	-	271,159	-	276,540
Accounts receivable	12,428	-	1,981	-	14,409
	45,239	-	273,140	296	318,675
Bond principal due from municipalities	181,434	-	-	-	181,434
Passenger facilities charges					
Other cash and investments	-	-	119,267	-	119,267
Accounts receivable	-	-	6,218	-	6,218
	-	-	125,485	-	125,485
Drug enforcement					
Other cash and investments	-	-	2,491	-	2,491
Accounts receivable	-	-	-	-	-
	-	-	2,491	-	2,491
Delinquent tax administration					
Equity in pooled cash and investments	-	103,665	-	-	103,665
Total	$ 249,247	103,665	643,222	296	$ 996,430

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.

(6) Major Customer – Airport Authority Component Unit

Northwest Airlines, Inc. (Northwest) accounts for approximately 26 percent of total Authority operating revenues for the year ended September 30, 2008, including 57 percent of landing and related fees, 71 percent of airline rental and related fees, and 75 percent of facility use fees. Approximately 59 percent of total 2008 enplanements are attributable to Northwest's operations. In the event that Northwest discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately $1.5 million in net receivables from Northwest at September 30, 2008.

The airlines serving the Airport have been impacted by global events and experienced an increase in costs and a decline in financial condition to varying degrees. Northwest, Delta, and Mesaba Airlines have filed bankruptcy reorganization in the past 3 years, yet all three have since emerged. During 2008, Northwest and Delta Airlines completed a merger of their two companies. This consolidation is expected to affect Detroit Metropolitan Airport positively as the new entity will continue utilizing Detroit as a hub and remains the primary carrier.

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 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 $32,560,491. 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.

(8) Capital Assets

Capital assets activity for the year ended September 30, 2008 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Non-depreciable capital assets:				
Land	$ 551,660	24	(17,002)	$ 534,682
Construction in progress	21,398	18,521	(20,355)	19,564
Total non-depreciable capital assets	573,058	18,545	(37,357)	554,246
Depreciable capital assets:				
Land improvements	12,826	-	-	12,826
Buildings and improvements	342,415	40,335	-	382,750
Machinery, equipment and vehicles	121,796	6,600	(2,086)	126,310
Infrastructure	1,470,030	25,131	-	1,495,161
Total depreciable capital assets	1,947,067	72,066	(2,086)	2,017,047
Accumulated depreciation:				
Land improvements	(9,525)	(434)	-	(9,959)
Buildings and improvements	(210,593)	(11,696)	-	(222,289)
Machinery, equipment and vehicles	(109,779)	(5,229)	2,044	(112,964)
Infrastructure	(1,005,889)	(48,407)	-	(1,054,296)
Total accumulated depreciation	(1,335,786)	(65,766)	2,044	(1,399,508)
Total depreciation capital assets, net	611,281	6,300	(42)	617,539
Total governmental activities capital assets, net	$ 1,184,339	24,845	(37,399)	$ 1,171,785

Construction in progress as of September 30, 2008 includes roads construction and building renovations. At year-end, the costs expected to be incurred to complete these projects are estimated at $22.9 million. These projects are funded by contributions from state and local governmental units, capital project fund appropriations, and general revenues.

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

Governmental activities:	
Legislative	$ 11
Judicial	215
General government	9,720
Public safety	3,556
Highways, streets and bridges	51,145
Health and welfare	253
Recreational and cultural	761
Public works	105
Total depreciation expense - governmental activities	$ 65,766

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

(in thousands)	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Downriver Sewage Disposal System:				
Non-depreciable capital assets:				
Land	$ 2,427	-	-	$ 2,427
Construction in progress	6,235	3,057	(6,133)	3,159
Total non-depreciable capital assets	8,662	3,057	(6,133)	5,586
Depreciable capital assets:				
Land improvements	150	1,217	-	1,367
Buildings and improvements	18,959	103	-	19,062
Machinery, equipment and vehicles	597	159	-	756
Infrastructure	349,476	4,876	-	354,352
Total depreciable capital assets	369,182	6,355	-	375,537
Accumulated depreciation:				
Land improvements	(141)	(62)	-	(203)
Buildings and improvements	(16,652)	(171)	-	(16,823)
Machinery, equipment and vehicles	(289)	(67)	-	(356)
Infrastructure	(108,471)	(12,697)	-	(121,168)
Total accumulated depreciation	(125,553)	(12,997)	-	(138,550)
Total depreciable capital assets, net	243,629	(6,642)	-	236,987
Total Downriver Sewage Disposal capital assets, net	$ 252,291	(3,585)	(6,133)	$ 242,573

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(in thousands)	Beginning Balance	Increases	Decreases	Ending Balance
Rouge Valley Sewage Disposal System:				
Non-depreciable capital assets:				
Land	$ 1,449	-	-	$ 1,449
Construction in progress	972	1,806	(75)	2,703
Total non-depreciable capital assets	2,421	1,806	(75)	4,152
Depreciable capital assets:				
Buildings and improvements	9,020	-	-	9,020
Machinery, equipment and vehicles	269	-	-	269
Infrastructure	117,057	75	-	117,132
Total depreciable capital assets	126,346	75	-	126,421
Accumulated depreciation:				
Buildings and improvements	(5,237)	(270)	-	(5,507)
Machinery, equipment and vehicles	(15)	(23)	-	(38)
Infrastructure	(36,573)	(1,657)	-	(38,230)
Total accumulated depreciation	(41,825)	(1,950)	-	(43,775)
Total depreciable capital assets, net	84,521	(1,875)	-	82,646
Total Rouge Valley Sewage Disposal System capital assets, net	$ 86,942	(69)	(75)	$ 86,798

(in thousands)	Primary Government Beginning Balance	Increases	Decreases	Ending Balance
Non-major business-type activities:				
Non-depreciable capital assets:				
Land	$ 1,434	-	-	$ 1,434
Construction in progress	155	-	-	155
Total non-depreciable capital assets	1,589	-	-	1,589
Depreciable capital assets:				
Land Improvements	78	-	-	78
Buildings and improvements	9,960	104	-	10,064
Machinery, equipment and vehicles	289	-	-	289
Infrastructure (Sewage disposal systems)	1,088	63	-	1,151
Total depreciable capital assets	11,415	167	-	11,582
Accumulated depreciation:				
Land Improvements	(0)	(4)	-	(4)
Buildings and improvements	(5,960)	(320)	-	(6,280)
Machinery, equipment and vehicles	(238)	(11)	-	(249)
Infrastructure (sewage disposal systems)	(373)	(22)	-	(395)
Total accumulated depreciation	(6,571)	(357)	-	(6,928)
Total depreciable capital assets, net	4,844	(190)	-	4,654
Total non-major business-type activity capital assets, net	6,433	(190)	-	6,243
Grand total business-type activity capital assets, net	$ 345,666	$ (3,844)	$ (6,208)	$ 335,614

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

Business-type activities:	
Sewage Disposal Systems (includes non-major activities)	$ 15,292
Parking Lots	4
Jail Commissary	6
Copy Center	4
Total depreciation expense - business-type activities	$ 15,306

Construction in progress involves various Sewage Disposal System improvements. The costs expected to be incurred to complete these projects are estimated at $179.2 million. These projects are expected to be funded by future contributions from federal grants, participating local governmental units, and assets restricted for improvements.

Contributed Assets

CSO Basins Sewage Disposal System – Upon repayment of the bonds issued to acquire CSO Basins Sewage Disposal System capital assets, ownership of the these assets will transfer to the applicable local municipality. According to Statement of Financial Accounting Standards No. 13, "*Accounting for Leases*", this eventual transfer of ownership creates a capital lease between the County and local municipalities. As such, although the assets legally belong to the County, in substance, they belong to the municipalities and any payments for additions or improvement to these assets are considered contributions to the municipalities. The $71 thousand contribution of the CSO Basins capital assets is for capital improvements made to the system during the fiscal year.

Equipment Lease Financing Fund - On March 24, 2008, Wayne County entered into an agreement (Agreement) with the Wayne County Economic Development Corporation (EDC), the Wayne County Land Bank Corporation (Land Bank), Post It Stables, Inc. (Developer), and the Charter Township of Huron for the construction of a thoroughbred race track near the Wayne County-Detroit Metropolitan Airport (Airport). This agreement called for the transfer of title of property surrounding the airport from the County to the EDC. $10.251 million of contributed assets in the ELF fund relates to the donation of this land to the EDC. The Agreement further called for the transfer of title of the land from the EDC to the Land Bank. As this transaction had no economic benefit or detriment to the EDC, it was not recorded on the EDC's financial statements. The Agreement granted the Developer an option to purchase the property for $1, provided certain conditions are met. On October 28, 2008, the Developer satisfied the requirements and exercised the option to purchase the property and the deed was conveyed on that date. At September 30, 2008, this property was titled to the Land Bank, however ownership of the property did not provide an economic benefit to the Land Bank. As such, it was not recorded in the financial statements.

In order to facilitate the above contribution of property, Wayne County entered into an agreement with the Wayne County Airport Authority for the exchange of certain parcels of land near the Airport. This exchange of land resulted in a loss to the County of $6.751 million.

Governmental Activities – In conjunction with development of the race track and the Areotropolis, the County is constructing water and sewer infrastructure on the relevant property. At the end of construction, this infrastructure will be owned and maintained by Huron Township and is considered contributed in the year the expense occurred. For the fiscal year ended September 30, 2008, the County contributed $10 million of infrastructure assets to Huron Township.

Discretely presented component units

Capital assets activity for the year ended September 30, 2008 was as follows:

(in thousands)	Beginning Balance	** Adjustments	Increases	Decreases	Ending Balance
Airport Authority:					
Non-depreciable capital assets:					
Land	$ 170,023	22,314	7,605	(12,402)	$ 187,540
Construction in progress	337,261	-	276,755	(509,709)	104,307
Total non-depreciable capital assets	507,284	22,314	284,360	(522,111)	291,847
Depreciable capital assets:					
Buildings and improvements	1,553,574	(685)	370,391	(425)	1,922,855
Machinery, equipment and vehicles	53,807	(345)	4,953	(981)	57,434
Infrastructure	1,094,132	(20,433)	136,356	(3,500)	1,206,555
Total depreciable capital assets	2,701,513	(21,463)	511,700	(4,906)	3,186,844
Accumulated depreciation:					
Buildings and improvements	(458,725)	(2,618)	(73,190)	192	(534,341)
Machinery, equipment and vehicles	(38,107)	277	(3,939)	981	(40,788)
Infrastructure	(522,435)	620	(52,448)	455	(573,808)
Total accumulated depreciation	(1,019,267)	(1,721)	(129,577)	1,628	(1,148,937)
Total depreciable capital assets, net	1,682,246	(23,184)	382,123	(3,278)	2,037,907
Total Airport Authority capital assets, net	$ 2,189,530	(870)	666,483	(525,389)	$ 2,329,754

** Adjustments column represents changes made to the fixed assets records as a result of a fixed asset inventory conducted during the fiscal year.

The estimated costs to complete Metro Airport's current capital improvement program totaled $1.5 billion at September 30, 2008, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled $76.5 million at September 30, 2008.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled $158 million at September 30, 2008, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled $3.9 million at September 30, 2008.

(in thousands)	Beginning Balance	Increases	Decreases	Ending Balance
Circuit Court:				
Non-depreciable capital assets:				
Land	$ 4,008	-	-	$ 4,008
Construction in progress	3,527	2,421	-	$ 5,948
Total non-depreciable capital assets	7,535	2,421	-	9,956
Depreciable capital assets:				
Land improvements	119	-	-	119
Buildings and improvements	3,058	-	-	3,058
Machinery, equipment and vehicles	9,212	-	-	9,212
Total depreciable capital assets	12,389	-	-	12,389
Accumulated depreciation:				
Land improvements	(111)	(4)	-	(115)
Buildings and improvements	(3,058)	-	-	(3,058)
Machinery, equipment and vehicles	(8,486)	(249)	-	(8,735)
Total accumulated depreciation	(11,655)	(253)	-	(11,908)
Total depreciation capital assets, net	734	(253)	-	481
Total Circuit Court capital assets, net	$ 8,269	2,168	-	$ 10,437

Construction in progress as of September 30, 2008 consists of a case management system. Costs expected to be incurred to complete the system are estimated at $3.1 million. These costs will be funded through bond issuance and general revenues.

(in thousands)	Beginning Balance	Increases	Decreases	Ending Balance
Non-major component units:				
Non-depreciable capital assets:				
Land	$ 81,984	-	-	$ 81,984
Construction in progress	53	-	(53)	-
Total non-depreciable capital assets	82,037	-	(53)	81,984
Depreciable capital assets:				
Land improvements	13,852	-	-	13,852
Buildings and improvements	704,955			704,955
Infrastructure	62,924	53	-	62,977
Machinery, equipment and vehicles	26,289	218	(20)	26,487
Total depreciable capital assets	808,020	271	(20)	808,271
Accumulated depreciation:				
Land improvements	(4,698)	(692)	-	(5,390)
Buildings and improvements	(201,557)	(27,569)	-	(229,126)
Infrastructure	(34,550)	(1,856)	-	(36,406)
Machinery, equipment and vehicles	(16,408)	(633)	8	(17,033)
Total accumulated depreciation	(257,213)	(30,750)	8	(287,955)
Total depreciable capital assets, net	550,807	(30,479)	(12)	520,316
Total non-major component units capital assets, net	632,844	(30,479)	(65)	602,300
Grand total discretely presented component units capital assets, net	$ 2,830,643	636,004	(525,454)	$ 2,942,491

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

Airport Authority	$ 129,575
Circuit Court	252
Probate Court	186
Chapter 21 Drains	1,287
Stadium Authority	28,418
Chapter 20 Drains	849
GWEDC	5
HealthChoice	2
MGDC	2
Land Bank	1

For the year ended September 30, 2008, the amount of interest capitalized for discretely presented component units was $22 million.

Fiduciary Funds

Capital assets activity for the year ended September 30, 2008 was as follows:

(in thousands)	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable capital assets:				
Machinery, equipment and vehicles	$ 4,087	-	-	$ 4,087
Total non-depreciable capital assets	4,087	-	-	4,087
Accumulated depreciation:				
Machinery, equipment and vehicles	(4,082)	(5)	-	(4,087)
Total accumulated depreciation	(4,082)	(5)	-	(4,087)
Total depreciation capital assets, net	5	(5)	-	-
Total fiduciary capital assets, net	$ 5	(5)	-	$ -

(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, 2007 and December 1, 2007 combined levies was equalized at $66.1 billion.

In 1994, Michigan voters approved Proposal A, which limits future annual increases in assessed values to the lesser of 5 percent or the rate of inflation, with assessed value reverting to 50 percent of true cash value when the property is sold. Beginning in 1995, taxable property had two valuations: SEV and Taxable Value, with property taxes calculated upon the Taxable Value of real and personal property. Generally, Taxable Value is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, multiplied by the lesser of the inflation rate or 5 percent, plus additions, or (b) the property's current SEV. Therefore, Taxable Value of a property may be different from the same property's SEV. The December 2007 ad valorem and statutory levies were equal to the millage rate times the 2007 taxable value of $52,996,404,797. The July 2008 general operating levy was the millage rate times the 2008 taxable value of $52,918,906,133.

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 2008, in accordance with Public Act 357, the County transferred $47,924,346, (its 2008 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, misdemeanant, juvenile incarceration or detention facilities; and to provide adult-penalty options such as work release, home detention, and community restitution, with at lease 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.

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, 2007 and July 1, 2008 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)	0.0368
Total	7.8220

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 $290.8 million at September 30, 2008, 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 2008, in connection with the purchase of 2007 delinquent property taxes, the County issued $191 and $106 million, respectively of General Obligation Limited Tax Notes, Series 2008A, and 2008B, 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 15, 2010. Interest on the notes shall be payable monthly at a variable interest rate (2.90% and 3.09% on the date of issuance) equal to the sum of forty-five and sixty basis points (.45% and .60%) per annum plus the LIBOR (London Interbank Market Rate). Amounts remaining from the 2005 and prior Delinquent Tax Funds at September 30, 2008 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 2008, such transfers amounted to $18 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 2008, approximately $3.1 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, 2008, 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, 2008 consisted of the following (in thousands):

		Transfers Out						
		General Fund	Roads	Mental Health	Non-major Governmental Funds	Delinquent Tax Revolving	Internal Service Funds	Total Transfers In
Tranfers In	General Fund	$ -	-	6,477	47,924	18,000	-	$ 72,401
	Mental Health	17,734	-	-	-	-	-	17,734
	Health	6,909	-	-	-	-	-	6,909
	Juvenile Justice and Abuse/Neglect	108,869	-	15,548	4,000	-	-	128,417
	Non-major Governmental Funds	17,768	5,958	-	77	-	242	24,045
	Enterprise funds	-	-	-	359	-	-	359
	Internal Service Funds	365	-	-	-	-	-	365
	Total Transfers Out	$ 151,645	5,958	22,025	52,360	18,000	242	$ 250,230

During the year, a transfer of $18 million was made from the Delinquent Tax Revolving Fund to the General Fund (Note 9).

The County also transferred $47.9 million, its 2008 allowable spending, from the Revenue Sharing Reserve Fund, a non-major governmental 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, 2008 consisted of the following (in thousands):

Due to Other Funds	Due from Other Funds: General Fund	Roads	Mental Health	Juvenile Justice and Abuse/ Neglect	Non-major Government Funds	Downriver Sewage Disposal System	Rouge Valley Sewage Disposal System	Delinquent Tax Revolving	Internal Service Funds	Fiduciary Funds	Total Due from Other Funds
General Fund	$ -	-	-	1	384	-	-	18,227	8	134	$ 18,754
Juvenile Justice and Abuse/Neglect	1,203	-	-	-	-	-	-	-	-	-	1,203
Non-major Governmental Funds	2,397	2	-	-	-	-	-	-	-	-	2,399
Rouge Valley Sewage Disposal System	8	-	-	-	-	14	-	-	-	-	22
Non-major Enterprise Funds	-	-	-	-	-	-	14	-	-	-	14
Internal Service Funds	1,819	-	205	-	5	-	-	-	-	-	2,029
Fiduciary Funds	-	-	-	-	-	-	-	-	51	-	51
Total Due to Other Funds	$ 5,427	2	205	1	389	14	14	18,227	59	134	$ 24,472

Due to Primary Government	Due from Component Units: Airport Authority	Non-Major Component Units	Total Due from Component Units
Governmental Activities:			
General Fund	$ -	3,996	$ 3,996
Roads	238	-	238
Non-major Governmental Funds	67	151	218
Internal Service Funds	143	-	143
Total Due to Primary Government - Governmental Activities	448	4,147	4,595
Business-type Activities:			
Downriver Sewage Disposal System	107	125	232
Rouge Valley Sewage Disposal System	-	8	8
Total Due to Primary Government - Business-type Activities	107	133	240
Total Due to Primary Government	$ 555	4,280	$ 4,835
Due to Fiduciary Funds	$ 41		$ 41

Due to component units totaled $1.906 million from non-major governmental funds.

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, 2008, the Delinquent Tax Revolving Fund advanced $43,956,225 to the Equipment Lease Financing Fund.

Disaggregation of Receivable and Payable Balances

Significant receivable and payable balances from other governmental units at September 30, 2008 are as follows (in thousands):

	Due From Other Governmental Units			
	State of Michigan	U.S. Federal Government	Local Governments	Total
General Fund	$ 16,167	3,463	3,084	$ 22,714
Roads	19,351	-	4,459	23,810
Mental Health	2,999	503	-	3,502
Health	157	104	274	535
Juvenile Justice and Abuse/Neglect	22,203	1,246	-	23,449
Non-major Governmental Funds	1,117	4,265	1,980	7,362
Internal Service Funds	-	525	1	526
Total Governmental Activities	$ 61,994	10,106	9,798	$ 81,898
Downriver Sewage Disposal System	$ -	-	3,146	$ 3,146
Rouge Valley Sewage Disposal System	-	-	6,349	6,349
Non-major Enterprise Funds	-	-	3,340	3,340
Total Business-type Activities	$ -	-	12,835	$ 12,835
Airport Authority	$ 32,054	-	-	$ 32,054
Circuit Court	3,521	246	1	3,768
Non-major Component Units	36	-	1,605	1,641
Total Component Units	$ 35,611	246	1,606	$ 37,463

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, 2008, there are approximately $15.7 million of receivables from Federal, State, and various local municipalities that were not collected within sixty days of year-end. There are also approximately $53.5 million of property tax receivables and $5.1 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, 2008.

	Due To Other Governmental Units			
	State of Michigan	U.S. Federal Government	Local Governments	Total
General Fund	$ 2,908	-	-	$ 2,908
Roads	3,180	-	308	3,488
Total Governmental Activities	$ 6,088	-	308	$ 6,396
Non-major Component Units	$ -	-	901	$ 901
Total Component Units	$ -	-	901	$ 901
Agency Funds	$ 921	101	311	$ 1,333
Total Fiduciary Funds	$ 921	101	311	$ 1,333

(11) Debt and Other Obligations

Changes in long-term liabilities for the year ended September 30, 2008, are summarized in the following tables. Amounts are rounded to thousands of dollars. County debt is limited to 10 percent (or approximately $6.4 billion) of State Equalized Value of property in the County at September 30, 2008.

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Governmental Activities:					
General obligation bonds:					
Wayne County Building Authority - Limited Tax General Obligation Capital Improvement Bonds, Series 1996A, 4.00% to 6.50%, due serially to 2016	$ 27,115	-	(2,405)	$ 24,710	$ 2,545
Michigan Municipal Bond Authority Local Government Loan Program General Obligation Limited Tax Capital Improvement Bonds, Series 2003B, 4.30%, due serially through 2024	12,235	-	(540)	11,695	550
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, AMBAC Ref91A	16,015	-	(11,800)	4,215	4,215
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Ref94A	50,380	-	(8,545)	41,835	7,585
Wayne County Limited Tax General Obligation Capital Improvement Bonds, Series 2008A 4.375% to 5.00%, due serially to 2038	-	32,875	-	32,875	-
Wayne County Limited Tax General Obligation Capital Improvement Bonds, Series 2008B 5.25% to 5.50%, due serially to 2025	-	18,110	-	18,110	695
Wayne County Limited Tax General Obligation Water and Sewage Disposal System Bonds, Series 2008 4.5% to 5.7%, due serially to 2038	-	13,060	-	13,060	200
Michigan Transportation Fund Bonds (due serially): Series 1998, 4.00% to 5.25%, due 2012	15,990	-	(2,360)	13,630	2,475
Michigan Transportation Fund Bonds (due serially): Series 1999, 4.0% to 5.3%, due 2013	16,690	-	(2,040)	14,650	2,140
Subtotal general obligation bonds payable	138,425	64,045	(27,690)	174,780	20,405
Bond premium	1,549	1,157	(163)	2,543	184
Bond discount	(670)	110	-	(560)	(110)
Deferred gain (loss) on refunding	(6,355)	565	-	(5,790)	(565)
Total general obligation bonds payable	132,949	65,877	(27,853)	170,973	19,914

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Note payable:					
Series 2007A, B and C, due 2009, interest equal to three basis points (0.03%) plus the one month LIBOR rate (resets monthly)	180,000	-	(123,000)	57,000	57,000
Series 2008A, due 2010, interest equal to forty-five basis points (0.45%) plus the one month LIBOR rate (resets monthly)	-	191,000	(10,000)	181,000	-
Series 2008B, due 2010, interest equal to sixty basis points (0.60%) plus the one month LIBOR rate (resets monthly)	-	106,000	(25,000)	81,000	-
Capital Lease - Wayne County Building	11,639	-	(1,099)	10,540	1,031
Total notes and leases payable	191,639	297,000	(159,099)	329,540	58,031
Total bonds, notes, and leases payable	324,588	362,877	(186,952)	500,513	77,945
Other long-term obligations:					
State of Michigan Local Emergency Financial Assistance Loan Board, at an initial rate of 5.532%, adjusted annually	52,677	219	(66)	52,830	-
Claims, litigation, and assessments	20,437	4,346	(9,588)	15,195	-
Obligation for other post-employment benefits	-	12,371	-	12,371	-
Compensated absences	27,774	27,656	(27,774)	27,656	27,656
Total other long-term obligations	100,888	44,592	(37,428)	108,052	27,656
Total Government activities	$ 425,476	407,469	(224,380)	$ 608,565	$ 105,601

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Business-type Activities:					
Downriver Sewage Disposal System					
General obligation bonds:					
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1994 Revolving Loan Fund, Series #1A-1F, 2%, due 2014	$ 4,899	-	(663)	$ 4,236	$ 678
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-01, 2.5%	73	-	(5)	68	5
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995 Revolving Loan Fund #5117-03, 2%	6,420	-	(740)	5,680	760
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995 Revolving Loan Fund #5117-05, 2.25%	440	-	(55)	385	60
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995 Revolving Loan Fund #5117-07, 2.25%	42	-	(19)	23	14
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-15, 2.25%	29,965	-	(2,430)	27,535	2,480
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-18, 2.25%	8,175	-	(740)	7,435	755
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-19, 2.25%	5,957	-	(535)	5,422	550
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-20, 2.50%	8,485	-	(560)	7,925	575
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-21, 2.25%	1,458	-	(154)	1,304	154
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-23, 2.25%	1,160	-	(105)	1,055	105
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-24, 2.25%	40,615	-	(2,720)	37,895	2,780
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1998, Revolving Loan Fund #5117-25, 2.25%	11,805	-	(790)	11,015	810

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2008

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-26, 2.25%	3,325	-	(300)	3,025	305
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-27, 2.25%	2,824	-	(261)	2,563	266
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-28, 2.25%	1,153	-	(94)	1,059	94
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1997, Revolving Loan Fund #5117-29, 2.25%	1,520	-	(125)	1,395	125
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Fund #5117-30, 2.25%	3,460	-	(280)	3,180	290
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-31, 2.25%	2,325	-	(190)	2,135	190
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-32, 2.25%	7,617	-	(560)	7,057	575
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bonds, Series 2000, Revolving Loan Fund #5117-34, 2.50%	3,810	-	(230)	3,580	235
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, 1999 Series A Refunding Bonds 4.5% to 5.125%, due 2013	4,055	-	(600)	3,455	625
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, 1999 Series B Bonds 4.5% to 5.125%, due 2018	10,250	-	(720)	9,530	755
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2005, Revolving Loan Fund #5217-01, 1.625%	3,867	613	(205)	4,275	205
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Completion Bonds	15,790	-	-	15,790	475
Subtotal general obligation bonds payable	179,490	613	(13,081)	167,022	13,866
Revenue bonds:					
Wayne County Downriver Sewage Disposal System Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007D, 4.0% to 5.3%	-	4,300	-	4,300	130

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Bond Premium	691	67	(43)	715	38
Deferred gain (loss) on refunding -					
Downriver Sewage Disposal System	(212)	35	-	(177)	(35)
Total bonds payable	179,969	5,015	(13,124)	171,860	13,999
Other long-term obligations:					
Claims, litigation, and assessments	-	26	-	26	-
Obligation for other post-employment benefits	-	163	-	163	-
Compensated absences	491	538	(491)	538	538
Total other long-term obligations	491	727	(491)	727	538
Total Downriver long term obligations	180,460	5,742	(13,615)	172,587	14,537
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	1,400	-	(680)	720	720
Wayne County Rouge Valley - City of Livonia SRF #5140-01, Michigan Municipal Bond Authority Revolving Loan Fund, 2.25%	270	-	(20)	250	20
Total Rouge Valley general obligation bonds	1,670	-	(700)	970	740
Non-Major Business-type Activities:					
General obligation bonds:					
Wayne County Rouge Valley Wastewater - Dearborn Heights, Michigan Municipal Bond Authority 1999B Bonds AMBAC Insured Bonds, 3.05% to 4.85%, generally due serially through 2016 (CSO)	8,140	-	(755)	7,385	785
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)	1,945	-	(205)	1,740	215
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)	4,465	-	(510)	3,955	535
Wayne County Rouge Valley - Inkster, Michigan Municipal Bond Authority Revolving Loan Fund, #5106-01, 2% CSO	1,295	-	(135)	1,160	135

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Wayne County Rouge Valley - Dearborn Heights Michigan Municipal Bond Authority Revolving Loan Fund, #5104-01, 2.25% (CSO)	1,340	-	(135)	1,205	140
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5123-01, 2.25% (CSO)	3,542	-	(285)	3,257	295
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Refunding of LGLP 1995B, River Rouge	9,935	-	(55)	9,880	785
Bond Premium	425	-	(25)	400	21
Deferred gain (loss) on refunding - general obligation bonds	(1,493)	174	-	(1,319)	(171)
Total general obligation bonds	29,594	174	(2,105)	27,663	2,740
Revenue bonds:					
Wayne County Northeast Sewage Disposal System Revenue Bonds, Series 1993, Michigan Municipal Bond Authority Revolving Loan Fund #5057-03, 2%, generally due serially through 2014	2,555	-	(345)	2,210	350
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	1,150	-	(145)	1,005	150
Deferred gain (loss) on refunding – revenue bonds	(100)	14	-	(86)	(14)
Total revenue bonds	3,605	14	(490)	3,129	486
Other long-term obligations:					
Obligation for other post-employment benefits	-	7	-	7	-
Compensated absences	2	3	(2)	3	3
Total other long-term obligations	2	10	(2)	10	3
Total non-major business type activity long term obligations	3,607	24	(492)	3,139	489
Total Business-type activities	$ 215,331	5,940	(16,912)	$ 204,359	$ 18,506
Fiduciary Activities:					
Other long-term obligations:					
Obligation for other post-employment benefits	$ -	63	-	$ 63	$ -
Compensated absences	103	97	(103)	97	97
Total Fiduciary activities	$ 103	160	(103)	$ 160	$ 97

Governmental Activities

The 2006 delinquent tax collections are pledged as collateral for the repayment of the outstanding delinquent tax notes of $57 million issued June 29, 2007 and August 31, 2007. The 2007 delinquent tax collections are pledged as collateral for the repayment of the outstanding delinquent tax notes of $262 million issued June 17, 2008. The notes are repayable on June 29, 2009 and June 15, 2010, respectively. Interest on the notes is due on the fifteenth of each month until the entire balance is repaid. All of the delinquent tax collections pledged for each issuance are required to be used toward repayment of the notes. Interest paid for the current year was $4.7 million and $2.6 million for the 2007 and 2008 notes, respectively.

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 $16 million annually. 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 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, 2008, the amount due on the loan is approximately $52.8 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 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.

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.

As of September 30, 2008, the County had received $13.2 million in cigarette tax revenues from the State of Michigan to repay the Fiscal Stabilization bonds. The final payment on this obligation will be made in December 2009. The amounts necessary to make this 2009 payment are held in trust as of

September 30, 2008. The State withheld the final $2.8 million cigarette tax revenue payment in 2008 in order to apply it against the State of Michigan Emergency Loan.

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.

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

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

In August 2007, the County issued $50.4 million in bonds with a premium of $1.6 million through the 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.

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 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% to fund structural repairs to the tower of the Wayne County Building, architectural changes and additions to the Prosecutor's office, other County buildings and the purchase of related equipment. The County has pledged its full faith and credit for repayment, subject to certain limitations.

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

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

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 15, Commitments and Contingencies.

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

Other Post-employment Benefits (OPEB) refers to post-employment benefits other than pension benefits and includes (1) post-employment healthcare benefits and (2) other types of post-employment benefits (for example, life insurance) when provided separately from a pension plan. See Note 13 for a discussion of the County’s OPEB liability.

Amounts accrued for unpaid vacation and sick pay represent the accumulated, vested obligation of the County at September 30, 2008 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 Delinquent Tax Revolving Fund, an enterprise fund. The liability attributable to compensated absences and OPEB for governmental activities is liquidated in the respective funds when paid.

Business-type Activities

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

The County has pledged future Downriver Sewage Disposal System revenues, net of specified operating expenses, to repay the outstanding balance of $4.3 million of Downriver Sewage Disposal System 2007D revenue bonds and $4.275 million of State Revolving Loan fund 5217-01 bonds, payable through 2028 and 2026, respectively. Annual principal and interest payments on the bonds are expected to require less than 54 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $6.6 million and $4.96 million for the 2007 D and 5217-07 bonds, respectively. Principal and interest paid on the two bond issuances for the current year and total customer net revenues were $427,917 and $1.14 million, respectively.

The County has pledged future Northeast Sewage Disposal System revenues, net of specified operating expenses, to repay the outstanding balance of $3.129 million of Northeast Sewage Disposal revenue bonds, payable through 2014. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $3.541million. Principal and interest paid on the bonds for the current year and total customer net revenues were $605,820 and ($213,000).

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, 2008, 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, 2008, 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, 2008, 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, 2008, 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, 2008, 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, 2008, the County received $31.1 million from the revolving loan fund.

In 1998, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to $425,000 for the Rouge Valley Sewage Disposal System. Through September 30, 2008, the County received $425,000 from the revolving loan fund.

In 1999, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to $12.6 million for the Downriver Sewage Disposal System. An estimated amount up to $445,000 of this issuance is designated for two communities covered under the Chapter 20 Drainage District, a component unit of the County of Wayne, and is reported under the Component Unit segment of County debt. Through September 30, 2008, 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, 2008, 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, 2008, the County received $4.7 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.

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

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 the Downriver Sewage Disposal system pursuant to a judgment to which the County and certain cities, villages and townships located in the County are subject. The obligation is secured by a limited tax full faith and credit pledge of the County and the obligation of the applicable communities to make judgment payments pursuant to the judgment.

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

Capital Leases (Governmental Activities)

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 which was $27,855,351 as of the inception date. The lease requires minimum quarterly payments from the County of $790,464.

At September 30, 2008, the outstanding portion of the capital lease obligation was $10.5 million for base rent until the expiration of the second renewal term in December 2017. The $10.5 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, 2008, were as follows (amounts in thousands):

Governmental Activities -
Wayne County Building
Capital Lease Obligation

Year Ended September 30	Principal	Interest
2009	$ 1,031	$ 2,130
2010	969	2,193
2011	909	2,252
2012	854	2,308
2013	802	2,360
2014-2018	5,975	10,050
Total	$ 10,540	$ 21,293

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.

Operating Leases

The County is committed under 20 leases for office, storage space, and land. These leases are considered for accounting purposes to be non-cancelable operating leases. Lease expenditures for the year ended September 30, 2008 amounted to $5,105,508. Future minimum lease payments for these leases are as follows (amounts in thousands):

September 30	Governmental Activities	Business-type Activities
2009	$ 4,034	$ 250
2010	2,472	260
2011	978	270
2012	561	281
2013	576	292
2014-2018	3,122	1,646
2019-2023	3,278	2,002
2024-2028	3,800	2,436
2029-2033	4,405	2,964
2034-2038	5,107	2,078
Total minimum lease payments	$ 28,333	$ 12,479

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, 2008, are summarized as follows:

Governmental Activities - Bonds

General Obligations

(in thousands)

Year Ended September 30	Principal	Interest
2009	$ 77,405	$ 17,578
2010	280,020	23,979
2011	11,750	6,664
2012	12,330	6,058
2013	12,970	5,416
2014-2018	37,995	19,766
2019-2023	16,180	13,132
2024-2028	12,150	9,847
2029-2033	9,440	6,759
2034-2038	23,540	2,593
Total	$ 493,780	$ 111,792
Bonds Payable	$ 174,780	$ 85,910
Notes Payable	319,000	25,882
Total	$ 493,780	$ 111,792

Business-type Activities - Bonds

Downriver Sewage Disposal System –
General Obligation and Revenue Bonds

(in thousands)

Year Ended September 30	Principal	Interest
2009	$ 13,996	$ 4,732
2010	14,379	4,365
2011	14,746	3,986
2012	15,150	3,593
2013	15,538	3,188
2014-2018	70,832	9,975
2019-2023	18,925	2,992
2024-2028	7,756	950
Total	$ 171,322	$ 33,781

Rouge Valley Sewage Disposal System –
General Obligation
(in thousands)

Year Ended September 30	Principal	Interest
2009	$ 740	$ 27
2010	20	5
2011	20	5
2012	20	4
2013	20	4
2014-2018	125	10
2019	25	-
Total	$ 970	$ 55

Non-major Business-type Activities –
General Obligation and Revenue Bonds
(in thousands)

Year Ended September 30	Principal	Interest
2009	$ 3,390	$ 1,292
2010	3,480	1,160
2011	3,610	1,022
2012	3,750	876
2013	3,905	722
2014-2018	13,662	1,304
Total	$ 31,797	$ 6,376

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:

		(in thousands)
	Primary Government:	
1994	North Huron Valley - Rouge Valley Wastewater Control System Bonds, Series 1989	$ 725
1999	Rouge Valley - Dearborn Heights CSO Basins Bonds Series 1994D	7,930
1999	Rouge Valley - Inkster CSO Basins Bonds Series 1994F	1,745
1999	Rouge Valley - Inkster CSO Basins Bonds Series 1994G	4,370
1999	Northeast Sewage Disposal System Bonds Series 1994G	1,125
1999	Downriver Sewage Disposal System Bonds Series 1994A	4,120
	Total primary government	$ 20,015
	Component Units:	
1994	Chapter 20 Drainage Districts - various municipal obligations	$ 1,500
1999	Chapter 21 (Milk River) Drainage District Bonds, 1994 Series A	730
	Total component units	$ 2,230
	Total defeased debt	$ 22,245

Component Units

Changes in long-term obligations related to component units at September 30, 2008, are summarized as follows (in thousands):

Component Units:	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Airport Authority					
Detroit Metropolitan Airport					
Series 1994A, 3.5% to 5.875%, due 2008	$ 5,995	-	(3,020)	$ 2,975	$ 2,975
Series 1996A, 3.65% to 5.72%, due 2016	43,010	-	(3,300)	39,710	3,500
Series 1996B, 3.65% to 5.72%, due 2016	43,010	-	(3,300)	39,710	3,500
Series 1998A, 4.20% to 5.50%, due 2028	772,380	-	(19,195)	753,185	20,280
Series 1998B, 4.10% to 5.25%, due 2028	146,565	-	(124,705)	21,860	3,890
Series 2001 Junior Lien, variable, 1.66% due 2008	52,965	-	(52,965)	-	-
Series 2002A, variable, 1.71%, due 2032	141,720	-	(141,720)	-	-
Series 2002C, 3.00% to 5.375%, due 2020	26,020	-	(115)	25,905	120
Series 2002D, 5.0% to 5.5%, due 2019	71,725	-	(3,435)	68,290	3,630
Series 2003A-1,variable, 1.45%, due 2033	75,000	-	(75,000)	-	-
Series 2003A-2,variable, 1.5%, due 2033	75,000	-	(75,000)	-	-
Series 2003A-3,variable, 1.47%, due 2033	64,975	-	(64,975)	-	-
Series 2003B,variable, 1.55%, due 2021	65,000	-	(65,000)	-	-
Series 2003C,variable, 1.32%, due 2021	44,375	-	(44,375)	-	-
Series 2004, variable , 2.6%, due 2024	10,800	-	(10,800)	-	-
Series 2005, 3.5% to 5.25%, due 2034	507,135	-	-	507,135	-
Series 2007A Junior Lien, 4.85% to 5%, due 2038	180,390	-	-	180,390	-
Series 2007B, 4.0% to 5.0%, due 2028	-	119,390	-	119,390	-
Series 2008A, 4.0% to 5.75%, due 2032	-	142,285	-	142,285	2,580
Series 2008B, current yield at 9/30/08, 8.2% due 2033	-	201,250	-	201,250	-
Series 2008C, current yield at 9/30/08, 8.2% due 2033	-	89,435	-	89,435	3,470
Series 2008D, current yield at 9/30/08, 8.1% due 2021	-	39,675	-	39,675	2,500
Installment Purchase Contract, 5.625% due 2011	7,200	-	(1,630)	5,570	1,795
Installment Purchase Contract, 3.7%, due 2015	333	-	(37)	296	38
Installment Purchase Contract, 3.54%, due 2014	-	423	(45)	378	56
Installment Purchase Contract, 4.05%, due 2018	-	391	(13)	378	33
Installment Purchase Contract, 4.33%, due 2023	-	3,886	-	3,886	48
Bond Premium	18,751	7,815	(1,564)	25,002	-
Bond Discount	(9,215)	1,754	-	(7,461)	-
Deferred gain (loss) on refunding	(18,417)	12,056	(29,174)	(35,535)	-
Total Detroit Metropolitan Airport	2,324,717	618,360	(719,368)	2,223,709	48,415
Airport Hotel revenue bonds:					
Series 2001A Hotel, 5.00% to 5.50%, due 2030	99,630	-	-	99,630	-
Series 2001B Hotel, 6.00% to 6.60%, due 2015	11,055	-	(210)	10,845	590
Capital/FF&E Reserve Loan, 8%, due 2017	4,807	-	(319)	4,488	346
Working Capital Loan 8%, due 2017	1,500	-	-	1,500	-
Bond Discount	(2,223)	129	-	(2,094)	-
Total Airport Hotel revenue bonds	114,769	129	(529)	114,369	936

Airport Authority, continued

(in thousands)

Airport Authority, concluded	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Airport notes payable:					
Willow Run Airport -					
Washtenaw County, 0%, due 2019	239	-	(20)	219	19
Willow Run Airport -					
University of Michigan, 8%, due 2013	433	-	(8)	425	-
Total Airport note payables	672	-	(28)	644	19
Other long-term obligations:					
Obligation for other post-employment benefits	-	482	-	482	-
Total Airport Authority	$ 2,440,158	618,971	(719,925)	$ 2,339,204	$ 49,370
Circuit Court					
Other long-term obligations:					
Obligation for other post-employment benefits	-	1,233	-	1,233	-
Compensated absences	4,911	4,510	(4,911)	4,510	4,510
Total Circuit Court	4,911	5,743	(4,911)	5,743	4,510
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	$ 2,215	-	(750)	$ 1,465	$ 740
ECPAD 3 Unref	1,500	-	-	1,500	-
Hunter-Leng 77 Unref	700	-	(700)	-	-
GI-I-T-IM 78 Unref	200	-	(200)	-	-
GRSSEILE 78 Unref	60	-	(60)	-	-
SRF5117-01	294	-	(20)	274	20
ECPADINP	106	-	(54)	52	52
	5,075	-	(1,784)	3,291	812
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	6,325	-	(1,215)	5,110	1,240
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	785	-	(165)	620	170
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	1,610	-	(285)	1,325	300
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	740	-	(140)	600	140

Non-major component units, continued

(in thousands)

Non-major component units, concluded	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Detroit-Wayne County Stadium Authority Revenue bonds, 3.70% to 5.50%, due serially to 2027	76,420	-	(1,840)	74,580	2,050
Subtotal Revenue bonds	85,880	-	(3,645)	82,235	3,900
Bond discount (Note 17)	(3,121)	-	161	(2,960)	(161)
Total Revenue bonds	82,759	-	(3,484)	79,275	3,739
Notes and Leases Payable:					
Chapter 8 Brooks Drain Drainage District $150,000 Note Payable at 3.43% per anum until 2009 maturity	60	-	(30)	30	30
Chapter 8 Odette Drain Drainage District $250,000 Note Payable at 3.59% per anum until 2009 maturity	100	-	(50)	50	50
Chapter 8 Shuart Drain Drainage District $97,000 Note Payable at 3.39% per anum until 2009 maturity	37	-	(20)	17	17
Chapter 8 Strong Drain Drainage District $290,000 Note Payable at 3.70% per anum	174	-	(58)	116	58
Chapter 8 Desbrow Consolidated Drain Notes, Series 2007, $607,444 Note Payable at 4.60% per anum until 2012 maturity	607	-	(121)	486	122
Chapter 8 North Branch of Swan Creek Consolidated Drain Notes, Series 2007, $704,139 Note Payable at 4.60% per anum until 2012 maturity	704	-	(141)	563	141
Chapter 8 Patterson Drain Drainage District $241,000 Note, Series 2008 Payable at 4.250% per anum until 2013 maturity	-	241	-	241	48
Chapter 8 Mizner Drain Drainage District $1,455,000 Note, Series 2008 Payable at 5.450% per anum until 2023 maturity	-	1,455	-	1,455	97
Probate Court Imaging/Case Management Project MMBA Installment Purchase Agreement, 3.55%, due 2008	237	-	(237)	-	-
HealthChoice of Michigan Capital Lease Capital obligation to Wells Fargo Financial, 8.00%, due 2008	6	-	(6)	-	-
HealthChoice of Michigan Capital Lease Capital obligation to Oce' Financial Services, 8.00%, due 2010	8	-	(2)	6	3
Total Notes and Leases Payable	1,933	1,696	(665)	2,964	566
Other long-term obligations:					
Obligation for other post-employment benefits	-	288	-	288	-
Compensated absences	462	462	(462)	462	462
Total other long-term obligations	462	750	(462)	750	462
Total Non-major Component Units	90,229	2,446	(6,395)	86,280	5,579
Total Component Units	$ 2,535,298	$ 627,160	$ (731,231)	$ 2,431,227	$ 59,459

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.

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 1995, 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 (current notional amount at 9/30/08 was $76 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). The existing fixed-rate coupon of 5.72 percent was offset by the wrapper supplement where the counterparty pays the Authority .6118 percent during the period April 2, 2004 through December 1, 2008, resulting in a new fixed-rate coupon of 5.1082% and present value savings of $2.9 million.

As of September 30, 2008, rates were as follows:

Interest Rate	Term	Rate
Fixed payment to counterparties	Fixed	5.1082%
Variable rate from counterparties	BMA	7.9600
Net interest rate swap payments		(2.8518)
Variable-rate bond payment	Market	8.5000
Synthetic interest rate on bonds		5.6482

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of $4,720,117 as of September 30, 2008. 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 two counterparties have the following ratings which mitigate this risk: Merrill Lynch has an S&P ratings of A, Moody's ratings of A2, and Fitch ratings of A+; Goldman Sachs has an S&P rating of AA-, Moody's rating of Aa3, and Fitch rating of AA-. In addition, the Merrill Lynch SWAP agreement expires on December 1, 2008.

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.

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 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.

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 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.

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

Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In June 2007, the Authority issued $180 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The 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. As of September 2008, the Authority has used $1,147,155 of this agreement and has entered into three Installment Purchase Contracts to pay for equipment at Metro Airport.

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

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

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

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

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

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

Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

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

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

The Authority defeased the Series 2003A-1 Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds and Series 2004 Bonds by placing the proceeds of the Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds, and Series 2004 Bonds were subsequently called and paid in full in July 2008 and August 2008.

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

As part of the refunding, the Authority continued the variable to fixed interest rate swap agreement resulting in a fixed coupon rate of 3.4825% for the Series 2008C-1 Bonds, a fixed coupon rate of 3.997% for the Series 2008C-2 bonds and a fixed coupon rate of 3.4265% for the Series 2008D Bonds.

As of September 30, 2008, rates were as follows:

Interest Rate	Term	2008C-1 rates	2008C-2 rates	2008D rates
Fixed payment to counterparties	Fixed	3.4825%	3.9970%	3.4265%
Variable rate from counterparties	Enh Lib	2.2702	2.5682	2.5682
Net interest rate swap payments		1.2123	1.4288	0.8583
Variable-rate bond payment	Market	8.2000	8.2000	8.1000
Synthetic interest rate on bonds		9.4123	9.6288	8.9583

Due to the current interest rate environment, the Swap at year end had a negative fair value of $504,074. 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 AA-, Moody's ratings of Aa3, and Fitch ratings of AA- mitigating this risk.

The Series 1996A, 1996B, 2008C-1, 2008C-2, and 2008D 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.

Type of risk	Concern	Resolution
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 in 2010 (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

The Authority capitalizes net financing costs during the construction for debt issues specifically related to construction projects. During the year ended September 30, 2008, interest expense incurred on these debt issues totaled $117,874,350. For 2008, net financing costs capitalized were $22,045,469.

In July 2008, 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 45 basis points over the LIBOR. The line-of-credit agreement expires June 2009. There were no borrowings on this line during the year ended September 30, 2008.

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. As of September 30, 2008, the amount outstanding on this obligation is zero.

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 ($1.5 million outstanding) of debt relating to the 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, 2008, 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.

In August 2008, two Chapter 8 Drainage Districts issued notes to borrow funds to construct major improvements to the specified Drains. The Patterson Drain Drainage District borrowed $241,000 to borrow be repaid with annual payments scheduled through 2013. The Mizner Drain Drainage District borrowed $1,455,000, payable in annual installments until maturity in June 2023. Repayment of this debt will be made from special assessments against the properties benefiting from these improvements and is guaranteed by the full faith and credit of the individual Drainage Districts.

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 a capital lease for accounting purposes. The equipment and the lease payable was recorded at the present value of the future minimum lease payments as of the inception date. The lease requires monthly payments of $663, including interest. As of September 30, 2008, the outstanding balance of the capital lease obligation was $5,830. Future minimum lease payments (in thousands) are as follows:

September 30	Capital Lease Obligations
2009	$ 3
2010	3
2011	-
Total	$ 6

Operating Leases

The County is committed under four 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, 2008, amounted to $4,357,445. Future minimum lease payments for these leases (in thousands) are as follows:

September 30	Operating Lease Obligations
2009	$ 4,356
2010	2,502
2011	2,559
2012	2,636
2013	2,715
2014-2018	14,845
2019-2023	17,210
2024-2028	19,951
2029-2033	26,812
2034-2038	23,128
Total minimum lease payments	$ 116,714

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, 2008, are summarized as follows:

Airport Authority - Loans, Notes Payable and Revenue Bonds
(in thousands)

Year Ended September 30	Principal	Interest
2009	$ 49,370	$ 112,981
2010	67,947	110,305
2011	71,282	106,946
2012	76,144	103,315
2013	83,154	99,439
2014-2018	460,819	430,232
2019-2023	486,974	313,668
2024-2028	553,640	190,103
2029-2033	376,030	68,816
2034-2038	133,450	10,475
Total	$ 2,358,810	$1,546,280

	Principal	Interest
Revenue Bonds Payable	$ 2,358,166	$1,546,090
Loans and Notes Payable	644	190
Total	$ 2,358,810	$1,546,280

Non-major Component Units - Bonds and Notes Payable
(in thousands)

	General Obligation		Revenue	
Year Ended September 30	Principal	Interest	Principal	Interest
2009	$ 1,375	$ 297	$ 3,900	$ 4,102
2010	1,211	245	4,185	3,937
2011	1,182	179	4,485	3,765
2012	1,181	122	4,720	3,577
2013	169	65	3,055	3,372
2014-2018	613	224	20,040	13,882
2019-2023	518	80	23,250	7,935
2024-2027	-	-	18,600	1,953
Total	$ 6,249	$ 1,212	$ 82,235	$ 42,523

	Principal	Interest
Bonds Payable	$ 3,291	$ 436
Notes Payable	2,958	776
Total	$ 6,249	$ 1,212

(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, 2007, the date of the most recent actuarial valuation, combined membership in the Plan consisted of 5,473 retirees and beneficiaries receiving benefits, 139 inactive (separated) employees entitled to benefits but not yet receiving them, and 1,953 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.

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, 2008, 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. The Retirement System significant investments do not have a readily determinable market value; therefore, the System has used various factors to estimate fair value (subsequent third-party transactions, comparable sales, discounted future cash flows, etc.). Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

The Plan did not hold any individual investments, other than investments in registered investment companies or investments issued or guaranteed by the U.S. government that exceeded five percent of total assets as of September 30, 2008, and 2007.

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 contribute from zero percent to one percent of annual compensation, depending on the employee's coverage group.

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, 2008, the County's annual pension cost of $18,419,624 was equal to the County's required contribution. The annual required contribution was determined using an actuarial valuation of the Plan dated September 30, 2006, (using an entry age normal actuarial cost method) determined as a level percentage of payroll. The County has agreed to voluntarily contribute such additional amounts as necessary to provide assets sufficient to meet the benefits to be paid to Plan members. The significant actuarial assumptions used to compute the contribution requirements include a rate of return on the investment of present and future assets of 8 percent compounded annually, inflation of 4 percent, and projected salary increases of 4 to 8.4 percent compounded annually.

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, 2008:

Three Year Trend Information
(Dollar amount in thousands)

Fiscal Year Ended September 30		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2006	$	12,663	100.0	-
2007		15,398	100.0	-
2008		18,420	100.0	-

Reserves (Employees)

The reserve balances as of September 30, 2008 are (dollar amounts in thousands):

Reserve for employee contributions	$	104,802
Reserve for employer contributions (deficit)		(67,412)
Reserve for pension payments		754,201
Reserve for inflation equity		67,937
Total reserve balances	$	859,528

The Plan's funded status as of September 30, 2007, the most recent actuarial valuation date, is as follows:

		(in millions)
Actuarial value of assets	$	947.8
Actuarial accrued liability - entry age		1,169.5
Unfunded Actuarial Accrued Liability		221.7
Funded Ratio		81.0%
Annual covered payroll	$	325.4
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		68.1%

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

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

Valuation date	September 30, 2007
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	20 years - open
Assets valuation method	4-year smoothed market
Actuarial assumptions:	
*Investment rate of return	8.0 percent (includes inflation at 4.0 percent)
*Projected salary increases	4.0 - 8.4 percent (includes inflation at 4.0 percent)
Cost-of-living adjustments	Not applicable

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

Wayne County Circuit Court Commissioners Bailiffs' Retirement System

Plan Description

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

Basis of Accounting

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

Methods Used to Value Investments

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

Market values for common stocks and money market funds are based on September 30, 2008, 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, 2008, and 2007.

Contributions

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

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

Annual Pension Cost

For the fiscal year ended September 30, 2008, there were no required contributions or actual contributions made by the County. The annual pension cost of $36,135 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, 2007. Contributions were determined using an entry age actuarial cost method. The Plan is fully funded.

Pension Benefits

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

There were 5 active participants in the Plan for 2008 (all of whom were vested), and 6 retirees and beneficiaries receiving benefits.

Three-Year Trend Information

Fiscal Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2006	-	-	-
2007	-	-	-
2008	-	-	-

Reserves - Circuit Court
(in thousands)

As of September 30, 2008, the Plan's reserve balances are as follows:

Reserve for employee contributions	$	1,648
Reserve for employer contributions		4,148
Reserve for pension payments		779
Reserve for inflation equity		78
Unallocated net assets		(1,616)
Total reserves balances	$	5,037

The Plan's funded status as of September 30, 2007, the most recent actuarial valuation date, is as follows:

	(in thousands)
Actuarial value of assets	$ 5,626
Actuarial accrued liability - entry age	3,614
Unfunded Actuarial Accrued Liability	$ (2,012)
Funded Ratio	155.7%
Annual covered payroll	$ 700
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	0.0%

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

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

Valuation date	September 30, 2007
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

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, 2008, there were 3,432 active employees in the Plan, and 890 participants entitled to receive future benefits. Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service.

Participants in Plan Option 5 contribute two to three percent of gross pay depending upon employee coverage group. The County makes matching contributions at a rate equal to the amount contributed by each employee. At September 30, 2008, there were 2,027 active employees in the Plan, one retiree currently receiving benefits, and 299 individuals entitled to future benefits. 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 2008, were $26.3 million and $8.6 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, 2008, 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, 2008, and 2007.

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.

(13) Other Post-employment Benefit Obligations

Plan Description – The County provides other post retirement benefits under a single-employer defined benefit plan. The plan provides hospitalization and other health insurance for Wayne County retirees under the age of 65 and their dependents, pursuant to agreements with various collective bargaining units or other actions of the Wayne County Commission or Wayne County Retirement Board. In addition, the County covers the cost of federal Medicare premiums and supplemental hospitalization for retirees over 65 and their eligible dependents. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay as you go basis. Substantially all County employees may become eligible for benefits if they reach normal retirement age while employed by the County. This plan covers all retirees of Wayne County and Wayne County Airport Authority pre-2002 retirees. There were 5,242 retirees eligible for benefits, as of October 1, 2007, the date of the most recent actuarial valuation. The plan does not issue separate financial statements.

In addition, the County pays for health care and insurance benefits for the Wayne County Airport Authority post-2002 retirees. The cost of these benefits is fully reimbursed by the Airport Authority and the County bears no responsibility for these costs. The Airport Authority had 554 post-2002 retirees eligible for benefits as of October 1, 2006, the date of the most recent actuarial valuation. The plan does not issue separate financial statements.

Funding Policy – These benefits are funded on a pay-as-you-go basis. The County, including the Wayne County Airport Authority, paid approximately $43.7 million and $5.9 million, respectively for health care and retirees life insurance benefits for the fiscal year ended September 30, 2008. There is no required contribution for the plan members.

In September 2008, the Airport Authority created an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental and life insurance coverage and other post employment benefits other than pensions. The Airport Authority began funding the trust in September 2008. There is no required contribution for the plan members. The Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust.

Annual OPEB Costs and Net OPEB Obligation - In fiscal year 2008, the County implemented Governmental Accounting Standard's Board (GASB) Statement No. 45, "*Accounting and financial Reporting by Employers for Postemployment Benefits Other Than Pensions*". This statement was implemented prospectively. The County's annual other postemployment benefit (OPEB) costs (expense) is calculated based on the *annual required contribution* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the component of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

	(in thousands)	
	Wayne County Pre and Post 2002 Retirees	**Airport Authority Post 2002 Retirees**
Annual required contribution	$ 57,868	$ 4,455
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost (expense)	57,868	4,455
Contributions made		
Payments of current premiums	(43,744)	(872)
Advance funding	-	(3,100)
Increase in net OPEB obligation	14,124	483
Net OPEB obligation - beginning of year	-	-
Net OPEB obligation - end of year	$ 14,124	$ 483

The County's OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

(in thousands)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2008	$ 57,868	75.6%	$ 14,124

The Airport Authority's OPEB cost for its post-2002 retirees, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

(in thousands)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2008	$ 4,455	89.2%	$ 483

Funding Status and Funding Progress – The funded status as of October 1, 2007, the date of the most recent actuarial valuation, for the Wayne County plan (including the Airport Authority pre-2002 retirees) and October 1, 2006, the date of the most recent actuarial for the Airport Authority Post 2002 retirees the plan was as follows:

(in thousands)

	Wayne County*	Airport Authority Post 2002 Retirees
Actuarial accrued liability (AAL)	$ 838,141	$ 46,916
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	$ 838,141	$ 46,916
Funded Ratio	0%	0%
Covered payroll	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A

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

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

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

In the October 1, 2007 actuarial valuation for the Wayne County plan, and the October 1, 2006 actuarial valuation for the Airport Authority post-2002 retiree plan, the projected unit credit method was used. The actuarial assumptions included an 8 percent investment rate of return, which is the rate of the expected long-term investment returns on the plans and a projected 3 percent salary increase. The Wayne County plan used an annual healthcare cost trend rate of 9.5 percent initially, reduced to an ultimate rate of 5 percent after nine years and the Airport Authority post-2002 retiree plan used an annual healthcare cost trend rate of 10 percent initially, reduced to an ultimate rate of 5 percent after ten years. The UAAL for each plan is being amortized using the straight-line method (level percent of pay amortized annually) over thirty years.

(14) Fund Deficits

The County is required by its Home Rule Charter and State statutes, specifically Public Act 2 of 1968 and Public Act 275 of 1980, as amended, to operate under a plan to eliminate any fund deficits. The deficits at September 30, 2008 were as follows (amounts in thousands):

			Source of Funding			
Fund		Deficit	General Fund Appropriations	Other Internal Appropriations	Expenditure Reduction	Other Revenue Sources
Governmental funds:						
Juvenile Justice/Abuse and Neglect	$	23,360	12,135	11,225	-	-
Law Enforcement		4,078	-	4,078	-	-
Nuisance Abatement		2,301	1,052	1,249	-	-
Total governmental funds	$	29,739	13,187	16,552	-	-
Internal Service Funds						
Workers' Compensation	$	201	-	-	-	201
Equipment Lease Financing		6,525	3,345	-	-	3,180
Total internal service funds	$	6,726	3,345	-	-	3,381
Component units:						
Third Circuit Court	$	43,333	13,333	-	30,000	-
RJEGF		20	-	-	-	20
Total component units	$	43,353	13,333	-	30,000	20

The General Fund has committed $7 million in 2009 and anticipates committing $5.36 million per year from 2010 through 2012, $4.05 million in 2013 and $2.73 million in 2014 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.

(15) Commitment and Contingencies

Claims, litigation, and assessments for the year ended September 30, 2008, and prior years, which were settled shortly after September 30, 2008, 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, 2008. 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.

In January 2008, the Agency reached an agreement with the Michigan Department of Community Health ("MDCH") to resolve reimbursement claims relating to fiscal years 1999 and 2000. As a provision of the agreement, MDCH and the Agency agreed that the Agency had earned and accumulated $24,877,420 in Medicaid Savings during fiscal years 2003 through 2006. The Agency was required to fully expend the $24,877,420 in Medicaid Savings by the end of fiscal year 2009 to comply with the settlement agreement. The full amount has been spent as of September 30, 2008.

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.

(16) Subsequent Events

The County entered into labor agreements with Local 24 and the Government Administrators Association (GAA) in August 2008 and October 2008, respectively. The effective date of the Local 24 agreement is December 1, 2004 through November 30, 2008. The effective date of the GAA agreement 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 2008 and prior has been included in the proprietary fund and government-wide financial statements.

During fiscal year 2008, the County authorized issuance of bonds to the Michigan Municipal Bond Authority (MMBA), pending its approval, for four projects to upgrade and improve the Downriver Sewage Disposal System. In late September 2008, the MMBA approved and authorized loans up to $32.1 million for these four construction projects. Subsequent to September 30, 2008, the County received $3.2 million from the State of Michigan's revolving loan fund. These loans will be considered issued during Fiscal Year 2009, as the repayment became contingent upon the approval and release of the initial funds in October 2008. These loans are limited tax general obligation of the County of Wayne, but are payable from contractual payments to be received from the communities served by the Downriver Sewage Disposal system.

Subsequent to September 30, 2008, the credit and liquidity crisis in the United States and throughout the global financial system continued to trigger significant events and substantial volatility in world financial markets and the banking system that have had a significant negative impact on foreign and domestic financial markets. As a result, the Wayne County Employee's Retirement System and Wayne County Circuit Court Commissioner's Bailiffs' Retirement System (the "Plans") investment portfolios have incurred significant decline in fair value since September 30, 2008. However, because the values of the Plans' individual investments have fluctuated and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot presently be determined. The value of the Plans' investments have a direct impact on the funded status of the Plans. The actual impact, if any, and future required contributions cannot presently be determined.

In October 2008, the Airport Authority issued $74,770,000 of Airport Revenue Refunding Bonds, Series 2008E and 2008F. The Series 2008E and 2008F Bonds were issued to refund, on a current basis at the earliest practicable date, the Series 1996A and 1996B Bonds.

In November 2008, the Wayne County Commission authorized the issuance of capital improvement bonds and installment purchase agreements, in an amount not to exceed $38 million, for the purpose of acquiring or refinancing personal property and equipment for various County departments and for road construction and improvements to Wayne Road and Prescott Road. The bonds will be issued in fiscal year 2009.

(17) Restatement of Beginning of Year Net Assets

Stadium Authority – In fiscal year 2002, when the Stadium Authority implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, an error was made in the restatement of beginning of year net assets. The unamortized bond discount and issuance costs of $3.8 million as well as accrued interest payable of $676,207 were not included in beginning of year net assets. In addition, approximately $689,312 in tourist tax revenue that related to the prior year was excluded from the prior year statements. A net adjustment of $3.8 million was made to the October 1, 2007 net asset balance in order to properly state these account balances.

Development Corporation of Wayne County – It was determined that certain transactions that were recorded as contributions and temporarily restricted net assets should not have been considered contributions, but rather grants that are not earned until expended. As such, they should have been recorded as deferred revenue, rather than net assets. A reduction of $2.4 million was made to the October 1, 2007 net asset balance for the amount of this unearned grant revenue.

REQUIRED SUPPLEMENTARY INFORMATION
(other than MD&A)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	$ 389,089	389,089	383,529	(5,560)
Sales	6,200	6,200	5,701	(499)
Excise	-	-	-	-
Licenses and permits	305	305	204	(101)
Federal grants	2,605	6,295	8,912	2,617
State grants and contracts	61,969	62,304	52,822	(9,482)
Local grants and contracts	1,400	1,400	1,075	(325)
Charges for services	66,083	66,196	70,161	3,965
Interest and rents	2,331	2,331	275	(2,056)
Other	20,199	20,531	24,620	4,089
Total revenues	550,181	554,651	547,299	(7,352)
EXPENDITURES:				
Current operations:				
Legislative	11,663	11,666	11,629	(37)
Judicial	98,329	98,329	98,332	3
General government	120,866	120,362	107,505	(12,857)
Public safety	133,850	138,395	153,074	14,679
Public works	1,412	1,500	1,098	(402)
Highways, streets, and bridges	-	-	-	-
Health and welfare	102,106	102,426	90,201	(12,225)
Recreational and cultural	-	-	-	-
Community and economic development	5,400	5,400	2,800	(2,600)
Capital outlay	2,605	2,483	3,345	862
Debt service	-	-	-	-
Total expenditures	476,231	480,561	467,984	(12,577)
Excess (deficiency) of revenues over (under) expenditures	73,950	74,090	79,315	5,225
OTHER FINANCING SOURCES (USES):				
Transfers in	67,800	67,800	72,401	4,601
Transfers out	(141,847)	(141,982)	(151,645)	9,663
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	50	50
Total other financing sources (uses):	(74,047)	(74,182)	(79,194)	(5,012)
Net change in fund balance	(97)	(92)	121	213
Fund balance at October 1, 2007	25,379	25,379	25,379	-
Fund balance at September 30, 2008	$ 25,282	25,287	25,500	213

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
ROADS FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	$ -	-	-	-
Sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	21,992	23,014	2,460	(20,554)
State grants and contracts	90,970	90,970	89,572	(1,398)
Local grants and contracts	6,594	6,637	8,494	1,857
Charges for services	4,336	4,492	6,805	2,313
Interest and rents	558	558	1,378	820
Other	4	4	4	-
Total revenues	124,454	125,675	108,713	(16,962)
EXPENDITURES:				
Current operations:				
Personnel	35,256	35,203	33,902	(1,301)
Fringe benefits	14,947	14,958	14,664	(294)
Pension	4,367	4,367	4,728	361
Materials and supplies	11,475	11,363	15,329	3,966
Contractual services	43,646	44,747	13,897	(30,850)
Travel	203	203	165	(38)
Operating	6,432	6,397	6,272	(125)
Rentals	547	666	725	59
Other charges	1,124	1,223	151	(1,072)
Capital outlay	560	440	8,211	7,771
Debt service	-	221	-	(221)
Total expenditures	118,557	119,788	98,044	(21,744)
Excess (deficiency) of revenues over (under) expenditures	5,897	5,887	10,669	4,782
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(5,958)	(5,958)	(5,958)	-
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	50	58	118	60
Total other financing sources (uses):	(5,908)	(5,900)	(5,840)	60
Net change in fund balance	(11)	(13)	4,829	4,842
Fund balance at October 1, 2007	10,489	10,489	10,489	-
Fund balance at September 30, 2008	$ 10,478	10,476	15,318	4,842

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
MENTAL HEALTH FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	$ -	-	-	-
Sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	11,332	11,332	9,363	(1,969)
State grants and contracts	512,799	512,799	536,855	24,056
Local grants and contracts	182	182	-	(182)
Charges for services	2	2	25	23
Interest and rents	7,553	7,553	2,668	(4,885)
Other	-	-	-	-
Total revenues	531,868	531,868	548,911	17,043
EXPENDITURES:				
Current operations:				
Personnel	8,350	8,350	7,358	(992)
Fringe benefits	3,280	3,280	2,834	(446)
Pension	879	879	783	(96)
Materials and supplies	213	273	216	(57)
Contractual services	528,002	527,845	567,383	39,538
Travel	235	332	364	32
Operating	13,168	13,168	537	(12,631)
Rentals	960	960	910	(50)
Other charges	-	-	-	-
Capital outlay	15	15	-	(15)
Debt service	-	-	-	-
Total expenditures	555,102	555,102	580,385	25,283
Excess (deficiency) of revenues over (under) expenditures	(23,234)	(23,234)	(31,474)	(8,240)
OTHER FINANCING SOURCES (USES):				
Transfers in	7,305	7,305	17,734	10,429
Transfers out	(9,750)	(9,750)	(22,025)	12,275
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses):	(2,445)	(2,445)	(4,291)	(1,846)
Net change in fund balance	(25,679)	(25,679)	(35,765)	(10,086)
Fund balance at October 1, 2007	54,008	54,008	54,008	-
Fund balance at September 30, 2008	$ 28,329	28,329	18,243	(10,086)

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
HEALTH FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	$ -	-	-	-
Sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	164	1,091	11,744	10,653
State grants and contracts	9,092	9,840	5,715	(4,125)
Local grants and contracts	154	173	154	(19)
Charges for services	20,481	21,286	5,494	(15,792)
Interest and rents	-	-	-	-
Other	-	-	2	2
Total revenues	29,891	32,390	23,109	(9,281)
EXPENDITURES:				
Current operations:				
Personnel	9,898	10,164	9,603	(561)
Fringe benefits	4,370	4,460	4,154	(306)
Pension	1,186	1,210	1,194	(16)
Materials and supplies	778	1,288	7,837	6,549
Contractual services	19,634	21,051	5,908	(15,143)
Travel	369	393	316	(77)
Operating	363	386	320	(66)
Rentals	611	595	448	(147)
Other charges	66	207	75	(132)
Capital outlay	-	21	20	(1)
Debt service	-	-	-	-
Total expenditures	37,275	39,775	29,875	(9,900)
Excess (deficiency) of revenues over (under) expenditures	(7,384)	(7,385)	(6,766)	619
OTHER FINANCING SOURCES (USES):				
Transfers in	7,366	7,367	6,909	(458)
Transfers out	-	-	-	-
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses):	7,366	7,367	6,909	(458)
Net change in fund balance	(18)	(18)	143	161
Fund balance at October 1, 2007	1,020	1,020	1,020	-
Fund balance at September 30, 2008	$ 1,002	1,002	1,163	161

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULES
MAJOR GOVERNMENTAL FUNDS
JUVENILE JUSTICE/ABUSE AND NEGLECT
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes:				
Property	$ -	-	-	-
Sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	320	2,570	1,427	(1,143)
State grants and contracts	99,762	102,069	100,557	(1,512)
Local grants and contracts	4,528	4,528	4,663	135
Charges for services	56	56	378	322
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	104,666	109,223	107,025	(2,198)
EXPENDITURES:				
Current operations:				
Personnel	22,870	22,870	20,937	(1,933)
Fringe benefits	9,152	9,152	8,387	(765)
Pension	2,722	2,722	2,553	(169)
Materials and supplies	429	401	383	(18)
Contractual services	191,911	198,772	196,929	(1,843)
Travel	133	130	175	45
Operating	260	263	225	(38)
Rentals	3,470	3,470	3,379	(91)
Other charges	66	99	123	24
Capital outlay	40	40	-	(40)
Debt service	-	-	-	-
Total expenditures	231,053	237,919	233,091	(4,828)
Excess (deficiency) of revenues over (under) expenditures	(126,387)	(128,696)	(126,066)	2,630
OTHER FINANCING SOURCES (USES):				
Transfers in	128,695	128,695	128,417	(278)
Transfers out	-	-	-	-
Bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses):	128,695	128,695	128,417	(278)
Net change in fund balance	2,308	(1)	2,351	2,352
Fund balance at October 1, 2007	(25,711)	(25,711)	(25,711)	-
Fund balance at September 30, 2008	$ (23,403)	(25,712)	(23,360)	2,352

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
For the year ended September 30, 2008

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)
09/30/02	$ 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	0.04
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%
9/30/2007 *	947.8	1,169.5	221.7	81.0%	325.4	68.1%

* After changes in benefit provisions

\# 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
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%
2008	18,420	18,420	100.0%

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

CHARTER COUNTY OF WAYNE, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
For the year ended September 30, 2008

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)
09/30/02	$ 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	-
09/30/07	5,626	3,614	(2,012)	155.7%	700	-

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
2003	-	$ 63,133	-
2004	-	44,023	-
2005	-	28,850	-
2006	-	50,441	-
2007	-	38,117	-
2008	-	36,135	-

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the year ended September 30, 2008

(1) Budgets and Budgetary Accounting

Annual budgets are adopted for the General Fund, special revenue funds, debt service funds and for certain other governmental and proprietary activities. The budgetary comparison schedules included as required supplementary information and as other supplementary information were prepared on the same modified accrual basis used to reflect actual results.

The County Executive prepares and submits a proposed operating budget during June of each year to the Wayne County Commission (the Commission) for the year beginning October 1. After public hearings to obtain taxpayers' comments, the budget is legally enacted through passage of an ordinance by the Commission (the Appropriations Ordinance). The appropriated budget for the General Fund is adopted by function (general government, public safety, public works, etc.) and by activity, generally. The legal level of budgetary control for the special revenue funds and the debt service funds is at the fund level. For the Roads Fund, the budget is prepared in accordance with the State of Michigan Uniform Accounting Procedures Manual for County Road Commissions. The Uniform Accounting Procedures Manual requires that federal grant revenue be included in the accounts and budgets for the Roads Fund.

Amendments 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

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

Revenue Sharing Reserve Fund – This fund was created under Michigan Public Act 357 of 2004 to serve as a substitute to state revenue sharing payments. This fund provides a funding mechanism to shift county property tax levels from winter to summer over a three-year period.

Parks – This fund is used to account for the operation and maintenance of the Warren Valley and Inkster Valley Golf Courses and the preservation, protection, maintenance and management of Wayne County park grounds and facilities. The fund also includes all marina-related activities, including transient slip, launching, and fishing at Elizabeth Park.

Rouge Demonstration Project – This fund accounts for the activities of the Rouge River National Wet Weather Demonstration Project. This project is funded by federal grants and related local municipalities.

Law Enforcement – This fund accounts for several law enforcement grant activities, such as safety belt enforcement and criminal law review.

County Library – This fund is used to account for Wayne County revenue designated for library purposes.

Community Development Block Grants – This fund is used to account for the County's community development activities with participating communities to create economic and community development projects. The projects are funded by federal block grant money.

Drug Enforcement – Through covert operations, the Drug Enforcement Unit enforces State of Michigan drug laws throughout the County and acts in concert with federal law enforcement agencies. This fund accounts for that activity.

Nutrition – This fund is used to account for nutritional services provided to homebound senior citizens in western Wayne County and downriver areas.

Veteran's Trust – This fund accounts for emergency funding for indigent veterans provided by the State of Michigan.

Economic and Neighborhood Development (E&ND) – 21st Century – This fund accounts for economic development within Wayne County communities.

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, 2008
(in thousands)

	Special Revenue Funds			
	Revenue Sharing Reserve	Parks	Rouge Demonstration Project	Law Enforcement
ASSETS:				
Equity in pooled cash and investments	$ 34,051	16,368	-	-
Other cash and investments	-	3	1	-
Due from other funds	-	2	439	-
Due from component units	-	67	-	-
Receivables:				
Accounts receivable	-	82	10	174
Due from other governmental units	-	-	-	2,387
Less allowance for uncollectible accounts	-	-	-	-
Prepayments and deposits	-	-	-	-
Total assets	$ 34,051	16,522	450	2,561
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Negative equity in pooled cash	$ -	-	412	3,185
Accounts and contracts payable	-	1,185	9	107
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Accrued wages and benefits	-	101	29	154
Other liabilities	-	8	-	168
Deferred revenue	-	80	-	3,025
Total liabilities	-	1,374	450	6,639
Fund Balances:				
Reserved for:				
Prepayments and deposits	-	-	-	-
Other long-term assets	34,051	-	-	-
Debt service	-	-	-	-
Capital projects	-	11,309	-	-
Unreserved	-	3,839	-	(4,078)
Total fund balances	34,051	15,148	-	(4,078)
Total liabilities and fund balances	$ 34,051	16,522	450	2,561

Special Revenue Funds				
County Library	Community Development Block Grants	Drug Enforcement	Nutrition	Veteran's Trust
95	-	1,614	904	68
1	-	-	-	-
-	1,022	-	-	-
-	-	-	-	-
-	-	-	-	-
607	1,866	150	17	-
(117)	-	-	-	-
-	-	-	-	-
586	2,888	1,764	921	68
-	610	-	-	-
81	381	53	151	2
-	-	-	-	-
-	-	-	-	-
67	8	35	51	-
3	937	1,508	4	-
188	952	85	3	-
339	2,888	1,681	209	2
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
247	-	83	712	66
247	-	83	712	66
586	2,888	1,764	921	68

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of September 30, 2008
(in thousands)

	Special Revenue Funds			
	E & ND 21st Century	Community Corrections	Victim Witness	Soldiers' Relief
ASSETS:				
Equity in pooled cash and investments	$ 1,611	490	-	2,546
Other cash and investments	1	1	-	-
Due from other funds	-	-	172	89
Due from component units	151	-	-	-
Receivables:				
Accounts receivable	-	10	-	-
Due from other governmental units	624	966	90	-
Less allowance for uncollectible accounts	-	-	-	-
Prepayments and deposits	-	-	-	-
Total assets	$ 2,387	1,467	262	2,635
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Negative equity in pooled cash	$ -	-	163	-
Accounts and contracts payable	283	495	-	12
Due to other funds	-	-	26	-
Due to component units	850	-	-	-
Accrued wages and benefits	52	26	33	9
Other liabilities	80	-	-	-
Deferred revenue	278	224	40	-
Total liabilities	1,543	745	262	21
Fund Balances:				
Reserved for:				
Prepayments and deposits	-	-	-	-
Other long-term assets	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unreserved	844	722	-	2,614
Total fund balances	844	722	-	2,614
Total liabilities and fund balances	$ 2,387	1,467	262	2,635

Special Revenue Funds			
Youth Services	Building Authority	Stadium and Land Development	Budget Stabilization
1,471	-	27	3,000
-	17	-	-
-	3	-	-
-	-	-	-
-	-	640	-
-	-	-	-
-	-	-	-
-	-	-	-
1,471	20	667	3,000
-	20	-	-
327	-	-	-
-	-	9	-
-	-	658	-
-	-	-	-
-	-	-	-
-	-	-	-
327	20	667	-
-	-	-	-
-	-	-	3,000
-	-	-	-
-	-	-	-
1,144	-	-	-
1,144	-	-	3,000
1,471	20	667	3,000

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of September 30, 2008
(in thousands)

	Special Revenue Funds			
	Environmental Programs	Nuisance Abatement	Health and Family Services	Pinnacle Aeropark
ASSETS:				
Equity in pooled cash and investments	4,689	$ -	-	1,096
Other cash and investments	-	-	-	-
Due from other funds	-	68	604	-
Due from component units	-	-	-	-
Receivables:				
Accounts receivable	245	-	-	-
Due from other governmental units	-	-	505	-
Less allowance for uncollectible accounts	-	-	-	-
Prepayments and deposits	-	-	694	-
Total assets	4,934	$ 68	1,803	1,096
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Negative equity in pooled cash	-	$ 2,369	24	-
Accounts and contracts payable	81	-	372	26
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Accrued wages and benefits	27	-	13	-
Other liabilities	-	-	-	57
Deferred revenue	27	-	700	-
Total liabilities	135	2,369	1,109	83
Fund Balances:				
Reserved for:				
Prepayments and deposits	-	-	694	-
Other long-term assets	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unreserved	4,799	(2,301)	-	1,013
Total fund balances	4,799	(2,301)	694	1,013
Total liabilities and fund balances	4,934	$ 68	1,803	1,096

Debt Service Funds		
General Debt Service	Roads	Wayne County Building Authority
411	16	6,244
4,331	-	-
-	-	-
-	-	-
-	-	5
-	-	-
-	-	-
200	-	-
4,942	16	6,249
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,942	16	6,249
-	-	-
-	-	-
4,942	16	6,249
4,942	16	6,249

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of September 30, 2008
(in thousands)

	Capital Projects Funds			
	Wayne County Construction	Wayne County Building Authority Construction	County Roads Projects	Other Capital Projects
ASSETS:				
Equity in pooled cash and investments	$ 1,273	1,802	-	21,215
Other cash and investments	-	-	-	-
Due from other funds	-	-	-	-
Due from component units	-	-	-	-
Receivables:				
Accounts receivable	-	-	-	-
Due from other governmental units	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-
Prepayments and deposits	-	-	-	-
Total assets	$ 1,273	1,802	-	21,215
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Negative equity in pooled cash	$ -	-	-	-
Accounts and contracts payable	-	-	-	-
Due to other funds	-	-	-	354
Due to component units	-	-	-	398
Accrued wages and benefits	-	-	-	-
Other liabilities	17	-	-	2,295
Deferred revenue	-	-	-	-
Total liabilities	17	-	-	3,047
Fund Balances:				
Reserved for:				
Prepayments and deposits	-	-	-	-
Other long-term assets	-	-	-	-
Debt service	-	-	-	-
Capital projects	1,256	1,802	-	18,168
Unreserved	-	-	-	-
Total fund balances	1,256	1,802	-	18,168
Total liabilities and fund balances	$ 1,273	1,802	-	21,215

Special Revenue Funds Totals	Debt Service Funds Totals	Capital Projects Funds Totals	Non-major Governmental Funds Totals
$ 68,030	$ 6,671	$ 24,290	$ 98,991
24	4,331	-	4,355
2,399	-	-	2,399
218	-	-	218
1,161	5	-	1,166
7,212	-	-	7,212
(117)	-	-	(117)
694	200	-	894
$ 79,621	$ 11,207	$ 24,290	$ 115,118
$ 6,783	$ -	$ -	$ 6,783
3,565	-	-	3,565
35	-	354	389
1,508	-	398	1,906
605	-	-	605
2,765	-	2,312	5,077
5,602	-	-	5,602
20,863	-	3,064	23,927
694	-	-	694
37,051	-	-	37,051
-	11,207	-	11,207
11,309	-	21,226	32,535
9,704	-	-	9,704
58,758	11,207	21,226	91,191
$ 79,621	$ 11,207	$ 24,290	$ 115,118

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended September 30, 2008

(in thousands)

	Special Revenue Funds			
	Revenue Sharing Reserve	**Parks**	**Rouge Demonstration Project**	**Law Enforcement**
REVENUES:				
Taxes:				
Property taxes	-	12,388	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	70	-	-
Federal grants	-	25	3,757	4,678
State grants and contracts	-	-	-	2,331
Local grants and contracts	-	-	2,180	1
Charges for services	-	1,469	2,316	2,700
Interest and rents	1,011	493	-	-
Other	-	251	-	-
Total revenues	1,011	14,696	8,253	9,710
EXPENDITURES:				
Current operations:				
Personnel	-	3,875	986	5,378
Fringe benefits	-	1,604	464	2,347
Pension	-	456	124	803
Materials and supplies	-	596	25	176
Contractual services	-	7,583	6,658	1,724
Travel	-	8	42	-
Operating	-	493	63	468
Rentals	-	1,237	97	90
Other charges	-	23	4	291
Capital outlay	-	529	6	-
Debt service	-	-	-	-
Total expenditures	-	16,404	8,469	11,277
Excess (deficiency) of revenues over (under) expenditures	1,011	(1,708)	(216)	(1,567)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,837	439	536
Transfers out	(47,924)	-	(359)	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	4	-	4
Total other financing sources (uses)	(47,924)	3,841	80	540
Net change in fund balances	(46,913)	2,133	(136)	(1,027)
Fund balances at October 1, 2007	80,964	13,015	136	(3,051)
Fund balances at September 30, 2008	$ 34,051	15,148	-	(4,078)

Special Revenue Funds				
County Library	Community Development Block Grant	Drug Enforcement	Nutrition	Veteran's Trust
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	7,570	1,458	2,423	-
287	-	-	1,043	159
-	-	-	-	-
1,431	1	1,727	658	-
3,465	-	16	5	3
-	-	-	40	-
5,183	7,571	3,201	4,169	162
2,323	306	1,440	1,809	-
877	138	553	667	-
316	43	221	154	-
34	4	128	2,398	-
1,449	372	627	815	161
8	10	-	171	-
68	9	10	43	-
-	-	69	-	-
455	7,996	70	3	-
53	10	-	-	-
-	-	-	-	-
5,583	8,888	3,118	6,060	161
(400)	(1,317)	83	(1,891)	1
647	1,317	-	2,213	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
647	1,317	-	2,213	-
247	-	83	322	1
-	-	-	390	65
247	-	83	712	66

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2008
(in thousands)

	Special Revenue Funds			
	E & ND 21st Century	Community Corrections	Victim Witness	Soldiers' Relief
REVENUES:				
Taxes:				
Property taxes	$ -	-	-	1,967
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,857	890	563	-
State grants and contracts	376	2,610	724	-
Local grants and contracts	-	-	-	-
Charges for services	199	2,041	3	9
Interest and rents	460	426	-	46
Other	-	-	-	-
Total revenues	3,892	5,967	1,290	2,022
EXPENDITURES:				
Current operations:				
Personnel	1,839	985	1,191	306
Fringe benefits	816	402	515	134
Pension	235	111	125	35
Materials and supplies	46	93	3	3
Contractual services	2,917	3,835	152	457
Travel	79	5	21	7
Operating	18	26	9	8
Rentals	-	714	-	24
Other charges	2,304	-	22	10
Capital outlay	-	196	-	-
Debt service	-	-	-	-
Total expenditures	8,254	6,367	2,038	984
Excess (deficiency) of revenues over (under) expenditures	(4,362)	(400)	(748)	1,038
OTHER FINANCING SOURCES (USES):				
Transfers in	4,550	605	748	-
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	4,550	605	748	-
Net change in fund balances	188	205	-	1,038
Fund balances at October 1, 2007	656	517	-	1,576
Fund balances at September 30, 2008	$ 844	722	-	2,614

Special Revenue Funds			
Youth Services	Building Authority	Stadium and Land Development	Budget Stabilization
4,721	-	-	-
-	-	-	-
-	-	8,408	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	6	-
-	-	-	-
4,721	-	8,414	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,907	-	178	-
-	-	-	-
-	-	-	-
-	-	8,238	-
21	4	-	-
-	-	-	-
-	-	-	-
1,928	4	8,416	-
2,793	(4)	(2)	-
1,223	3	-	-
(4,001)	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(2,778)	3	-	-
15	(1)	(2)	-
1,129	1	2	3,000
1,144	-	-	3,000

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2008
(in thousands)

	Special Revenue Funds			
	Environmental Programs	**Nuisance Abatement**	**Health and Family Services**	**Pinnacle Aeropark**
REVENUES:				
Taxes:				
Property taxes	-	$ -	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	22,935	-
State grants and contracts	297	-	-	-
Local grants and contracts	739	-	-	-
Charges for services	2,686	12	1	2,294
Interest and rents	228	-	-	-
Other	-	-	-	-
Total revenues	3,950	12	22,936	2,294
EXPENDITURES:				
Current operations:				
Personnel	847	-	497	-
Fringe benefits	380	-	221	-
Pension	99	-	67	-
Materials and supplies	29	-	15	-
Contractual services	1,766	2	21,977	438
Travel	52	-	18	-
Operating	37	-	17	-
Rentals	64	-	2	1,121
Other charges	22	78	32	-
Capital outlay	5	-	-	-
Debt service	-	-	-	-
Total expenditures	3,301	80	22,846	1,559
Excess (deficiency) of revenues over (under) expenditures	649	(68)	90	735
OTHER FINANCING SOURCES (USES):				
Transfers in	-	68	604	-
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	68	604	-
Net change in fund balances	649	-	694	735
Fund balances at October 1, 2007	4,150	(2,301)	-	278
Fund balances at September 30, 2008	4,799	$ (2,301)	694	1,013

Debt Service Funds		
General Debt Service	Roads	Wayne County Building Authority
-	-	-
16,000	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
78	1	14,292
-	-	-
16,078	1	14,292
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
17,205	5,958	14,269
17,205	5,958	14,269
(1,127)	(5,957)	23
1,034	5,958	-
(21)	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,013	5,958	-
(114)	1	23
5,056	15	6,226
4,942	16	6,249

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended September 30, 2008
(in thousands)

	Capital Projects Funds			
	Wayne County Construction	**Wayne County Building Authority Construction**	**County Roads Projects**	**Other Capital Projects**
REVENUES:				
Taxes:				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	34	104	-	296
Other	-	-	-	-
Total revenues	34	104	-	296
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	10,002
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	17	-	-	150
Capital outlay	84	-	-	35,229
Debt service	-	-	-	2,154
Total expenditures	101	-	-	47,535
Excess (deficiency) of revenues over (under) expenditures	(67)	104	-	(47,239)
OTHER FINANCING SOURCES (USES):				
Transfers in	263	-	-	-
Transfers out	-	(55)	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	64,045
Bond premium	-	-	-	1,158
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	263	(55)	-	65,203
Net change in fund balances	196	49	-	17,964
Fund balances at October 1, 2007	1,060	1,753	-	204
Fund balances at September 30, 2008	$ 1,256	1,802	-	18,168

Special Revenue Funds Totals	Debt Service Funds Totals	Capital Projects Funds Totals	Non-major Governmental Funds Totals
$ 19,076	$ -	$ -	$ 19,076
-	16,000	-	16,000
8,408	-	-	8,408
70	-	-	70
47,156	-	-	47,156
7,827	-	-	7,827
2,920	-	-	2,920
17,547	-	-	17,547
6,159	14,371	434	20,964
291	-	-	291
109,454	30,371	434	140,259
21,782	-	-	21,782
9,118	-	-	9,118
2,789	-	-	2,789
3,550	-	-	3,550
53,018	-	10,002	63,020
421	-	-	421
1,269	-	-	1,269
11,656	-	-	11,656
11,335	-	167	11,502
799	-	35,313	36,112
-	37,432	2,154	39,586
115,737	37,432	47,636	200,805
(6,283)	(7,061)	(47,202)	(60,546)
16,790	6,992	263	24,045
(52,284)	(21)	(55)	(52,360)
-	-	-	-
-	-	64,045	64,045
-	-	1,158	1,158
8	-	-	8
(35,486)	6,971	65,411	36,896
(41,769)	(90)	18,209	(23,650)
100,527	11,297	3,017	114,841
$ 58,758	$ 11,207	$ 21,226	$ 91,191

(Concluded)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
REVENUE SHARING RESERVE FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	1,011	1,011
Other	-	-	-	-
Total revenues	-	-	1,011	1,011
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	-	-	1,011	1,011
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(47,927)	(47,927)	(47,924)	3
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(47,927)	(47,927)	(47,924)	3
Net change in fund balances	(47,927)	(47,927)	(46,913)	1,014
Fund balances at October 1, 2007	80,964	80,964	80,964	-
Fund balances at September 30, 2008	$ 33,037	33,037	34,051	1,014

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
PARKS FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ 11,293	11,293	12,388	1,095
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	95	95	70	(25)
Federal grants	-	-	25	25
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	1,277	1,277	1,469	192
Interest and rents	318	318	493	175
Other	290	290	251	(39)
Total revenues	13,273	13,273	14,696	1,423
EXPENDITURES:				
Current operations:				
Personnel	3,891	3,891	3,875	(16)
Fringe benefits	1,674	1,674	1,604	(70)
Pension	479	479	456	(23)
Materials and supplies	481	521	596	75
Contractual services	8,249	18,974	7,583	(11,391)
Travel	26	26	8	(18)
Operating	549	549	493	(56)
Rentals	830	1,261	1,237	(24)
Other charges	2	12	23	11
Capital outlay	500	833	529	(304)
Debt service	431	-	-	-
Total expenditures	17,112	28,220	16,404	(11,816)
Excess (deficiency) of revenues over (under) expenditures	(3,839)	(14,947)	(1,708)	13,239
OTHER FINANCING SOURCES (USES):				
Transfers in	3,837	3,837	3,837	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	4	4
Total other financing sources (uses)	3,837	3,837	3,841	4
Net change in fund balances	(2)	(11,110)	2,133	13,243
Fund balances at October 1, 2007	13,015	13,015	13,015	-
Fund balances at September 30, 2008	$ 13,013	1,905	15,148	13,243

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
ROUGE DEMONSTRATION PROJECT FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	10,453	10,453	3,757	(6,696)
State grants and contracts	-	-	-	-
Local grants and contracts	8,552	8,552	2,180	(6,372)
Charges for services	2,766	2,766	2,316	(450)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	21,771	21,771	8,253	(13,518)
EXPENDITURES:				
Current operations:				
Personnel	951	951	986	35
Fringe benefits	450	450	464	14
Pension	118	118	124	6
Materials and supplies	179	177	25	(152)
Contractual services	19,880	19,880	6,658	(13,222)
Travel	52	52	42	(10)
Operating	59	61	63	2
Rentals	66	66	97	31
Other charges	18	11	4	(7)
Capital outlay	-	7	6	(1)
Debt service	-	-	-	-
Total expenditures	21,773	21,773	8,469	(13,304)
Excess (deficiency) of revenues over (under) expenditures	(2)	(2)	(216)	(214)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	439	439
Transfers out	-	-	(359)	(359)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	80	80
Net change in fund balances	(2)	(2)	(136)	(134)
Fund balances at October 1, 2007	136	136	136	-
Fund balances at September 30, 2008	$ 134	134	-	(134)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
LAW ENFORCEMENT FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	3,488	4,833	4,678	(155)
State grants and contracts	2,545	2,545	2,331	(214)
Local grants and contracts	-	-	1	1
Charges for services	6,197	1,570	2,700	1,130
Interest and rents	-	244	-	(244)
Other	300	-	-	-
Total revenues	12,530	9,192	9,710	518
EXPENDITURES:				
Current operations:				
Personnel	5,864	5,302	5,378	76
Fringe benefits	2,701	2,501	2,347	(154)
Pension	695	652	803	151
Materials and supplies	219	187	176	(11)
Contractual services	4,545	4,573	1,724	(2,849)
Travel	-	-	-	-
Operating	280	1,063	468	(595)
Rentals	126	120	90	(30)
Other charges	146	275	291	16
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	14,576	14,673	11,277	(3,396)
Excess (deficiency) of revenues over (under) expenditures	(2,046)	(5,481)	(1,567)	3,914
OTHER FINANCING SOURCES (USES):				
Transfers in	2,043	5,477	536	(4,941)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	4	4
Total other financing sources (uses)	2,043	5,477	540	(4,937)
Net change in fund balances	(3)	(4)	(1,027)	(1,023)
Fund balance at October 1, 2007	(3,051)	(3,051)	(3,051)	-
Fund balance at September 30, 2008	$ (3,054)	(3,055)	(4,078)	(1,023)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
COUNTY LIBRARY FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	328	328	287	(41)
Local grants and contracts	-	-	-	-
Charges for services	1,143	1,143	1,431	288
Interest and rents	3,916	3,940	3,465	(475)
Other	-	-	-	-
Total revenues	5,387	5,411	5,183	(228)
EXPENDITURES:				
Current operations:				
Personnel	2,397	2,397	2,323	(74)
Fringe benefits	863	863	877	14
Pension	239	239	316	77
Materials and supplies	132	127	34	(93)
Contractual services	1,648	1,650	1,449	(201)
Travel	12	12	8	(4)
Operating	45	45	68	23
Rentals	11	11	-	(11)
Other charges	634	660	455	(205)
Capital outlay	-	-	53	53
Debt service	-	-	-	-
Total expenditures	5,981	6,004	5,583	(421)
Excess (deficiency) of revenues over (under) expenditures	(594)	(593)	(400)	193
OTHER FINANCING SOURCES (USES):				
Transfers in	594	594	647	53
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	594	594	647	53
Net change in fund balances	-	1	247	246
Fund balance at October 1, 2007	-	-	-	-
Fund balance at September 30, 2008	$ -	1	247	246

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	16,158	16,158	7,570	(8,588)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	208	208	1	(207)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	16,366	16,366	7,571	(8,795)
EXPENDITURES:				
Current operations:				
Personnel	319	319	306	(13)
Fringe benefits	144	144	138	(6)
Pension	40	40	43	3
Materials and supplies	9	6	4	(2)
Contractual services	545	545	372	(173)
Travel	13	15	10	(5)
Operating	9	10	9	(1)
Rentals	-	-	-	-
Other charges	15,382	15,382	7,996	(7,386)
Capital outlay	-	-	10	10
Debt service	208	208	-	(208)
Total expenditures	16,669	16,669	8,888	(7,781)
Excess (deficiency) of revenues over (under) expenditures	(303)	(303)	(1,317)	(1,014)
OTHER FINANCING SOURCES (USES):				
Transfers in	295	295	1,317	1,022
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	295	295	1,317	1,022
Net change in fund balances	(8)	(8)	-	8
Fund balance at October 1, 2007	-	-	-	-
Fund balance at September 30, 2008	$ (8)	(8)	-	8

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
DRUG ENFORCEMENT FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	23	23	1,458	1,435
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	4,527	9,089	1,727	(7,362)
Interest and rents	-	-	16	16
Other	-	-	-	-
Total revenues	4,550	9,112	3,201	(5,911)
EXPENDITURES:				
Current operations:				
Personnel	1,253	1,293	1,440	147
Fringe benefits	542	545	553	8
Pension	142	147	221	74
Materials and supplies	227	227	128	(99)
Contractual services	693	737	627	(110)
Travel	-	-	-	-
Operating	37	37	10	(27)
Rentals	72	72	69	(3)
Other charges	1,479	5,948	70	(5,878)
Capital outlay	106	106	-	(106)
Debt service	-	-	-	-
Total expenditures	4,551	9,112	3,118	(5,994)
Excess (deficiency) of revenues over (under) expenditures	(1)	-	83	83
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(1)	-	83	83
Fund balance at October 1, 2007	-	-	-	-
Fund balance at September 30, 2008	$ (1)	-	83	83

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
NUTRITION FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,277	2,475	2,423	(52)
State grants and contracts	1,044	1,044	1,043	(1)
Local grants and contracts	-	-	-	-
Charges for services	650	650	658	8
Interest and rents	-	-	5	5
Other	34	51	40	(11)
Total revenues	4,005	4,220	4,169	(51)
EXPENDITURES:				
Current operations:				
Personnel	1,883	1,883	1,809	(74)
Fringe benefits	717	717	667	(50)
Pension	180	180	154	(26)
Materials and supplies	2,374	2,588	2,398	(190)
Contractual services	861	861	815	(46)
Travel	169	170	171	1
Operating	33	33	43	10
Rentals	-	-	-	-
Other charges	3	3	3	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	6,220	6,435	6,060	(375)
Excess (deficiency) of revenues over (under) expenditures	(2,215)	(2,215)	(1,891)	324
OTHER FINANCING SOURCES (USES):				
Transfers in	2,213	2,213	2,213	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	2,213	2,213	2,213	-
Net change in fund balances	(2)	(2)	322	324
Fund balance at October 1, 2007	390	390	390	-
Fund balance at September 30, 2008	$ 388	388	712	324

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
VETERAN'S TRUST FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	450	450	159	(291)
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	3	3
Other	-	-	-	-
Total revenues	450	450	162	(288)
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	450	450	161	(289)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	450	450	161	(289)
Excess (deficiency) of revenues over (under) expenditures	-	-	1	1
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	1	1
Fund balance at October 1, 2007	65	65	65	-
Fund balance at September 30, 2008	$ 65	65	66	1

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
E & ND 21st CENTURY FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	13,132	13,132	2,857	(10,275)
State grants and contracts	306	524	376	(148)
Local grants and contracts	-	-	-	-
Charges for services	364	364	199	(165)
Interest and rents	-	-	460	460
Other	-	-	-	-
Total revenues	13,802	14,020	3,892	(10,128)
EXPENDITURES:				
Current operations:				
Personnel	1,808	1,745	1,839	94
Fringe benefits	809	776	816	40
Pension	224	216	235	19
Materials and supplies	33	45	46	1
Contractual services	2,896	3,232	2,917	(315)
Travel	30	39	79	40
Operating	20	21	18	(3)
Rentals	-	-	-	-
Other charges	12,539	12,500	2,304	(10,196)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	18,359	18,574	8,254	(10,320)
Excess (deficiency) of revenues over (under) expenditures	(4,557)	(4,554)	(4,362)	192
OTHER FINANCING SOURCES (USES):				
Transfers in	4,550	4,550	4,550	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	4,550	4,550	4,550	-
Net change in fund balances	(7)	(4)	188	192
Fund balance at October 1, 2007	656	656	656	-
Fund balance at September 30, 2008	$ 649	652	844	192

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
COMMUNITY CORRECTIONS FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	881	1,384	890	(494)
State grants and contracts	5,797	2,631	2,610	(21)
Local grants and contracts	-	-	-	-
Charges for services	1,845	1,845	2,041	196
Interest and rents	431	431	426	(5)
Other	-	-	-	-
Total revenues	8,954	6,291	5,967	(324)
EXPENDITURES:				
Current operations:				
Personnel	914	914	985	71
Fringe benefits	384	384	402	18
Pension	113	113	111	(2)
Materials and supplies	154	165	93	(72)
Contractual services	7,014	4,480	3,835	(645)
Travel	27	27	5	(22)
Operating	22	22	26	4
Rentals	822	822	714	(108)
Other charges	12	22	-	(22)
Capital outlay	5	201	196	(5)
Debt service	-	-	-	-
Total expenditures	9,467	7,150	6,367	(783)
Excess (deficiency) of revenues over (under) expenditures	(513)	(859)	(400)	459
OTHER FINANCING SOURCES (USES):				
Transfers in	504	654	605	(49)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	504	654	605	(49)
Net change in fund balances	(9)	(205)	205	410
Fund balance at October 1, 2007	517	517	517	-
Fund balance at September 30, 2008	$ 508	312	722	410

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
VICTIM WITNESS FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	605	563	(42)
State grants and contracts	750	750	724	(26)
Local grants and contracts	-	-	-	-
Charges for services	-	-	3	3
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	750	1,355	1,290	(65)
EXPENDITURES:				
Current operations:				
Personnel	633	1,060	1,191	131
Fringe benefits	275	464	515	51
Pension	79	131	125	(6)
Materials and supplies	3	8	3	(5)
Contractual services	190	238	152	(86)
Travel	8	23	21	(2)
Operating	5	8	9	1
Rentals	-	-	-	-
Other charges	-	-	22	22
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	1,193	1,932	2,038	106
Excess (deficiency) of revenues over (under) expenditures	(443)	(577)	(748)	(171)
OTHER FINANCING SOURCES (USES):				
Transfers in	445	580	748	168
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	445	580	748	168
Net change in fund balances	2	3	-	(3)
Fund balance at October 1, 2007	-	-	-	-
Fund balance at September 30, 2008	$ 2	3	-	(3)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
SOLDIERS' RELIEF FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ 1,811	1,811	1,967	156
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	9	9
Interest and rents	-	-	46	46
Other	-	-	-	-
Total revenues	1,811	1,811	2,022	211
EXPENDITURES:				
Current operations:				
Personnel	276	276	306	30
Fringe benefits	124	124	134	10
Pension	34	34	35	1
Materials and supplies	12	12	3	(9)
Contractual services	1,292	1,292	457	(835)
Travel	20	20	7	(13)
Operating	11	11	8	(3)
Rentals	27	27	24	(3)
Other charges	10	11	10	(1)
Capital outlay	5	4	-	(4)
Debt service	-	-	-	-
Total expenditures	1,811	1,811	984	(827)
Excess (deficiency) of revenues over (under) expenditures	-	-	1,038	1,038
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	1,038	1,038
Fund balance at October 1, 2007	1,576	1,576	1,576	-
Fund balance at September 30, 2008	$ 1,576	1,576	2,614	1,038

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
YOUTH SERVICES FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ 4,488	4,488	4,721	233
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	34	34	-	(34)
Other	-	-	-	-
Total revenues	4,522	4,522	4,721	199
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	1,745	1,745	1,907	162
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	21	21
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	1,745	1,745	1,928	183
Excess (deficiency) of revenues over (under) expenditures	2,777	2,777	2,793	16
OTHER FINANCING SOURCES (USES):				
Transfers in	1,223	1,223	1,223	-
Transfers out	(4,001)	(4,001)	(4,001)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(2,778)	(2,778)	(2,778)	-
Net change in fund balances	(1)	(1)	15	16
Fund balance at October 1, 2007	1,129	1,129	1,129	-
Fund balance at September 30, 2008	$ 1,128	1,128	1,144	16

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
BUILDING AUTHORITY FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	4	4
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	4	4
Excess (deficiency) of revenues over (under) expenditures	-	-	(4)	(4)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3	3
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	3	3
Net change in fund balances	-	-	(1)	(1)
Fund balance at October 1, 2007	1	1	1	-
Fund balance at September 30, 2008	$ 1	1	-	(1)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
STADIUM AND LAND DEVELOPMENT FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	7,500	7,500	8,408	908
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	45	45	6	(39)
Other	-	-	-	-
Total revenues	7,545	7,545	8,414	869
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	253	253	178	(75)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	7,292	7,292	8,238	946
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	7,545	7,545	8,416	871
Excess (deficiency) of revenues over (under) expenditures	-	-	(2)	(2)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(2)	(2)
Fund balance at October 1, 2007	2	2	2	-
Fund balance at September 30, 2008	$ 2	2	-	(2)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
BUDGET STABILIZATION FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
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, 2007	3,000	3,000	3,000	-
Fund balance at September 30, 2008	$ 3,000	3,000	3,000	-

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
ENVIRONMENTAL PROGRAMS FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	474	474	297	(177)
Local grants and contracts	357	357	739	382
Charges for services	3,111	3,111	2,686	(425)
Interest and rents	150	150	228	78
Other	-	-	-	-
Total revenues	4,092	4,092	3,950	(142)
EXPENDITURES:				
Current operations:				
Personnel	929	929	847	(82)
Fringe benefits	411	411	380	(31)
Pension	115	115	99	(16)
Materials and supplies	53	53	29	(24)
Contractual services	2,395	2,395	1,766	(629)
Travel	80	80	52	(28)
Operating	35	35	37	2
Rentals	60	60	64	4
Other charges	16	16	22	6
Capital outlay	-	-	5	5
Debt service	-	-	-	-
Total expenditures	4,094	4,094	3,301	(793)
Excess (deficiency) of revenues over (under) expenditures	(2)	(2)	649	651
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(2)	(2)	649	651
Fund balance at October 1, 2007	4,150	4,150	4,150	-
Fund balance at September 30, 2008	$ 4,148	4,148	4,799	651

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
NUISANCE ABATEMENT FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	12	12
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	12	12
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	2	2
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	78	78
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	-	-	80	80
Excess (deficiency) of revenues over (under) expenditures	-	-	(68)	(68)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	68	68
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	68	68
Net change in fund balances	-	-	-	-
Fund balance at October 1, 2007	(2,301)	(2,301)	(2,301)	-
Fund balance at September 30, 2008	$ (2,301)	(2,301)	(2,301)	-

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
HEALTH AND FAMILY SERVICES FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	22,683	23,352	22,935	(417)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	1	1
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	22,683	23,352	22,936	(416)
EXPENDITURES:				
Current operations:				
Personnel	508	515	497	(18)
Fringe benefits	231	235	221	(14)
Pension	63	64	67	3
Materials and supplies	33	34	15	(19)
Contractual services	21,767	22,418	21,977	(441)
Travel	15	19	18	(1)
Operating	18	18	17	(1)
Rentals	2	2	2	-
Other charges	52	52	32	(20)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	22,689	23,357	22,846	(511)
Excess (deficiency) of revenues over (under) expenditures	(6)	(5)	90	95
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	604	604
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	604	604
Net change in fund balances	(6)	(5)	694	699
Fund balance at October 1, 2007	-	-	-	-
Fund balance at September 30, 2008	$ (6)	(5)	694	699

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
PINNACLE AEROPARK FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	1,474	1,474	2,294	820
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenues	1,474	1,474	2,294	820
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	523	678	438	(240)
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	1,300	1,145	1,121	(24)
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	1,823	1,823	1,559	(264)
Excess (deficiency) of revenues over (under) expenditures	(349)	(349)	735	1,084
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(349)	(349)	735	1,084
Fund balances at October 1, 2007	278	278	278	-
Fund balances at September 30, 2008	$ (71)	(71)	1,013	1,084

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
GENERAL DEBT SERVICE FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	15,999	15,999	16,000	1
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	78	78
Other	-	-	-	-
Total revenues	15,999	15,999	16,078	79
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	20,912	20,912	17,205	(3,707)
Total expenditures	20,912	20,912	17,205	(3,707)
Excess (deficiency) of revenues over (under) expenditures	(4,913)	(4,913)	(1,127)	3,786
OTHER FINANCING SOURCES (USES):				
Transfers in	4,915	4,915	1,034	(3,881)
Transfers out	-	-	(21)	(21)
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	4,915	4,915	1,013	(3,902)
Net change in fund balances	2	2	(114)	(116)
Fund balances at October 1, 2007	5,056	5,056	5,056	-
Fund balances at September 30, 2008	$ 5,058	5,058	4,942	(116)

CHARTER COUNTY OF WAYNE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
ROADS DEBT SERVICE FUND
For the Year Ended September 30, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	1	1
Other	-	-	-	-
Total revenues	-	-	1	1
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	5,958	5,958	5,958	-
Total expenditures	5,958	5,958	5,958	-
Excess (deficiency) of revenues over (under) expenditures	(5,958)	(5,958)	(5,957)	1
OTHER FINANCING SOURCES (USES):				
Transfers in	5,958	5,958	5,958	-
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	5,958	5,958	5,958	-
Net change in fund balances	-	-	1	1
Fund balances at October 1, 2007	15	15	15	-
Fund balances at September 30, 2008	$ 15	15	16	1

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, 2008
(in thousands)

	Original Budget	Final Amended Budget	Actual	Variance Over (Under)
REVENUES:				
Taxes				
Property taxes	$ -	-	-	-
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	14,688	14,688	14,292	(396)
Other	-	-	-	-
Total revenues	14,688	14,688	14,292	(396)
EXPENDITURES:				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Debt service	14,688	14,688	14,269	(419)
Total expenditures	14,688	14,688	14,269	(419)
Excess (deficiency) of revenues over (under) expenditures	-	-	23	23
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	23	23
Fund balances at October 1, 2007	6,226	6,226	6,226	-
Fund balances at September 30, 2008	$ 6,226	6,226	6,249	23

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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, 2008
(in thousands)

	Northeast Sewage Disposal System	CSO Basins	Jail Commissary	Parking Lots	Wetlands Mitigation	Copy Center	Total Non-major Enterprise Funds
ASSETS:							
Current assets:							
Unrestricted current assets:							
Equity in pooled cash and investments	$ 2,295	-	602	2	-	400	$ 3,299
Other cash and investments	-	-	40	-	-	-	40
Due from other funds	14	-	-	-	-	-	14
Receivables:							
Accounts	1,344	-	-	2	-	-	1,346
Due from other governmental units	2,818	522	-	-	-	-	3,340
Less allowance for uncollectible accounts	-	(116)	-	-	-	-	(116)
Restricted assets: Equity in pooled cash and investments	486	2,740	-	-	-	-	3,226
Total current assets	6,957	3,146	642	4	-	400	11,149
Non-current assets:							
Restricted assets:							
Equity in pooled cash and investments	1,211	3,565	-	-	-	-	4,776
Accounts receivable	-	3,152	-	-	-	-	3,152
Bond principal due from municipalities	3,129	25,257	-	-	-	-	28,386
Capital assets:							
Non-depreciable	11	-	-	1,423	155	-	1,589
Depreciable, net	4,566	-	1	74	-	13	4,654
Other assets	16	323	-	-	-	-	339
Total non-current assets	8,933	32,297	1	1,497	155	13	42,896
Total assets	$ 15,890	35,443	643	1,501	155	413	$ 54,045
LIABILITIES AND NET ASSETS:							
Current liabilities:							
Payable from unrestricted current assets:							
Negative equity in pooled cash	$ -	223	-	-	-	-	$ 223
Accounts and contracts payable	3,903	81	-	1	-	185	4,170
Accrued wages and benefits	-	-	-	-	-	3	3
Current portion of long-term obligations	-	-	-	-	-	3	3
Other liabilities	-	-	14	-	-	150	164
Payable from restricted current assets:							
Current portion of long-term obligations	486	2,740	-	-	-	-	3,226
Total current liabilities	4,389	3,044	14	1	-	341	7,789
Noncurrent liabilities:							
Payable from restricted non-current assets:							
Accounts payable	211	2,828	-	-	-	-	3,039
Other liabilities	22	443	-	-	-	-	465
Long-term obligations - bonds payable	2,643	24,923	-	-	-	-	27,566
Other liabilities	-	-	-	-	-	7	7
Total non-current liabilities	2,876	28,194	-	-	-	7	31,077
Total liabilities	7,265	31,238	14	1	-	348	38,866
Net Assets:							
Invested in capital assets, net of related debt	1,448	-	1	1,497	155	13	3,114
Restricted for bond programs	4,593	3,780	-	-	-	-	8,373
Unrestricted	2,584	425	628	3	-	52	3,692
Total net assets	8,625	4,205	629	1,500	155	65	15,179
Total liabilities and net assets	$ 15,890	35,443	643	1,501	155	413	$ 54,045

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, 2008
(in thousands)

	Northeast Sewage Disposal System	CSO Basins	Jail Commissary	Parking Lots	Wetlands Mitigation	Copy Center	Total Non-major Enterprise Funds
OPERATING REVENUES:							
Sewage disposal charges	$ 15,768	15	-	-	-	-	$ 15,783
Other charges for services	21	1,827	2,745	142	-	540	5,275
Total operating revenues	15,789	1,842	2,745	142	-	540	21,058
OPERATING EXPENSES:							
Personnel	-	-	-	-	-	141	141
Fringe benefits	-	-	-	-	-	68	68
Pension	-	-	-	-	-	26	26
Materials and supplies	33	97	722	-	-	38	890
Contractual services	16,114	1,248	1,340	137	-	216	19,055
Miscellaneous operating	305	395	2	-	-	29	731
Rentals	361	39	-	-	-	188	588
Other charges	-	-	475	2	-	12	489
Depreciation and amortization	343	-	6	4	-	4	357
Total operating expenses	17,156	1,779	2,545	143	-	722	22,345
Operating income (loss)	(1,367)	63	200	(1)	-	(182)	(1,287)
Non-operating revenues (expenses)							
Investment earnings (loss)	191	350	16	-	-	8	565
Collections from participating local units	103	1,342	-	-	-	-	1,445
Interest expense	(116)	(1,504)	-	-	-	-	(1,620)
Total non-operating revenues (expenses)	178	188	16	-	-	8	390
Net income (loss) before capital contributions	(1,189)	251	216	(1)	-	(174)	(897)
Contributed assets	-	(71)	-	-	-	-	(71)
Change in net assets	(1,189)	180	216	(1)	-	(174)	(968)
Net assets at October 1, 2007	9,814	4,025	413	1,501	155	239	16,147
Net assets at September 30, 2008	$ 8,625	4,205	629	1,500	155	65	$ 15,179

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2008
(in thousands)

	Northeast Sewage Disposal System	CSO Basins	Jail Commissary	Parking Lots	Wetlands Mitigation	Copy Center	Total Non-major Enterprise Funds
Cash flows from operating activities:							
Receipts from customers	$ 15,987	2,283	2,860	145	-	540	$ 21,815
Payments to suppliers	(15,473)	(2,916)	(2,719)	(138)	-	(157)	(21,403)
Payments to employees and payments for benefits	-	-	-	-	-	(230)	(230)
Net cash provided by (used in) operating activities	514	(633)	141	7	-	153	182
Cash flows from capital and related financing activities:							
Repayment of long-term debt	(491)	(2,080)	-	-	-	-	(2,571)
Bond principal received from municipalities	476	2,657	-	-	-	-	3,133
Interest received from participating local units	103	1,342	-	-	-	-	1,445
Acquisition of capital assets	(167)	(71)	-	-	-	-	(238)
Interest paid	(116)	(1,443)	-	-	-	-	(1,559)
Net cash provided used in capital and related financing activities	(195)	405	-	-	-	-	210
Cash flows from investing activities:							
Investment earnings	191	350	16	-	-	8	565
Net cash provided by investing activities	191	350	16	-	-	8	565
Net decrease in cash and cash equivalents	510	122	157	7	-	161	957
Cash and cash equivalents at October 1, 2007	3,482	5,960	485	(5)	-	239	10,161
Cash and cash equivalents at September 30, 2008	$ 3,992	6,082	642	2	-	400	$ 11,118
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating income (loss)	$ (1,367)	63	200	(1)	-	(182)	$ (1,287)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:							
Depreciation and amortization	343	-	6	4	-	4	357
Decreases (increases) in current assets:							
Accounts receivable	186	458	115	3	-	-	762
Due from other funds	(14)	-	-	-	-	-	(14)
Due from other governmental units	26	(17)	-	-	-	-	9
Increases (decreases) in current liabilities:							
Accounts and contracts payable	1,318	(1,198)	(170)	1	-	176	127
Accrued wages and benefits	-	-	-	-	-	(3)	(3)
Other liabilities	22	61	(10)	-	-	150	223
Compensated absences	-	-	-	-	-	8	8
Net cash provided by (used in) operating activities	$ 514	(633)	141	7	-	153	$ 182
Cash and cash equivalents at September 30, 2008 consists of the following:							
Equity in pooled cash and investments	$ 2,295	-	602	2	-	400	3,299
Negative equity in pooled cash	-	(223)	-	-	-	-	(223)
Other cash and investments	-	-	40	-	-	-	40
Restricted assets:							
Equity in pooled cash and equivalents	1,697	6,305	-	-	-	-	8,002
Total cash and investments	$ 3,992	6,082	642	2	-	400	$ 11,118

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, 2008
(in thousands)

	Central Services	Department of Environment	Long-Term Disability	General Health
ASSETS:				
Current assets:				
Equity in pooled cash and investments	$ 3,019	376	625	8,655
Other cash and investments	3	1	-	-
Due from other funds	9	-	-	-
Due from component units	143	-	-	-
Receivables:				
Accounts	-	-	-	1,310
Due from other governmental units	525	1	-	-
Supplies inventory, at cost	151	-	-	-
Prepayments and deposits	79	-	-	-
Total current assets	3,929	378	625	9,965
Non-current assets:				
Capital assets:				
Non-depreciable	2,294	24	-	-
Depreciable, net	3,765	610	-	-
Other Assets:				
Long-term receivables	-	-	-	-
Total non-current assets	6,059	634	-	-
Total assets	$ 9,988	1,012	625	9,965
LIABILITIES AND NET ASSETS:				
Negative equity in pooled cash	$ -	-	-	-
Accounts and contracts payable	877	134	-	1,300
Accrued wages and benefits	921	103	36	6
Due to other funds	58	-	-	-
Current portion of long-term obligations	2,509	258	-	-
Other liabilities	1,630	-	331	4,745
Total current liabilities	5,995	495	367	6,051
Non-current liabilities:				
Other liabilities	1,207	108	-	-
Advances from other funds	-	-	-	-
Notes payable	-	-	-	-
Total non-current liabilities	1,207	108	-	-
Total liabilities	7,202	603	367	6,051
Net assets:				
Invested in capital assets, net of related debt	6,059	634	-	-
Unrestricted	(3,273)	(225)	258	3,914
Total net assets	2,786	409	258	3,914
Total liabilities and net assets	$ 9,988	1,012	625	9,965

Workers' Compensation Self Insurance	General Liability	Equipment Lease Financing	Building and Grounds Maintenance	Totals
6,789	1,732	-	-	$ 21,196
-	-	-	-	4
1,450	205	365	-	2,029
-	-	-	-	143
-	-	-	-	1,310
-	-	-	-	526
-	-	-	-	151
-	-	-	-	79
8,239	1,937	365	-	25,438
-	-	30,525	-	32,843
-	-	6,542	20,849	31,766
-	-	-	32,560	32,560
-	-	37,067	53,409	97,169
8,239	1,937	37,432	53,409	$ 122,607
-	-	-	4,586	$ 4,586
30	76	-	1,788	4,205
-	-	-	201	1,267
-	-	1	-	59
-	-	-	1,784	4,551
8,410	70	-	-	15,186
8,440	146	1	8,359	29,854
-	-	-	32,890	34,205
-	-	43,956	-	43,956
-	-	-	9,509	9,509
-	-	43,956	42,399	87,670
8,440	146	43,957	50,758	117,524
-	-	-	10,309	17,002
(201)	1,791	(6,525)	(7,658)	(11,919)
(201)	1,791	(6,525)	2,651	5,083
8,239	1,937	37,432	53,409	$ 122,607

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, 2008
(in thousands)

	Central Services	Department of Environment	Long-Term Disability	General Health
OPERATING REVENUES:				
Charges for services	$ 67,493	5,392	572	119,916
Rentals and expense recoveries	-	221	-	-
Total operating revenues	67,493	5,613	572	119,916
OPERATING EXPENSES:				
Personnel	24,738	2,311	-	3
Fringe benefits	11,913	934	-	1
Pension	3,067	275	-	-
Materials and supplies	436	109	-	-
Contractual services	20,376	1,539	12	523
Travel	401	27	-	-
Miscellaneous operating	5,036	110	907	117,256
Rentals	1,774	209	-	-
Other charges	191	-	1,668	22
Depreciation and amortization	868	105	-	-
Total operating expenses	68,800	5,619	2,587	117,805
Operating income (loss)	(1,307)	(6)	(2,015)	2,111
Non-operating revenues (expenses):				
Investment earnings (loss)	(17)	(1)	-	-
Interest expense	-	-	-	-
Federal grants	525	-	-	-
Total non-operating revenues (expenses)	508	(1)	-	-
Income (loss) before capital contributions and transfers	(799)	(7)	(2,015)	2,111
Contributed assets	-	-	-	-
Transfer of capital assets (note 8)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net assets	(799)	(7)	(2,015)	2,111
Net assets at October 1, 2007	3,585	416	2,273	1,803
Net assets at September 30, 2008	$ 2,786	409	258	3,914

Workers' Compensation Self Insurance	General Liability	Equipment Lease Financing	Building and Grounds Maintenance	Totals
4,412	2,509	-	23,847	$ 224,141
-	-	1,849	1,899	3,969
4,412	2,509	1,849	25,746	228,110
-	-	-	7,155	34,207
-	-	-	3,411	16,259
-	-	-	938	4,280
-	-	-	951	1,496
284	16	4	2,378	25,132
-	-	-	70	498
4,402	2,338	-	4,869	134,918
-	-	-	3,108	5,091
-	-	-	33	1,914
-	-	531	2,143	3,647
4,686	2,354	535	25,056	227,442
(274)	155	1,314	690	668
-	-	(1,482)	707	(793)
-	-	-	(1,063)	(1,063)
-	-	-	-	525
-	-	(1,482)	(356)	(1,331)
(274)	155	(168)	334	(663)
-	-	(17,002)	-	(17,002)
-	-	-	(30)	(30)
-	-	365	-	365
-	-	-	(242)	(242)
(274)	155	(16,805)	62	(17,572)
73	1,636	10,280	2,589	22,655
(201)	1,791	(6,525)	2,651	$ 5,083

CHARTER COUNTY OF WAYNE, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2008
(in thousands)

	Central Services	Department of Environment	Long-term Disability	General Health
Cash flows from operating activities:				
Receipts for interfund services provided	$ 66,970	5,615	572	119,799
Receipts from interfund loans	49	-	-	-
Payments to employees and payments for benefits	(38,075)	(3,529)	13	2
Payments to suppliers	(29,737)	(1,932)	(2,587)	(116,886)
Payments to component units	(73)	-	(430)	(719)
Net cash provided by (used in) operating activities	(866)	154	(2,432)	2,196
Cash flows from noncapital financing activities:				
Transfers (to) from other funds	-	-	-	-
Federal grants	525	-	-	-
Net cash provided by (used in) noncapital and related financing activities	525	-	-	-
Cash flows from capital and related financing activities:				
Repayment of long-term debt	-	-	-	-
Advances from other funds	-	-	-	-
Acquisition of capital assets	(1,095)	-	-	-
Interest paid	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(1,095)	-	-	-
Cash flows from investing activities:				
Investment earnings (loss)	(17)	(1)	-	-
Net cash provided by investing activities	(17)	(1)	-	-
Net increase (decrease) in cash and cash equivalents	(1,453)	153	(2,432)	2,196
Cash and cash equivalents at October 1, 2007	4,475	224	3,057	6,459
Cash and cash equivalents at September 30, 2008	$ 3,022	377	625	8,655
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ (1,307)	(6)	(2,015)	2,111
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	868	105	-	-
(Increases) decreases in current assets:				
Accounts receivable	2	-	-	(117)
Due from other funds	(9)	-	-	-
Due from other governmental units	(525)	2	-	-
Due from component units	(73)	-	-	-
Other assets	52	-	-	-
Increases (decreases) in current liabilities:				
Accounts and contracts payable	75	116	-	1,035
Accrued wages and benefits	365	47	13	6
Due to other funds	58	-	-	-
Due to component units	-	-	(430)	(719)
Other liabilities	(1,650)	(54)	-	(120)
Compensated absences payable	71	(164)	-	-
(Decrease) in noncurrent other liabilities	1,207	108	-	-
Net cash provided by (used in) operating activities	$ (866)	154	(2,432)	2,196
Cash and cash equivalents at September 30, 2008 consists of the following:				
Equity in pooled cash and investments	$ 3,019	376	625	8,655
Negative equity in pooled cash	-	-	-	-
Other cash and investments	3	1	-	-
Total cash and investments	$ 3,022	377	625	8,655

Workers' Compensation Self Insurance	General Liability	Equipment Lease Financing	Building and Grounds Maintenance	Totals
4,412	2,509	1,849	25,746	$ 227,472
(1,450)	(205)	1	-	(1,605)
-	-	-	(11,330)	(52,919)
(3,575)	(2,283)	(4)	(11,787)	(168,791)
(909)	(117)	-	-	(2,248)
(1,522)	(96)	1,846	2,629	1,909
-	-	-	(242)	(242)
-	-	-	-	525
-	-	-	(242)	283
-	-	-	(1,099)	(1,099)
-	-	(364)	-	(364)
-	-	-	(42)	(1,137)
-	-	-	(1,063)	(1,063)
-	-	(364)	(2,204)	(3,663)
-	-	(1,482)	707	(793)
-	-	(1,482)	707	(793)
(1,522)	(96)	-	890	(2,264)
8,311	1,828	-	(5,476)	18,878
6,789	1,732	-	(4,586)	$ 16,614
(274)	155	1,314	690	$ 668
-	-	531	2,143	3,647
-	-	-	-	(115)
(1,450)	(205)	-	-	(1,664)
-	-	-	-	(523)
-	-	-	-	(73)
-	-	-	-	52
(19)	76	-	(378)	905
-	-	-	(132)	299
-	-	1	-	59
(909)	(117)	-	-	(2,175)
1,130	(5)	-	-	(699)
-	-	-	(24)	(117)
-	-	-	330	1,645
(1,522)	(96)	1,846	2,629	$ 1,909
6,789	1,732	-	-	$ 21,196
-	-	-	(4,586)	(4,586)
-	-	-	-	4
6,789	1,732	-	(4,586)	$ 16,614

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, 2008
(in thousands)

	Employees	Circuit Court Commissioners Bailiffs'	Defined Contribution Plan	Total Pension and (Other Employee Benefit) Trust Funds
ASSETS:				
Equity in pooled cash and investments	$ 17,002	215	444	$ 17,661
Due from other funds	51	-	-	51
Due from component units	18	-	23	41
Receivables:				
Accounts receivable	4,344	-	-	4,344
Accrued interest receivable	1,628	1	-	1,629
Total receivables	5,972	1	-	5,973
Retirement investments:				
Equity securities	501,768	4,595	217,256	723,619
Debt securities	132,324	88	109,157	241,569
Money market funds	23,958	138	-	24,096
Other investments	188,879	-	32,531	221,410
Total retirement investments	846,929	4,821	358,944	1,210,694
Prepayments and deposits	26	-	-	26
Depreciable capital assets, net	-	-	-	-
Total assets	$ 869,998	5,037	359,411	$ 1,234,446
LIABILITIES:				
Accounts and contracts payable	$ 633	-	-	$ 633
Accrued wages and benefits	54	-	-	54
Other liabilities	160	-	-	160
Due to broker for securities purchased	9,623	-	-	9,623
Total liabilities	$ 10,470	-	-	$ 10,470
NET ASSETS:				
Net assets held in trust for pension benefits	$ 859,528	5,037	359,411	$ 1,223,976

CHARTER COUNTY OF WAYNE, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND (OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Year Ended September 30, 2008
(in thousands)

	Employees	Circuit Court Commissioners Bailiffs'	Defined Contribution Plan	Total Pension and (Other Employee Benefits) Trust Funds
ADDITIONS:				
Investment income (loss):				
Net depreciation to fair market value	$ (178,090)	(1,929)	(72,580)	$ (252,599)
Interest and dividends	27,977	11	8,168	36,156
Other investment income	1,140	49	553	1,742
Investment expenses	(3,710)	-	-	(3,710)
Net investment income (loss)	(152,683)	(1,869)	(63,859)	(218,411)
Retirement contributions:				
Employer	18,420	36	26,330	44,786
Employee	70,096	31	8,566	78,693
Total additions	(64,167)	(1,802)	(28,963)	(94,932)
DEDUCTIONS:				
Administrative expenses:				
Personnel	1,317	-	-	1,317
Fringe benefits	610	-	-	610
Pension	171	-	-	171
Materials and supplies	108	-	-	108
Contractual services	644	27	502	1,173
Travel	95	-	-	95
Rentals	269	-	-	269
Depreciation and amortization	5	-	-	5
Other charges	16	-	-	16
Total administrative expenses	3,235	27	502	3,764
Participant benefits	111,048	144	79,351	190,543
Total participant benefits	111,048	144	79,351	190,543
Total deductions	114,283	171	79,853	194,307
Change in net assets	(178,450)	(1,973)	(108,816)	(289,239)
Net assets at October 1, 2007	1,037,978	7,010	468,227	1,513,215
Net assets at September 30, 2008	$ 859,528	5,037	359,411	$ 1,223,976

CHARTER COUNTY OF WAYNE, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
As of September 30, 2008
(in thousands)

	Trust and Agency	Undistrib-uted Tax	Library Penal Fines	Office of the County Clerk	Retain-ages	Imprest Payroll	Imprest Retirement Payroll	Total Agency Funds
ASSETS:								
Equity in pooled cash and investments	$ 479	262,268	823	8,250	406	1,728	4,161	$ 278,115
Other cash and investments	1,394	-	-	60	276	-	-	1,730
Accounts receivable	763	-	-	6	-	-	-	769
Total assets	$ 2,636	262,268	823	8,316	682	1,728	4,161	$ 280,614
LIABILITIES:								
Accounts and contracts payable	$ 276	406	-	334	9	-	1,111	$ 2,136
Due to other funds	134	-	-	-	-	-	-	134
Due to other governmental units	49	-	-	-	-	1,278	6	1,333
Accrued wages and benefits	-	-	-	-	-	449	3,041	3,490
Undistributed taxes	-	261,862	-	-	-	-	-	261,862
Retainage	-	-	-	-	673	-	-	673
Other liabilities	2,177	-	823	7,982	-	1	3	10,986
Total liabilities	$ 2,636	262,268	823	8,316	682	1,728	4,161	$ 280,614

CHARTER COUNTY OF WAYNE, MICHIGAN

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended September 30, 2008

(in thousands)

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
TRUST AND AGENCY				
ASSETS:				
Equity in pooled cash and investments	$ 3,697	1,543,914	1,547,132	$ 479
Other cash and investments	1,894	1,394	1,894	1,394
Receivables:				
Accounts	666	14,890	14,793	763
Due from other funds	-	2,071,163	2,071,163	-
Total assets	$ 6,257	3,631,361	3,634,982	$ 2,636
LIABILITIES:				
Accounts and contracts payable	$ 868	60,092	60,684	$ 276
Due to other funds	-	134	-	134
Due to other governmental units	221	25,578	25,750	49
Retainage	1,894	3,197	5,091	-
Other liabilities	3,274	4,112,165	4,113,262	2,177
Total liabilities	$ 6,257	4,201,166	4,204,787	$ 2,636

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
UNDISTRIBUTED TAX				
ASSETS:				
Equity in pooled cash and investments	$ 123,410	1,304,481	1,165,623	$ 262,268
Receivables:				
Accounts	-	986,156	986,156	-
Due from other funds	-	693,539	693,539	-
Total assets	$ 123,410	2,984,176	2,845,318	$ 262,268
LIABILITIES:				
Accounts and contracts payable	$ 686	36,365	36,645	$ 406
Accrued wages and benefits	-	90	90	-
Undistributed taxes	122,724	1,052,365	913,227	261,862
Total liabilities	$ 123,410	1,088,820	949,962	$ 262,268

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, CONTINUED

For the Year Ended September 30, 2008

(in thousands)

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
LIBRARY PENAL FINES				
ASSETS:				
Equity in pooled cash and investments	$ 902	3,121	3,200	$ 823
Receivables:				
Due from other funds	-	2,770	2,770	-
Total assets	$ 902	5,891	5,970	$ 823
LIABILITIES:				
Accounts and contracts payable	$ -	-	-	$ -
Other liabilities	902	5,967	6,046	823
Total liabilities	$ 902	5,967	6,046	$ 823

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
OFFICE OF THE COUNTY CLERK				
ASSETS:				
Equity in pooled cash and investments	$ 5,998	17,983	15,731	$ 8,250
Other cash and investments	613	29,502	30,055	60
Receivables:				
Accounts	66	19,148	19,208	6
Due from other funds	-	14,059	14,059	-
	-	-	-	
Total assets	$ 6,677	80,692	79,053	$ 8,316
LIABILITIES:				
Accounts and contracts payable	$ 220	4,687	4,573	$ 334
Other liabilities	6,457	40,152	38,627	7,982
	-	-	-	
Total liabilities	$ 6,677	44,839	43,200	$ 8,316

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, CONTINUED
For the Year Ended September 30, 2008
(in thousands)

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
RETAINAGES				
ASSETS:				
Equity in pooled cash and investments	$ 478	45	117	$ 406
Other cash and investments	281	88	93	276
Receivables:				
Due from other funds	-	87	87	-
	-	-	-	
Total assets	$ 759	220	297	$ 682
LIABILITIES:				
Accounts and contracts payable	$ 9	124	124	$ 9
Retainage	750	95	172	673
Total liabilities	$ 759	219	296	$ 682

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
IMPREST PAYROLL				
ASSETS:				
Equity in pooled cash and investments	$ 5,762	320,999	325,033	$ 1,728
Receivables:				
Due from other funds	-	306,737	306,737	-
Total assets	$ 5,762	627,736	631,770	$ 1,728
LIABILITIES:				
Accounts and contracts payable	$ 2,489	77,799	80,288	$ -
Due to other governmental units	1,536	102,513	102,771	1,278
Accrued wages and benefits	1,688	517,584	518,823	449
Other liabilities	49	43,425	43,473	1
Total liabilities	$ 5,762	741,321	745,355	$ 1,728

(Continued)

CHARTER COUNTY OF WAYNE, MICHIGAN
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, CONTINUED
For the Year Ended September 30, 2008
(in thousands)

	Balance October 1, 2007	Additions	Deductions	Balance September 30, 2008
IMPREST RETIREMENT PAYROLL				
ASSETS:				
Equity in pooled cash and investments	$ 4,113	165,826	165,778	$ 4,161
Receivables:				
Accounts	1	155	156	-
Total assets	$ 4,114	165,981	165,934	$ 4,161
LIABILITIES:				
Accounts and contracts payable	$ 1,101	13,446	13,436	$ 1,111
Due to other funds	-	527	527	-
Due to other governmental units	-	13,848	13,842	6
Accrued wages and benefits	3,013	264,763	264,735	3,041
Other liabilities	-	411	408	3
Total liabilities	$ 4,114	292,995	292,948	$ 4,161
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Equity in pooled cash and investments	$ 144,360	3,356,369	3,222,614	$ 278,115
Other cash and investments	2,788	30,984	32,042	1,730
Receivables:				
Accounts	733	1,023,119	1,023,083	769
Due from other funds	-	3,085,585	3,085,585	-
Total assets	$ 147,881	7,496,057	7,363,324	$ 280,614
LIABILITIES:				
Accounts and contracts payable	$ 5,373	193	189	$ 2,136
Due to other funds	-	1	1	134
Due to other governmental units	1,757	142	141	1,333
Accrued wages and benefits	4,701	782	781	3,490
Undistributed taxes	122,724	1,052	1,192	261,862
Retainage	3,546	3	4	673
Other liabilities	9,780	4,202	4,200	10,986
Total liabilities	$ 147,881	6,375	6,508	$ 280,614

(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.

Drainage Districts (Chapter 8, 20 and 21) – Each of the drainage districts is a separate legal entity, with the power to contract, to sue and to be sued, and to hold, manage, and dispose of real and personal property. Drainage districts are established to provide for the construction, maintenance and funding of drains, sewers and equipment used in water management and flood control. Drainage districts are governed by Act No. 40 of the Public Acts of 1956. The full faith and credit of the County is generally given for the long-term debt of the drainage districts. 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 (MCDC) – 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 (WRJEGF) – The Foundation is an IRS Section 501 (c) (3) Michigan organization formed to raise funds to support and encourage job and economic development opportunities, projects, and initiatives; and corporations, charities and other organizations that promote the growth of businesses in Wayne County.

Development Corporation of Wayne County (DCWC) – The DCWC is an IRS Section 501 (c) (3) Michigan foundation formed to facilitate, plan, organize, promote, manage and administer programs and activities designed to foster local Wayne County neighborhood community improvement and development, with emphasis on improving opportunities for low and moderate income individuals and families within Wayne County. The DCWC will obtain and maintain qualification as a Community Housing Development Corporation, under applicable state and federal laws and regulations. The foundation is funded solely by grants from the County.

Wayne County Land Bank Corporation (Land Bank) – The Land Bank was established by State enabling legislation and was incorporated through an intergovernmental agreement between the Michigan Land Bank Fast Track Authority and the Wayne County Treasurer. Its purpose is to aquire, 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, 2008
(in thousands)

	DWCSA	Chapter 8	Chapter 20	Chapter 21	Probate Court	EDC
ASSETS:						
Current assets:						
Equity in pooled cash and investments	$ -	4,162	10,250	1,185	1,023	287
Other cash and investments	8,352	-	-	-	-	1,173
Due from primary government	658	-	-	-	-	-
Receivables:						
Accounts receivable	3	-	-	-	12	43
Special assessments	-	563	812	1,850	-	-
Due from other governmental units	-	240	1,247	154	-	-
Less allowance for uncollectable accounts	-	(141)	-	-	-	-
Inventory - real property held for sale	-	-	-	-	-	17
Prepayments and deposits	-	-	-	-	36	384
Total current assets	9,013	4,824	12,309	3,189	1,071	1,904
Non-current assets:						
Restricted assets:						
Equity in pooled cash and investments	-	-	-	296	-	-
Capital assets:						
Non-depreciable	81,984	-	-	-	-	-
Depreciable, net	486,904	-	17,185	14,649	1,550	-
Bond issuance costs, net of amortization	603	33	-	-	-	-
Special assessments receivable	-	2,396	2,479	5,805	-	-
Long-term receivables	-	-	-	-	-	-
Total non-current assets	569,491	2,429	19,664	20,750	1,550	-
Total assets	$ 578,504	7,253	31,973	23,939	2,621	1,904
LIABILITIES AND NET ASSETS:						
Current liabilities:						
Accounts and contracts payable	$ -	122	830	190	82	222
Accrued wages and benefits	-	-	7	6	310	-
Due to primary government	-	-	131	2	-	1,396
Due to other governmental units	-	-	104	-	-	-
Accrued interest	660	26	87	14	-	-
Current portion of long-term obligations	1,889	563	825	1,879	388	-
Unearned revenue	-	1,629	-	-	45	-
Other liabilities	-	17	-	-	253	-
Total current liabilities	2,549	2,357	1,984	2,091	1,078	1,618
Non-current liabilities:						
Non-current portion of long-term obligations	69,731	2,395	2,479	5,805	-	-
Other liabilities	-	-	12	9	250	-
Total non-current liabilities	69,731	2,395	2,491	5,814	250	-
Total liabilities	72,280	4,752	4,475	7,905	1,328	1,618
Net assets:						
Invested in capital assets, net of related debt	497,268	-	13,894	6,994	1,550	-
Restricted net assets:						
Bond programs	7,615	2,959	3,291	7,951	-	-
Capital projects	595	-	-	-	-	-
Unrestricted	746	(458)	10,313	1,089	(257)	286
Total net assets	506,224	2,501	27,498	16,034	1,293	286
Total liabilities and net assets	$ 578,504	7,253	31,973	23,939	2,621	1,904

	CDE	GWEDC	MGDC	BRA	Health Choice	RJEGF	DCWC	Land Bank	Total Non-major Discretely Presented Component Units
	-	187	-	253	-	-	-	4,620	$ 21,967
	214	429	585	-	5,037	8	865	111	16,774
	-	-	-	-	-	-	850	398	1,906
	111	24	124	327	387	9	-	-	1,040
	-	-	-	-	-	-	-	-	3,225
	-	-	-	-	-	-	-	-	1,641
	-	-	-	-	-	-	-	-	(141)
	-	-	-	-	-	-	-	50	67
	1	6	1	-	3	3	2	-	436
	326	646	710	580	5,427	20	1,717	5,179	46,915
	-	-	-	-	-	-	-	-	296
	-	-	-	-	-	-	-	-	81,984
	-	14	-	-	6	-	-	8	520,316
	-	-	-	-	-	-	-	-	636
	-	-	-	-	-	-	-	-	10,680
	-	-	497	-	-	-	-	-	497
	-	14	497	-	6	-	-	8	614,409
	326	660	1,207	580	5,433	20	1,717	5,187	$ 661,324
	-	64	19	-	2,711	-	-	266	$ 4,506
	-	-	-	-	-	-	-	16	339
	-	-	151	-	-	-	-	2,600	4,280
	-	-	797	-	-	-	-	-	901
	-	-	-	-	-	-	-	-	787
	-	-	-	-	3	-	-	32	5,579
	-	-	-	16	640	-	746	-	3,076
	9	4	8	182	-	40	4	170	687
	9	68	975	198	3,354	40	750	3,084	20,155
	-	-	-	-	3	-	-	-	80,413
	-	-	-	-	-	-	-	17	288
	-	-	-	-	3	-	-	17	80,701
	9	68	975	198	3,357	40	750	3,101	100,856
	-	14	-	-	-	-	-	8	519,728
	-	-	-	-	-	-	-	-	21,816
	-	-	-	-	-	-	-	-	595
	317	578	232	382	2,076	(20)	967	2,078	18,329
	317	592	232	382	2,076	(20)	967	2,086	560,468
	326	660	1,207	580	5,433	20	1,717	5,187	$ 661,324

CHARTER COUNTY OF WAYNE, MICHIGAN
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008
(in thousands)

	DWCSA	Chapter 8	Chapter 20	Chapter 21	Probate Court	EDC
EXPENSES	$ 34,014	2,969	3,218	3,102	11,833	7
PROGRAM REVENUES:						
Charges for services	7,547	2,039	2,298	1,704	876	-
Operating grants and contributions	28	654	246	246	10,889	-
Capital grants and contributions	-	-	714	-	-	-
Total program revenues	7,575	2,693	3,258	1,950	11,765	-
Net (expense) / program revenue	(26,439)	(276)	40	(1,152)	(68)	(7)
GENERAL REVENUES:						
Investment earnings (loss)	201	110	320	46	7	4
Other revenue	4	43	116	-	25	-
Total general revenues	205	153	436	46	32	4
Change in net assets	(26,234)	(123)	476	(1,106)	(36)	(3)
Net assets at October 1, 2007 (Note 17)	532,458	2,624	27,022	17,140	1,329	289
Net assets at September 30, 2008	$ 506,224	2,501	27,498	16,034	1,293	286

CDE	GWEDC	MGDC	BRA	Health Choice	RJEGF	DCWC	Land Bank	Total Non-major Discretely Presented Component Units
146	434	383	222	12,543	204	1,786	2,061	$ 72,922
277	-	153	5	12,824	-	-	123	27,846
-	419	-	160	-	139	2,653	2,800	18,234
-	-	-	-	-	-	-	-	714
277	419	153	165	12,824	139	2,653	2,923	46,794
131	(15)	(230)	(57)	281	(65)	867	862	(26,128)
-	13	45	4	53	-	33	96	932
-	-	1	-	-	-	-	-	189
-	13	46	4	53	-	33	96	1,121
131	(2)	(184)	(53)	334	(65)	900	958	(25,007)
186	594	416	435	1,742	45	67	1,128	585,475
317	592	232	382	2,076	(20)	967	2,086	$ 560,468

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 Seven Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Governmental activities							
Invested in capital assets, net of related debt	$ 982,356	$ 1,039,751	$ 1,073,350	$ 1,120,350	$ 1,197,506	$ 1,121,201	$ 1,132,156
Restricted	193,203	125,823	86,318	78,499	89,283	116,567	107,936
Unrestricted	(14,199)	82,709	66,706	31,745	(100,261)	14,882	9,136
Total governmental activities net assets	$ 1,161,360	$ 1,248,283	$ 1,226,374	$ 1,230,594	$ 1,186,528	$ 1,252,650	$ 1,249,228
Business-type activities							
Invested in capital assets, net of related debt	$ 159,655	$ 160,424	$ 180,638	$ 215,294	$ 213,588	$ 210,961	$ 218,772
Restricted	200,105	211,789	188,935	27,757	8,860	5,598	23,508
Unrestricted	15,761	22,295	22,332	226,294	263,049	284,801	275,036
Total business-type activities net assets	$ 375,521	$ 394,508	$ 391,905	$ 469,345	$ 485,497	$ 501,360	$ 517,316
Primary government							
Invested in capital assets, net of related debt	$ 1,142,011	$ 1,200,175	$ 1,253,988	$ 1,335,644	$ 1,411,094	$ 1,332,162	$ 1,350,928
Restricted	393,308	337,612	275,253	106,256	98,143	122,165	131,444
Unrestricted	1,562	105,004	89,038	258,039	162,788	299,683	284,172
Total primary government net assets	$ 1,536,881	$ 1,642,791	$ 1,618,279	$ 1,699,939	$ 1,672,025	$ 1,754,010	$ 1,766,544

Source: Statement of Net Assets

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 2

Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Expenses							
Governmental activities:							
Legislative	$ 11,873	$ 9,871	$ 8,972	$ 9,189	$ 10,177	$ 11,412	$ 11,876
Judicial	119,539	98,345	96,897	97,825	96,132	95,642	108,709
General government	131,833	174,234	151,149	145,811	153,569	138,171	129,032
Public safety	177,999	177,762	166,593	155,603	155,073	143,033	140,377
Public works	7,290	7,510	6,992	7,214	1,405	1,361	1,612
Highways, streets and bridges	142,452	140,230	164,345	153,093	155,502	136,368	191,950
Health and welfare	979,211	950,270	944,029	901,419	898,802	810,848	847,542
Recreation and cultural	30,925	27,310	32,173	29,385	21,382	25,316	20,370
Community and economic development	20,780	17,763	17,966	-	-	-	-
Non-departmental *	-	-	16,057	26,348	68,457	16,194	10,556
Interest on long-term debt	21,111	18,465	27,412	24,700	21,852	18,524	20,396
Total governmental activities net expenses	1,643,013	1,621,760	1,632,585	1,550,587	1,582,351	1,396,869	1,482,420
Business-type activities							
Sewage Disposal Systems	96,723	92,064	157,499	93,033	94,529	88,812	88,384
Jail Commissary	2,545	2,149	1,648	1,187	1,617	1,519	1,894
Parking Lots	143	107	114	204	219	204	274
Wetlands Mitigation	-	1	1	5	3	18	349
Copy Center	722	320	23	-	-	-	-
Total business-type activities expenses	100,133	94,641	159,285	94,429	96,368	90,553	90,901
Total primary government expenses	$ 1,743,146	$ 1,716,401	$ 1,791,870	$ 1,645,016	$ 1,678,719	$ 1,487,422	$ 1,573,321
Program Revenues							
Governmental activities:							
Charges for services:							
Legislative	$ 1,612	$ -	$ -	$ -	$ -	$ -	$ 40
Judicial	19,460	22	2	-	-	-	-
General government	78,978	82,763	111,035	110,026	98,695	53,754	51,979
Public safety	42,122	30,437	26,020	27,283	21,876	31,025	31,649
Public works	6,324	6,609	5,973	6,030	166	150	283
Highways, streets and bridges	10,966	8,078	6,649	6,441	2,516	14,058	12,517
Health and welfare	14,555	14,518	24,881	30,723	28,000	36,017	31,930
Recreation and cultural	2,605	2,631	5,713	3,681	5,025	3,604	4,386
Community and economic development	862	758	1,321	-	-	-	-
Non-departmental *	-	-	-	1,367	3,016	7,831	2,513
Operating grants and contributions	880,502	869,537	878,985	872,743	866,483	788,897	796,511
Capital grants and contributions	24,411	15,347	12,681	10,281	18,963	8,278	8,998
Total governmental activities program revenues	$ 1,082,397	$ 1,030,700	$ 1,073,260	$ 1,068,575	$ 1,044,740	$ 943,614	$ 940,806

* - The non-departmental function has been reclassified to more specific line items.

Source: Statement of Activities

See accompanying accountant's report.

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

Table 2

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Business-type activities:							
Charges for services:							
Sewage Disposal Systems	$ 70,645	$ 68,162	$ 67,553	$ 68,001	$ 68,028	$ 65,806	$ 65,172
Jail Commissary	2,745	2,405	1,314	1,314	1,218	1,387	1,427
Parking Lots	142	226	197	174	314	483	274
Wetlands Mitigation	-	-	-	-	3	7	62
Copy Center	540	329	247	-	-	-	-
Operating grants and contributions	5,486	6,161	7,071	7,121	9,287	4,415	8,580
Capital grants and contributions	640	17,467	3,317	335	1,508	1,890	1,406
Total business-type activities program revenues	80,198	94,750	79,699	76,945	80,358	73,988	76,921
Total primary government revenues	$ 1,162,595	$ 1,125,450	$ 1,152,959	$ 1,145,520	$ 1,125,098	$ 1,017,602	$ 1,017,727
Net revenue (expense)							
Governmental activities	(560,616)	(591,060)	(559,325)	(482,012)	(537,611)	(453,255)	(541,614)
Business-type activities	(19,935)	109	(79,586)	(17,484)	(16,010)	(16,565)	(13,980)
Total primary government net revenue (expense)	$ (580,551)	$ (590,951)	$ (638,911)	$ (499,496)	$ (553,621)	$ (469,820)	$ (555,594)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes	$ 401,764	$ 485,554	$ 484,636	$ 465,466	$ 382,482	$ 378,551	$ 362,891
Investment earnings	28,390	37,697	33,317	29,597	21,817	28,435	30,947
State sales tax	21,701	21,985	-	-	31,687	36,295	39,683
Airport parking taxes	15,276	13,866	12,696	10,170	7,228	6,690	13,031
Other revenue	25,517	47,658	24,456	20,845	28,319	6,817	7,920
Excise	8,408	7,403	-	-	-	-	-
Contributed assets	(27,004)	-	-	-	-	-	-
Transfers	(359)	(1,195)	-	-	(45)	(111)	-
Total governmental activities	473,693	612,968	555,105	526,078	471,488	456,677	454,472
Business-type activities:							
Investment earnings	661	2,417	2,148	1,156	102	499	511
Other revenue	-	-	-	175	-	-	201
Transfers of capital assets	-	(1,118)	-	-	-	-	-
Contributed assets	(71)	-	-	-	-	-	-
Transfers in (out)	359	1,195	-	-	45	111	-
Total business-type activities	949	2,494	2,148	1,331	147	610	712
Total primary government	$ 474,642	$ 615,462	$ 557,253	$ 527,409	$ 471,635	$ 457,287	$ 455,184
Change in Net Assets							
Governmental activities	$ (86,923)	$ 21,908	$ (4,220)	$ 44,066	$ (66,123)	$ 3,422	$ (87,142)
Business-type activities	(18,986)	2,603	(77,438)	(16,153)	(15,863)	(15,955)	(13,268)
Total primary government	$ (105,909)	$ 24,511	$ (81,658)	$ 27,913	$ (81,986)	$ (12,533)	$ (100,410)

Source: Statement of Activities
See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

(in thousands)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General fund										
Reserved	$ 36,106	$ 4,230	$ 7,857	$ 5,558	$ 2,034	$ 16,243	$ 2,717	$ 2,504	$ 2,504	$ 2,576
Unreserved	(10,606)	21,148	15,842	18,079	17,066	14,517	27,706	27,355	22,419	16,955
Total general fund	$ 25,500	$ 25,378	$ 23,699	$ 23,637	$ 19,100	$ 30,760	$ 30,423	$ 29,859	$ 24,923	$ 19,531
All other governmental funds										
Reserved	$ 109,062	$ 121,622	$ 116,089	$ 53,910	$ 50,624	$ 71,896	$ 65,274	$ 86,764	$ 87,255	$ 103,912
Unreserved, reported in:										
Special revenue funds	(6,507)	33,025	22,448	81,510	49,648	33,272	31,668	73,548	81,437	78,682
Total all other governmental funds	$ 102,555	$ 154,647	$ 138,537	$ 135,420	$ 100,272	$ 105,168	$ 96,942	$ 160,312	$ 168,692	$ 182,594

Source: Balance Sheet - Governmental Funds

See accompanying accountant's report.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Table 4

Changes in Fund Balance, Governmental Funds
Last Ten Fiscal years
(modified accrual basis of accounting)
(Unaudited)

(in thousands)
Fiscal Year

	2008	2007	2006	2005	2004
Revenues					
Taxes	$ 432,714	$ 498,060	$ 472,551	$ 444,819	$ 366,881
Licenses and permits	274	431	295	362	257
Federal grants	81,062	72,779	74,348	86,857	73,030
State grants and contracts	793,348	795,048	772,603	762,754	809,759
Local grants and contracts	17,306	19,008	23,279	25,186	21,601
Charges for services	100,410	98,636	115,191	133,187	118,980
Investment earnings	25,285	33,371	29,924	27,193	19,819
Other	24,917	32,382	22,402	17,909	17,784
Total revenues	1,475,316	1,549,715	1,510,593	1,498,267	1,428,111
Expenditures					
Legislative	11,629	11,807	10,992	11,024	11,370
Judicial	100,370	98,130	96,628	97,596	94,200
General government	124,885	134,865	124,876	109,079	117,704
Public safety	167,469	161,972	151,343	150,354	149,489
Public works	1,098	1,051	1,164	1,318	1,405
Highways, streets and bridges	89,833	87,022	94,821	102,428	106,791
Health and welfare	985,003	955,338	948,725	901,866	895,239
Recreation and cultural	29,821	20,921	25,100	28,149	21,938
Non-departmental *	-	-	17,666	26,348	21,665
Community and economic development	12,802	1,800	-	-	-
Capital outlay	47,688	12,954	11,846	13,412	16,150
Debt service:		-	-	-	-
Principal	27,756	20,293	19,959	19,949	19,290
Interest	9,671	17,912	18,305	18,568	18,530
Other	2,159	578	9	17	69
		-	-	-	-
Total expenditures	1,610,184	1,524,643	1,521,434	1,480,108	1,473,840
Excess of revenues over (under) expenditures	(134,868)	25,072	(10,841)	18,159	(45,729)
Other financing sources (uses)					
Transfers in	249,506	318,947	295,941	329,148	176,072
Transfers out	(231,988)	(304,769)	(282,441)	(308,148)	(147,980)
Payment to refunded bond escrow agent	-	(90,278)	-	-	-
Bond issuance	64,045	66,395	-	-	-
Bond premium	1,158	1,583	-	-	-
Proceeds from sale of capital assets	176	839	520	526	1,081
Other financing sources	-	-	-	-	-
Total other financing sources (uses)	82,897	(7,283)	14,020	21,526	29,173
Net change in fund balances	$ (51,971)	$ 17,789	$ 3,179	$ 39,685	$ (16,556)
Debt service as a percentage of noncapital expenditures	2.5%	2.6%	2.5%	2.6%	2.6%

* - The non-departmental function has been reclassified to more specific line items.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal years
(modified accrual basis of accounting)
(Unaudited)

Table 4

(in thousands)

Fiscal Year

2003	2002	2001	2000	1999
$ 349,422	$ 329,480	$ 314,988	$ 306,972	$ 293,883
244	256	219	212	200
66,666	55,463	53,762	50,145	38,344
751,244	788,538	771,478	732,033	726,940
23,132	18,995	22,990	17,153	31,866
123,714	141,038	138,739	128,674	144,440
23,309	24,292	37,204	40,202	33,336
22,274	25,525	26,814	62,935	47,942
1,360,005	1,383,587	1,366,194	1,338,326	1,316,951
11,399	11,869	9,923	9,521	8,803
93,707	107,008	90,958	91,428	124,976
109,917	121,991	98,747	110,628	101,570
137,391	135,373	127,104	121,642	115,820
1,362	1,611	1,758	715	861
86,605	141,318	124,257	124,106	102,718
810,142	866,151	836,844	792,689	768,187
23,916	20,217	20,806	20,629	20,610
23,259	10,556	13,105	12,217	7,422
-	-	-	-	-
44,849	37,107	37,320	64,509	30,871
-	-	-	-	-
18,274	18,497	19,701	17,484	21,652
18,338	18,283	18,624	17,483	16,491
16	6	972	2,431	2,566
-	-	-	-	-
1,379,175	1,489,987	1,400,119	1,385,482	1,322,547
(19,170)	(106,400)	(33,925)	(47,156)	(5,596)
149,135	178,018	156,501	143,443	143,675
(135,141)	(154,018)	(144,501)	(132,991)	(133,675)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
13,740	19,775	15,731	-	(14,892)
-	-	2,750	28,195	14,892
27,734	43,775	30,481	38,647	10,000
$ 8,564	$ (62,625)	$ (3,444)	$ (8,509)	$ 4,404
2.7%	2.5%	2.9%	2.8%	3.2%

REVENUE CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN

Taxable Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

Table 5

(4) For Tax Levy	Residential Property	Commercial Property	Industrial Property	Developmental Property	Agricultural Property	Personal Property	(1) (2) Total Taxable Value	General Operating Direct Tax Rate	(3) Estimated Actual Value	Taxable Value as a Percentage of Estimated Actual Value
December 1, 1998	$ 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%
December 1, 1999	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%
December 1, 2000	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%
December 1, 2001	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%
December 1, 2002	26,365,491,443	5,875,885,769	3,395,825,746	18,349,348	21,616,517	6,228,017,436	41,905,186,259	7.8220	107,601,019,802	38.94%
December 1, 2003	27,748,871,755	6,201,281,779	3,617,393,177	16,505,210	21,987,876	5,733,303,676	43,339,343,473	7.8220	113,946,834,620	38.03%
December 1, 2004	29,645,812,559	6,483,133,612	3,816,523,698	27,730,216	23,624,451	5,921,105,201	45,917,929,737	7.8220	120,386,762,122	38.14%
July 1, 2005	31,508,172,159	6,775,008,713	3,936,157,162	26,933,363	24,849,832	6,037,978,810	48,309,100,039	7.8220	125,359,817,812	38.54%
December 1, 2005	31,508,172,159	6,775,008,713	3,936,157,162	26,933,363	24,849,832	6,037,978,810	48,309,100,039	7.8220	125,359,817,812	38.54%
July 1, 2006	33,607,446,027	7,105,243,493	3,963,530,779	28,056,401	15,819,058	5,852,263,246	50,572,359,004	7.8220	128,803,281,446	39.26%
December 1, 2006	33,607,446,027	7,105,243,493	3,963,530,779	28,056,401	15,819,058	5,852,263,246	50,572,359,004	7.8220	128,803,281,446	39.26%
July 1, 2007	35,348,119,661	7,711,741,307	4,071,361,238	54,478,431	17,351,454	5,793,352,706	52,996,404,797	7.8220	132,254,579,368	40.07%
July 1, 2008	35,071,782,855	8,123,588,100	4,089,688,255	54,599,620	17,185,476	5,562,061,827	52,918,906,133	7.8220	127,441,315,314	41.52%

(1) The Taxable Valuation against which the tax levy is applied to is determined as of the December 31 prior to the July 1 or December 1 on which the taxes are levied. Taxable value is a result of a ballot proposal passed by the electorate in the state of Michigan in 1994. Taxable value increases are limited to (following adjustment for additions or losses) the rate of inflation or 5% whichever is less. The taxable value limit does not apply to a property in the year following a transfer of ownership (sale).

(2) Beginning in fiscal year 1996, the ad valorem 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.

(4) The County's general operating millage was gradually shifted from a December 1 levy to a July 1 levy during fiscal years 2005, 2006, and 2007.

Source: Wayne County Assessment and Equalization Division

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 6

Direct and Overlapping Property Tax Rates
Last Ten Years
(Unaudited)

	Year Taxes Are Payable									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
County direct rates										
General	6.6380	6.6380	6.6380	6.6380	6.6380	6.6380	6.6380	6.6556	6.6651	6.7068
Parks	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2473	0.2477	0.2493
Jail	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9432	0.9446	0.9505
Total direct rate	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8461	7.8574	7.9066
Overlapping Rates										
Huron-Clinton Metro Authority	0.2146	0.2146	0.2146	0.2146	0.2154	0.2161	0.2170	0.2186	0.2202	0.2218
Wayne County Transit Authority	0.5900	0.5900	0.5900	0.5980	0.5980	0.5980	0.6000	0.3258	0.3263	0.3288
*** Wayne County Zoological Authority	0.1000	-	-	-	-	-	-	-	-	-
Cities (33)										
Low	11.4351	11.5149	11.5683	11.3865	12.0064	12.0063	12.0269	10.9345	13.8537	11.1014
High	35.4641	34.2434	35.9706	36.3511	37.6525	38.0275	39.0000	35.5331	35.3585	33.7350
Village (1)	14.3000	14.3000	14.2996	14.3000	13.7000	13.6995	13.7500	13.3000	12.7500	13.9988
Townships (10)										
Low	0.5908	0.5943	0.5943	0.5961	2.6812	2.7880	2.7872	2.5652	2.4614	2.1115
High	13.6179	13.6179	13.4306	13.2917	15.1199	15.1276	14.9288	14.0116	14.3211	14.5666
School Districts (37)										
Low	24.0000	18.0000	18.0000	18.0000	18.0000	18.0000	17.9586	17.4207	17.9586	17.8812
High	39.5000	33.5000	33.5000	30.6236	30.7696	31.8000	31.1900	30.2836	30.2836	30.2836
Intermediate School Districts (4)										
Monroe	4.7541	4.7541	4.7541	4.4644	4.4644	4.7700	4.7922	4.8010	4.8010	4.8010
Oakland	3.3690	3.3690	3.3690	3.3690	3.1780	3.3991	3.4224	3.4526	2.0752	2.0998
Washtenaw	3.9745	3.9745	3.9745	3.9970	3.9350	3.0552	3.0738	3.1050	3.1311	3.1568
Wayne	3.4643	3.4643	3.4643	3.3678	3.3678	3.4643	3.4643	1.9753	1.9789	1.9914
Community Colleges (3)										
Henry Ford	3.0000	3.0000	3.0000	3.0000	2.4596	2.4596	2.4735	2.4735	2.4735	2.4915
Schoolcraft	1.7967	1.7967	1.7967	1.7967	1.7967	1.8024	1.8043	1.8193	1.8310	1.8440
Wayne County	2.4769	2.4769	2.4769	2.4769	2.4844	2.4862	2.4862	2.4995	1.0000	1.0190
DDAs (4)										
Detroit	0.9887	0.9887	0.9887	0.9887	0.9895	0.9895	0.9895	0.9895	0.9895	1.0000
* Hamtramck	1.8251	1.8380	2.0000	-	-	-	-	1.9932	1.9956	2.0000
Northville	1.8360	1.8406	1.8617	1.9365	1.9664	1.9664	1.9956	1.9984	1.9713	1.9729
** Wyandotte	-	-	-	-	-	1.7688	1.7688	1.8120	1.8256	1.8400

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 - 2008

** The Wayne County Zoological Authority was established pursuant to Public Act 49 of 2008, and formed to allow for continuing zoological services for the students, residents and visitors of the County of Wayne.

Millage is rate per $1,000 of taxable value

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 7

Principal Property Taxpayers
Fiscal Year 2008
(Unaudited)

		2008			1999		
Company	Line of Business	(2) Total Assessment	Rank	Percentage of State Equalized Value	(2) Total Assessment	Rank	Percentage of State Equalized Value
Ford Motor Company	Automotive	$ 1,783,222,481	1	2.70 %	$ 1,788,750,082	1	4.92 %
DTE Energy *	Utility	1,035,283,866	2	1.57	802,691,236	2	2.21
Daimler Chrysler Corp. **	Automotive	378,744,818	3	0.57	416,639,830	3	1.15
MGM Grand Detroit LLC	Casino	296,307,555	4	0.45			
General Motors Corp.	Automotive	275,588,578	5	0.42	365,888,024	4	1.01
United States Steel	Steel	225,026,607	6	0.34			
Marathon Oil/ Ashland Petroleum LLC	Petroleum	151,186,066	7	0.23			
Severstal Steel Company	Steel	114,160,650	8	0.17			
Department of Housing and Urban Development	Real Estate	104,770,751	9	0.16			
Auto Alliance Int'l Inc.	Automotive	104,432,700	10	0.16			
Michigan Consolidated Gas ***	Utility				353,123,758	5	0.97
National Steel Corp	Steel				206,442,974	6	0.57
Rouge Steel Company	Steel				193,484,150	7	0.53
BASF Corporation	Technology				68,191,586	8	0.19
Dayton-Hudson Company	Retail				65,812,898	9	0.18
Mellon US Leasing	Equipment				63,159,980	10	0.17
Total		$ 4,468,724,072		6.76 %	$ 4,324,184,518		11.89 %
Total State Equalized Value (S.E.V.) (1)		$ 66,127,289,684			$ 36,353,298,746		

(1) The State Equalized Values presented were determined as of December 31, 2006 and December 31, 1997, respectively.

(2) Total assessments do not include abated properties.

* Formerly Detroit Edison in 1999.

** 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 1999, but not in 2008.

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)

For Tax Levy		Fiscal Year	Total Tax Levy	Current Tax Collection	Percent of Tax Levy Collected Before Delinquent	Reimbursed From Delinquent Tax Fund	Total Tax Collection	Ratio of Total Collection to Levy	Delinquent Personal Taxes
December 1, 1998		1999	$ 254,999,786	$ 234,945,114	92.14 %	$ 16,702,140	$ 251,647,254	98.69 %	$ 3,352,532
December 1, 1999		2000	260,030,697	239,438,026	92.08	18,514,831	257,952,857	99.20	2,077,840
December 1, 2000		2001	272,033,478	248,577,421	91.38	18,858,352	267,435,773	98.31	4,597,705
December 1, 2001		2002	287,676,785	259,463,887	90.19	21,899,454	281,363,341	97.81	6,313,444
December 1, 2002		2003	300,248,968	271,149,093	90.31	21,332,863	292,481,956	97.41	7,767,012
December 1, 2003		2004	311,960,682	283,716,208	90.95	22,631,265	306,347,473	98.20	5,613,209
December 1, 2004		2005	328,113,000	296,814,625	90.46	24,205,435	321,020,060	97.84	7,092,940
July 1, 2005	(1)	2005	92,643,222	83,447,086	90.07	7,474,124	90,921,210	98.14	1,722,012
December 1, 2005		2006	250,479,822	225,616,195	90.07	20,207,818	245,824,013	98.14	4,655,809
July 1, 2006	(2)	2006	187,524,292	171,249,952	91.32	15,076,602	186,326,554	99.36	1,197,738
December 1, 2006		2007	173,099,347	158,076,878	91.32	13,916,863	171,993,741	99.36	1,105,606
July 1, 2007	(3)	2007	270,595,792	246,986,570	91.28	22,354,091	269,340,661	99.54	1,255,131
December 1, 2007		2008	105,231,697	96,050,333	91.28	8,693,258	104,743,591	99.54	488,106
July 1, 2008		2008	298,901,858	227,791,866	**	**	227,791,866	76.21	**

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

DEBT CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 9

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

(in thousands)

	Governmental Activities				Business-Type Activities		
Fiscal year	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Sewer Bonds	Revenue Bonds	Total Primary Government
1999	$ -	$ 1,638	$ 67,390	$ 24,406	$ 267,224	$ 1,424,916	$ 1,785,574
2000	-	1,220	59,100	22,338	292,453	1,407,290	1,782,401
2001	-	855	46,800	20,303	283,594	1,657,103	2,008,655
2002	131,299	84,843	53,069	66,418	264,089	5,789	605,507
2003	204,732	3,566	84,800	63,394	251,350	5,378	613,220
2004	183,855	3,294	135,000	15,382	236,719	4,952	579,202
2005	165,505	3,007	142,400	14,055	221,841	4,511	551,319
2006	146,836	2,702	139,800	12,809	209,452	4,066	515,665
2007	132,949	-	180,000	11,639	211,233	3,605	539,426
2008	170,973	-	319,000	10,540	196,193	7,429	704,135

Source: Wayne County Department of Management and Budget.

For population and per capita person income data see Table 14, Demographic and Economic Statistics.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 10

Ratio of Net General Bonded Debt to Taxable Value and
Net Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

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
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
2008	1,972,648	52,996,404,797	897,026,602	1.69	454.73

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

* Taxable value is as of December valuation for that fiscal year. For example, fiscal year 2008 taxable value shown above is the 2007 taxable value.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Direct and Overlapping Governmental Activities Debt
As of September 30, 2008
(Unaudited)

Table 11

Indebtedness:

The following table sets forth the indebtedness of the County as of September 30, 2008:

Debt Carrying the County's Limited Tax General Obligation:		
Building Authority Bonds[1]	$	66,545,000
Capital Improvement Bonds		75,740,000
MMBA 2007B Ref 91A (Fiscal Stabilization Bonds)		4,215,000
Stadium Authority Bonds[1]		74,580,000
Chapter 8 Drainage Notes		2,958,266
Drainage Districts Bonds		10,945,794
Michigan Transportation Fund Bonds		28,280,000
Delinquent Tax Notes		319,000,000
Sewer Bonds		200,000
Airport Hotel Revenue Bonds		110,475,000
Sewage Disposal Bonds		204,087,542
Total Debt Carrying the County's Limited Tax Pledge		897,026,602
Other Debt:		
Metro Airport Revenue Bonds		2,231,195,000
Hotel Debt (Capital Loans)		5,987,496
Willow Run Notes		644,465
Airport Energy Conservation IPA		9,456,162
Airport Equipment IPAs		1,052,363
Healthchoice Debt (Capital Leases)(1)		5,830
State of Michigan Emergency Loan		52,830,527
Total Other Debt		2,301,171,843
Gross Direct Debt	$	3,198,198,445
Deductions:		
Metro Airport Revenue Bonds[2]		2,231,195,000
Willow Run Notes[2]		644,465
Airport Energy Conservation IPA[2]		9,456,162
Airport Equipment IPAs[2]		1,052,363
MMBA Ref91A (Fiscal Stabilization Bonds)[3]		4,215,000
Stadium Authority Bonds[4]		74,580,000
Drainage Districts Bonds[5]		10,945,794
Michigan Transportation Fund Bonds[6]		28,280,000
Delinquent Tax Notes[7]		319,000,000
Sewer Bonds		200,000
Airport Hotel Revenue Bonds[9]		110,475,000
Sewage Disposal Bonds[8]		204,087,542
State of Michigan Emergency Loan[3]		52,830,527
Total Deductions		3,046,961,853
Net Direct Debt	$	151,236,592

(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) User fees or payments from benefitted local communities are projected to be sufficient to cover debt service, based on experience.

(9) Payable primarily from Airport Hotel revenues.

Source: Wayne County Department of Management and Budget, Accounting Division

See accompanying accountant's report.

Overlapping Debt:

Property in the County is currently taxed for a proportionate share of outstanding debt obligations of overlapping governmental entities including school districts, cities, villages and townships within the County of Wayne, the Regional Educational Service Agency and Wayne County Community College. The table below shows the County's outstanding tax supported overlapping debt as of September 30, 2008.

OVERLAPPING DEBT
As of September 30, 2008

School Districts	$	3,100,280,653
Cities and Villages		2,077,936,352
Townships		262,749,994
Libraries		31,052,921
Community Colleges		30,595,000
Total Overlapping Debt	$	5,502,614,920

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, 2008:

NET DIRECT AND OVERLAPPING DEBT
As of September 30, 2008

Direct debt:		
Gross Principal amount	$	3,198,198,445
Less amount payable from other sources		3,046,961,853
Net direct debt		151,236,592
Overlapping debt		5,502,614,920
Net direct and overlapping debt	$	5,653,851,512

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, 2008
(Unaudited)

Tax Year	State Equalized Valuation (SEV)	General Purpose Debt Limit (10% of SEV)	Tax-Supported Debt Outstanding	Legal Debt Margin	Percent of Debt Outstanding to SEV
1999	$ 40,085,713,858	$ 4,008,571,386	$ 725,325,751	$ 3,283,245,635	1.81%
2000	44,392,225,103	4,439,222,510	742,868,123	3,696,354,387	1.67%
2001	49,046,944,039	4,904,694,404	890,140,185	4,014,554,219	1.81%
2002	53,800,509,901	5,380,050,990	771,793,219	4,608,257,771	1.43%
2003	56,973,417,310	5,697,341,731	788,049,544	4,909,292,187	1.38%
2004	60,193,381,061	6,019,338,106	798,858,655	5,220,479,451	1.33%
2005	62,679,908,906	6,267,990,891	757,018,978	5,510,971,913	1.21%
2006	64,401,640,723	6,440,164,072	717,144,569	5,723,019,503	1.11%
2007	66,127,289,684	6,612,728,968	737,510,822	5,875,218,146	1.12%
2008	63,720,657,657	6,372,065,766	897,026,602	5,475,039,164	1.41%

Source: Wayne County Department of Management and Budget.

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

Table 13

Fiscal year	Water and Sewer Revenue Bonds: Gross Revenues	Operating Expenses	Net Revenue	Debt service: Principal	Interest	Coverage	Special Assessment Bonds: Special Assessment	Debt Service: Principal	Interest	Coverage
1999	$ 9,298	$ 8,973	$ 325	$ 420	$ 227	0.50	$ 2,056	$ 1,437	$ 666	0.98
2000	11,302	10,781	521	395	202	0.87	2,027	1,440	616	0.99
2001	11,838	10,651	1,187	400	191	2.01	2,078	1,480	573	1.01
2002	13,522	13,445	77	410	179	0.13	2,058	1,530	528	1.00
2003	14,801	14,613	188	425	167	0.32	2,016	1,570	480	0.98
2004	15,289	16,261	(972)	440	153	(1.64)	2,074	1,610	430	1.02
2005	14,552	15,707	(1,155)	455	139	(1.94)	2,036	1,655	381	1.00
2006	15,895	15,721	174	460	128	0.30	2,038	1,700	338	1.00
2007	15,659	15,737	(78)	475	116	(0.13)	2,042	1,750	292	1.00
2008	38,354	47,854	(9,500)	490	269	(13)	2,050	1,805	242	1.00

Note: For fiscal years 2007 and prior, Water and Sewer revenue bond information is presented for the Northeast System only, since other debt was general obligation. In December 2008, the Downriver Sewer System issued a Revenue Bond, Series 2007D, in the amount of $4.3 million for capital improvements. Starting in fiscal year 2008, both the Northeast and Downriver Sewage Disposal Systems gross revenues and operating expenses are presented above. No principal payments were due on the 2007D bonds in 2008.

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

	Population				Per Capita Personal Income				**
Year	Michigan	Change From Prior Period	Wayne County	Change From Prior Period	U.S.	Michigan	Wayne County	Michigan Median Age	Wayne County Average Unemployment Rate
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	-0.69%	31,466	31,138	29,288	35.1	8.6
2004	10,093,398	0.25%	2,008,343	-0.76%	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	-0.96%	36,629	33,847	30,755	36.8	8.4
2007	10,071,822	-0.24%	1,938,918	-1.67%	38,611	35,086	*	37.2	8.8
2008	*	*	1,972,648	1.74%	*	*	*	*	9.6

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

* Statistics are not yet available

** The unemployment rate reported is an annual rate in all years except for 2008, for which the annual rate is not yet available. The September 2008 rate is shown.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Principal Employers

Current Year and Nine Years Ago

(Unaudited)

Table 15

Employer	2007 **			1998		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
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%
	136,062		16.83%	170,916		6.00%

	2007	1998
Total: Wayne County Employment 2007 & 1998	808,380	910,396

* 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

** The information for 2008 will not be available until 2009. As such, the information in this table will be reported on a one year lag.

Source: Michigan Labor Market Information: Labor & Economic Growth , Crain's Detroit Business: Book of Lists 2008 Edition

See accompanying accountant's report.

OPERATING INFORMATION

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 16

Full-time Equivalent County Government Employees by Function / Program

Last Ten Fiscal Years

(Unaudited)

	Full-time Equivalent Employees as of September 30									
Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Legislative										
Board of Commissioners	86	90	83	89	81	75	84	43	83	81
Auditor General's Office	18	16	15	14	17	21	23	23	17	15
Judicial										
All court and court related actives	802	820	819	806	806	766	940	1,004	1,041	985
General government										
Treasurer's Office	79	80	81	89	83	78	78	72	85	49
Tax Assessment	47	45	49	46	49	50	50	49	47	43
Tax Billings/collections	7	7	7	8	8	0	0	0	0	0
Budgeting	12	18	16	9	16	9	10	10	9	16
Purchasing	22	23	26	29	27	25	25	25	22	22
Central Accounting	22	44	42	44	37	50	54	54	56	50
Central Administration	71	63	57	59	66	68	71	69	71	86
Other Financial Administration	131	103	115	121	131	113	133	152	178	119
Data Processing	46	49	49	52	52	35	46	37	29	31
Building Maintenance	125	122	130	135	144	147	143	139	129	129
County Clerk	271	276	293	285	277	277	274	274	271	276
Register of Deeds	93	90	89	100	78	87	76	82	77	74
Prosecuting Attorney	296	295	308	300	309	302	287	245	256	250
Corporation Counsel	90	90	93	88	76	67	75	75	70	71
Public safety										
Sheriff's Department										
Arresting Powers (2)	349	1149	409	386	697	744	773	678	693	530
Civilian	75	123	126	139	139	0	0	120	156	247
Jails & Detention Facilities (2), (3)	1077	20	744	744	711	698	658	666	680	1,087
Firefighters	0	0	0	0	0	0	64	67	61	56
Public works										
Public works	137	108	132	162	202	206	205	206	62	97
Sewage Disposal	79	114	105	107	101	106	112	112	112	284
Airport (1)	0	0	0	0	0	6	661	649	609	407
Highways, streets and bridges										
Administration	17	14	20	40	42	39	37	32	35	38
Engineering	127	130	141	145	151	157	169	159	169	150
Maintenance	429	447	508	582	606	598	592	576	581	577
Health and welfare (3)	527	623	623	776	559	492	487	482	493	490
Recreation and cultural										
Parks	69	76	82	78	72	67	68	60	58	54
Libraries	38	38	42	77	44	44	41	42	51	41
Other	265	247	261	296	307	297	308	303	282	100
Total	5,407	5,320	5,465	5,806	5,888	5,624	6,544	6,505	6,483	6,455

(1) Wayne County operated the Airports until August 9, 2002. Pursuant to Public Act 90 (the Authority Act), the Michigan Public Acts of 2002 (effective March 26, 2002), the Airport Authority (a component unit of the County) has operational jurisdiction of the Airports, with the exclusive right, responsibility, and authority to occupy, operate, control and use them.

(2) In 2007, all Sheriff's Deputies (including those who worked in corrections facilities) were reported in Arresting Powers only, in error. For 2008, deputies working in corrections have been accumulated in Jails & Detention Facilities.

(3) In 2007 and prior years, all Juvenile Detention Facility employees were included in Health and Welfare. In 2008, they are reported in Jails & Detention Facilities.

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)

	Fiscal Year									
Function	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Police										
Physical Arrests	1,869	2,219	1,820	1,972	2,075	2,188	2,230	2,360	2,173	2,061
Bookings	535	692	1,820	1,972	2,075	2,188	2,230	2,360	2,173	2,061
Parking Violations	51	23	110	132	141	94	87	101	99	88
Traffic Violations	22,926	18,930	23,469	24,359	24,387	25,133	26,741	27,410	24,109	23,987
Incidents	7,089	6,987	15,923	16,767	16,310	17,301	17,685	18,735	16,109	16,524
Crash Reports	95	331	276	291	303	311	330	345	290	284
Culture and recreation (1)										
Rounds of Golf - Warren Valley	61,479	42,154	47,482	60,486	60,819	61,917	64,817	69,396	62,772	62,772
Picnic Permits	986	1,019	1,004	1,042	1,048	1,059	1,013	1,061	940	888
Aquatic Center Attendance	48,588	45,879	43,278	54,583	32,185	22,332	43,592	49,796	27,984	36,284
Nankin Mills Center - (program attendance)	13,207	13,239	17,524	19,509	17,890	16,105	13,360	12,571	9,126	8,890
Crosswinds Marsh (program attendance)	3,951	3,518	3,647	3,172	2,620	2,413	2,734	2,589	2,478	2,138
Highways, streets and bridges										
Street resurfacing asphalt (tons)	26,202	44,658	76,420	42,143	92,932	64,677	93,932	109,548	103,095	141,000
Street resurfacing (miles)	17	16	14	7	20	14	20	33	33	21
Snow removing salt (tons)	191,748	98,243	120,000	93,886	151,342	184,544	56,172	172,000	130,612	138,700
Ditching program (Linear feet)	53,402	55,433	86,620	121,385	86,620	86,345	85,900	264,000	264,000	145,685
Ditching program (miles)	10	11	16	23	16	16	16	50	50	61
Emergency road repairs (tons)	4,345	3,122	2,670	4,808	4,426	3,090	3,000	6,103	5,389	4,900
Forestry Section										
Tree removal	5,497	1,947	2,900	2,869	3,087	5,700	8,000	5,000	1,900	4,950
Tree planting & trimming	2,133	1,183	875	1,956	688	450	4,700	2,400	3,200	400

(1) Statistics prior to 2008 are based on a calendar year. Statistics accumulated for 2008 are based on the fiscal year, with the exception of the Aquatic Center that is based on fiscal year in all ten years presented.

Source: Various county departments

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 18

Capital Asset Statistics by Function

Last Ten Fiscal Years

(Unaudited)

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Function										
Public safety										
Stations - Road Patrol	1	1	1	1	1	1	1	1	1	1
Police Services Automobiles	53	59	62	62	62	62	62	45	45	45
Marine Safety (Boats and Vans)	15	14	13	13	13	13	13	13	12	11
Jail Automobiles	26	12	21	21	21	21	21	13	13	13
Motorcycles (1)	3	25	25	33	45	45	35	35	35	27
Culture and recreation										
Pavilions	14	14	14	14	14	14	14	14	13	13
Golf Courses	2	2	2	2	2	2	2	2	2	2
Playscapes	14	13	13	13	13	13	13	13	12	12
Soccer Fields	25	25	25	25	24	24	23	23	23	19
Picnic Areas	9	9	9	9	9	17	17	17	17	17
Baseball Diamonds	26	26	26	26	26	26	26	26	26	23
Highways, streets and bridges*										
Traffic signal (maintained)	141	97	48	40	48	50	46	34	39	59
Traffic signs (installed)	2,824	2,708	2,500	4,435	2,500	2,500	2,300	4,500	-	-

Source: Various County departments

(1) The reduction in the number of motorcycles in 2008 is due to the timing of the new leases for Secondary Roads. In the past, the County has leased these items for one year terms.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 19

Revenues by Source and Expenses by Type - Pension Trust Funds

Required Supplementary Information

Last Ten Fiscal Years

(amounts in thousands)

Fiscal Year Ended 9/30	Revenues by Source: Contributions Employee	Employer	Investment Income	Total	Expenses by Type: Benefits	Administration	Total
Wayne County Employee's Retirement System							
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	144,677	167,909	110,419	6,928	117,347
2008	70,096	18,420	148,973	237,489	111,048	6,945	117,993
Wayne County Circuit Court Commissioners Bailiff's Retirement System							
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
2008	31	36	(1,869)	(1,802)	144	27	171

Ten year historical trend is required supplementary information.

Note: Effective December 1, 1997, the Wayne County Common Pleas Bailiff's Retirement System was merged with the Wayne County Employee's Retirement System.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE, MICHIGAN
Analysis of Funding Progress - Pension Trust Funds
Required Supplementary Information
Last Ten Fiscal Years
(Unaudited)
(amounts in thousands)

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						
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
2007	948	1,170	81%	222	325	68
Wayne County Circuit Court Commissioners Bailiff's Retirement System						
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	-
2007	5,626	3,614	156%	(2,012)	700	-

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 unfun pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

Note: The Wayne County Common Pleas Court Bailiff's Retirement System was merged with the Wayne County Employee's Retirement System, effective December 1, 1997.

See accompanying accountant's report.

CHARTER COUNTY OF WAYNE MICHIGAN
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