

WAYNE COUNTY

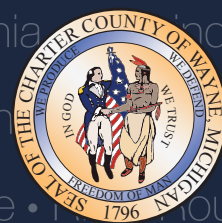
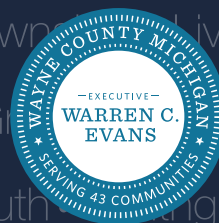
CONNECTING

THE **43** COMMUNITIES



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2019



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

Prepared By
**THE DEPARTMENT OF
MANAGEMENT AND BUDGET**

CHARTER COUNTY OF WAYNE, MICHIGAN

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

The Introductory Section Contains

LETTER OF TRANSMITTAL

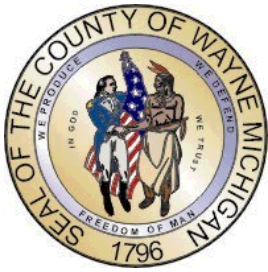
LIST OF PRINCIPAL COUNTY OFFICIALS

**WAYNE COUNTY COMMISSIONERS & OTHER
ELECTED OFFICIALS**

ORGANIZATIONAL CHART

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

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Warren C. Evans

County Executive

March 16, 2020

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

State law requires that every general-purpose government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended September 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls 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 has issued an unmodified ("clean") opinion on the Charter County of Wayne, Michigan's (the County) financial statements for the year ended September 30, 2019. 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 transmittal letter and it should be read in conjunction with it.

Profile of the Government

The County is located in southeastern Michigan, encompassing approximately 620 square miles. It is made up of 34 cities, including the City of Detroit, 9 townships, and 33 public school districts. The County's approximately 1.8 million residents make it the most populous county in the State of Michigan and the 19th most populous county in the nation.

The County was incorporated under Michigan Public Act 293 of 1966, as amended. It is governed by a Chief Executive Officer (County Executive), who is elected on an at-large basis for a four-year term and a County Commission (the Commission) comprised of 15 members elected by district on a partisan basis for two-year terms. The County Executive has administrative and executive powers to supervise, coordinate, direct and control County functions, operations and facilities. The Commission serves as the legislative branch of the County. It is responsible for establishing policy and approving the County budget. The citizens also elect the following officials on an at-large basis for four-year terms: County Clerk, Register of Deeds, Prosecuting Attorney, Sheriff, and Treasurer. The County Clerk and Register of Deeds are responsible for the recording of official records. The Prosecuting Attorney and Sheriff are responsible for providing quality law enforcement and criminal justice services to all people of the County. The Treasurer has responsibility for the receipt, custody, and investment of all County funds and the collection of taxes.

DEPARTMENT OF MANAGEMENT AND BUDGET

500 GRISWOLD, 14TH FLOOR • DETROIT, MICHIGAN 48226 • (313) 224-0420 • FAX: (313) 967-3027

www.waynecounty.com

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

The annual budget serves as the foundation for the County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the Budget and Planning Division of Management and Budget on or before April 1st of each year. The Budget and Planning Division uses these requests as the starting point for developing a proposed budget. The County Executive submits the proposed operating budget to the Commission for review prior to June 3rd. After public hearings to obtain citizen input, the Commission legally enacts the budget through the passage of an appropriation ordinance. The appropriated budget for the General Fund is adopted by activity (e.g. general government, public safety, public works, etc.). Amendments to appropriations that change the County's appropriation ordinance require the approval of the Commission. Certain transfers within the line items that do not affect appropriations may be made without the Commission's approval.

Local Economy

The State of Michigan's unemployment rate has declined slightly over the past few years. For December 2017, 2018, and 2019 the unemployment rate has decreased from 4.7% to 4.0% and to 3.9%, respectively. Employment has continued to grow over the same period of time from 4.67 million to 4.70 million to 4.76 million employed. Barring a national recession the state's economy is anticipated to continue to grow over the next few years.

The County's economic status has continued to improve but has remained behind the State average. For December 2017, 2018 and 2019, the County unemployment rate has declined from 5.1% to 5.0% and then continued to decrease to 4.4%, respectively. The County anticipates slight increases in property tax revenues over the next few years coupled with an anticipated decline in the Wayne County Treasurer's Delinquent Tax Revolving Fund (DTRF) surplus transfers that will continue to put pressure on maintaining a balanced budget. The County has made great strides to address its unfunded other postemployment benefits (OPEB) by reducing the liability by approximately \$1 billion and eliminating the structural deficit. The County continues to benefit from strategic sourcing initiatives and is working towards modernizing its accounting, payroll, and human resource systems to become more efficient.

The County is home to 34 Cities and 9 townships. The County recognizes that these diverse communities form parts of the greater Wayne County community. An emphasis on identifying the needs within the individual communities and prioritizing County resources will benefit the individual community and the County as a whole. This includes:

- Construction of a new Criminal Justice Center which will house the County's new jail facilities, its criminal court, its juvenile detention facility, and office space for the County Sheriff and County prosecutor.
- Creation of a new Public Defender Office bringing in award-winning Neighborhood Defender Services to handle about 25% of the adult felony cases and ensure quality legal representation for low-income residents in the Wayne County Circuit Court. The office will be funded by a grant from the Michigan Indigent Defense Commission.
- Moved the Veterans Services Office to 400 Monroe in Detroit with expanded evening hours for greater accessibility with a new satellite office planned Downriver.
- Following completion of the nearly \$800,000 renovation of the Nankin Mills Interpretative Center, Wayne County Parks will initiate Phase 2 of the project updating the Interpretive Museum celebrating Wayne County's history and adding updated interactive displays. Project adds to the overall Mill Run placemaking project that increases Hines Park's visibility as a regional destination.

- Creation of a new Department of Economic Development comprised of divisions with dedicated staff to support business retention and attraction, small business growth and workforce development throughout Wayne County.

Wayne County Economic Development Department made it to a priority to support the development, redevelopment and preservation of residential, commercial and industrial property in Wayne County.

- The County's Community Development Block Grant program has gone through a complete transformation. The new program provides enhanced funding on a competitive grant basis to support projects in communities. This year \$4 million in funding was provided for 11 projects.
- The \$5 Million sale of 650 acres of land, half of which was a tax foreclosed failed horse track, half of which was County owned land to support the development of a 2-4 million square foot mixed used development. It is anticipated that this development will result in over \$40 million in new investment. Two 200,000 plus square foot facilities are already going through site plan review.
- Sale of County owned downtown Detroit property at 511 Woodward for \$4.6 million. It will house a Capital One Café as well as the offices for the Downtown Development Partnership.
- The former failed County jail site is now going to become the University of Michigan's "Detroit Center for Innovation", a world-class research and education center. Over \$100 million has already been pledged for the development of this center.
- The County has sold or is in the process of selling the historic Phoenix, Wilcox and Newburg Mills that are located within Hines Park. These properties will be renovated with an anticipated combined investment of over \$4.5 million.
- Freedom Village is a \$1.2 million refugee housing project which will be located in Hamtramck. The Wayne County is partnering with nonprofit groups Samaritas and Wayne Metropolitan Community Action Agency to develop a block on Faber Street in Hamtramck to build three homes that have two units each.

Additionally a number of major economic development projects were announced:

- Fiat Chrysler will be making a \$4.5 billion investment and adding 6,400 jobs to their manufacturing facility in Detroit. Several suppliers have announced major investments in Hamtramck to support the plant.
- General Motors is investing \$2.2 billion in its Hamtramck assembly plant to produce a variety of all-electric trucks and SUVs. This will support over 2,200 good paying jobs.
- Cooper-Standard Automotive Group is constructing a new \$33 million headquarters in Northville Township.
- Faurecia is setting up a \$10 million manufacturing facility employing over 400 people in Highland Park.

The County is funded by eight types of revenues; taxes, licenses and permits, federal grants, state grants and contracts, local grants and contracts, charges for services rendered by the County, and interest and rents, and other. Non General Fund funds represent about 45% of the County's revenue.

Within the General Fund, Taxes represent the largest source of funding and accounts for approximately 61% of revenues. The majority of the tax revenue is property tax collections. While the economy has improved over the last few years, and many local units of government within the County have seen increases in property tax revenues, others continue to struggle with flat or slight increases in taxable values of property. This limits the amount of tax collections that can be levied. State sales tax is also included in Taxes. The County receives a per capita share from a state tax on goods.

Charges for Services Revenue represents the second largest source of revenue in the General Fund at approximately 23%. These are revenues collected from the public for various services, and interdepartmental charges between units of government for services to support the other's operations.

Approximately 9% of the County's General Fund revenue comes for federal, state and local grants. These grants are primarily awarded to provide specific services to the public.

The remaining 7% of the County's General Fund revenue comes from various sources such as licenses and permits, interest and other miscellaneous sources.

The County General Fund, for a fifth consecutive year, achieved an annual surplus and has grown its fund balance. The continued efforts of and sacrifice of County employees have been instrumental in the County achieving annual surpluses.

Please see the Management Discussion and Analysis for a more complete understanding of the County's financial operations.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the year ended September 30, 2018. This was the 20th award in the last 23 years and the thirteenth consecutive award. 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 fiscal year 2018 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 twenty-fourth year in a row, the County received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning October 1, 2018. 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 preparation of the Comprehensive Annual Financial Report is only 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. This report would also not be possible without the dedicated men and women of each of Wayne County's Departments and Offices of Elected Officials. We also wish to express our appreciation to the County Executive, and his staff, for their leadership and continued support of the policies of this Department.

Respectfully submitted,



Hughey Newsome
Chief Financial Officer



Mathieu J. Dubé, CPA
Deputy Chief Financial Officer



Yogesh Gusani, CPA
Director of Financial Reporting

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OFFICE OF THE COUNTY EXECUTIVE

Warren C. Evans
County Executive Officer

Richard C. Kaufman
Deputy County Executive Officer

Genelle M. Allen
Chief Operating Officer

Assad Turfe
Chief of Staff

Khalil Rahal
Assistant County Executive

Darnella D. Williams
Deputy Chief of Staff

COUNTY EXECUTIVE DEPARTMENT HEADS

Corporation Counsel
James Heath

Economic Development
Khalil Rahal

Health, Human and
Veterans Services

Homeland Security and
Emergency Management
Tadarial Sturdivant

Information Technology
Carlos Perez

Management and Budget
Hughey Newsome

Personnel and Human Resources
Steve Mahlin

Public Services
Beverly Watts

Senior Services
Lisa Whitmore Davis

WAYNE COUNTY COMMISSION

Alisha R. Bell
Chair, 7th District

Joseph Palamara, Vice Chair, 15th District
Jewel C. Ware, Vice Chair Pro Tempore, 2nd District

Timothy P. Killeen
1st District

Terry A. Marecki
9th District

Martha G. Scott
3rd District

Melissa Daub
10th District

Ilona Varga
4th District

Abdul Haidous
11th District

Irma Clark-Coleman
5th District

Glenn S. Anderson
12th District

Monique Baker McCormick
6th District

Sam Baydoun
13th District

David M. Knezek, Jr.
8th District

Raymond Basham
14th District

OTHER WAYNE COUNTY ELECTED OFFICIALS

Circuit Court
Timothy M. Kenny
Chief Judge

Probate Court
Freddie G. Burton, Jr.
Chief Judge

Patricia P. Fresard
Chief Judge Pro Tempore

David Braxton
Chief Judge Pro Tempore

County Clerk
Cathy M. Garrett

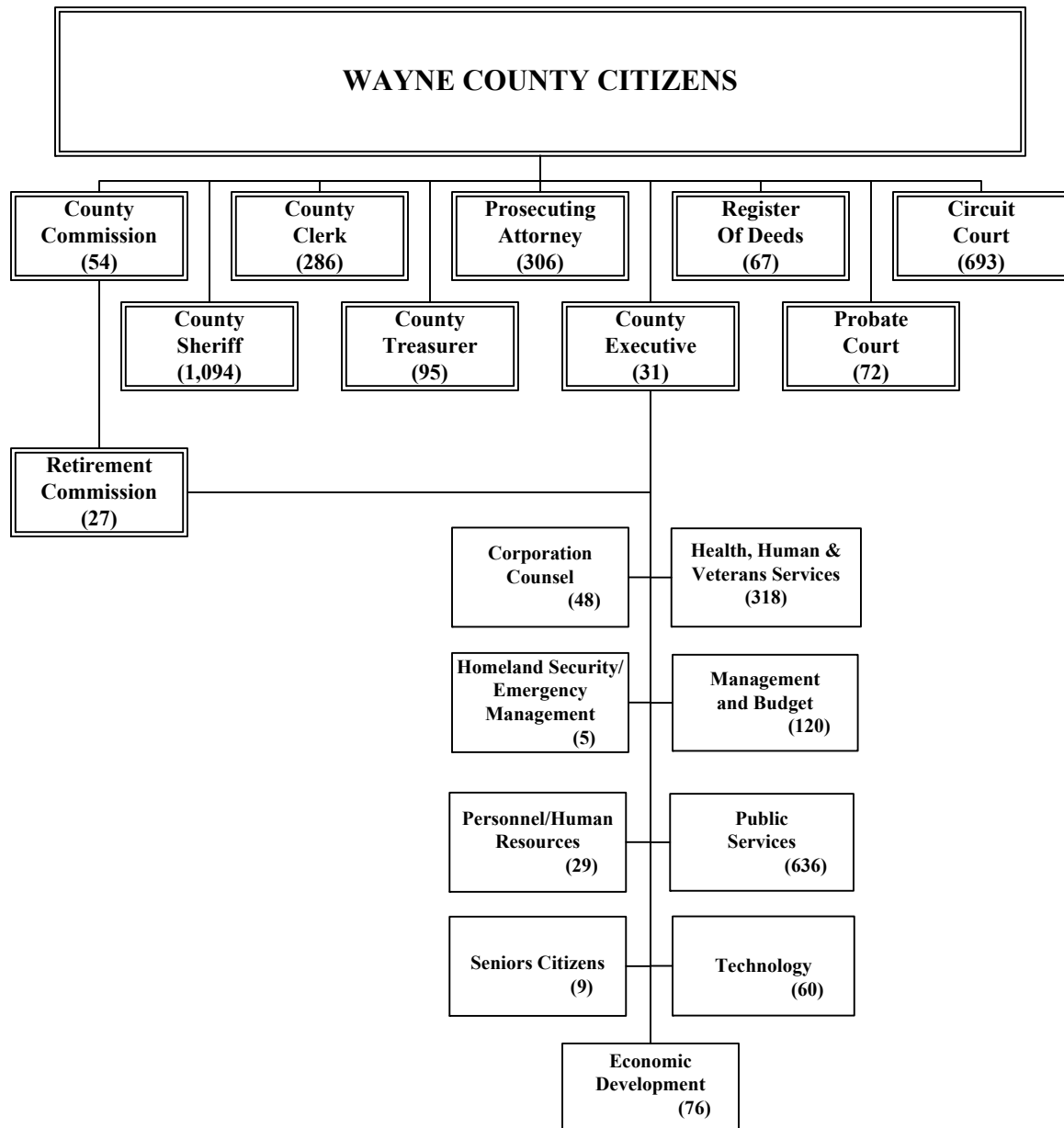
Register of Deeds
Bernard J. Youngblood

Prosecuting Attorney
Kym L. Worthy

Sheriff
Benny N. Napoleon

Treasurer
Eric R. Sabree

WAYNE COUNTY, MICHIGAN ORGANIZATION CHART



TOTAL NUMBER OF POSITIONS: 4,026



Government Finance Officers Association

**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, 2018

Christopher P. Morill

Executive Director/CEO

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED

SEPTEMBER 30, 2019

The Financial Section Contains

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter County of Wayne, Michigan (the "County") as of and for the year ended September 30, 2019 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of HealthChoice of Michigan, which represents 13.62, 17.65, and 46.05 percent of the assets, net position, and revenue, respectively, of the aggregate discretely presented component units. We also did not audit the financial statements of the Wayne County Employees' Retirement Systems (Pension Trust Fund - Defined Benefit Employees' Retirement System and Defined Contribution Plan), which represent 72.97, 94.00, and 45.83 percent of the assets, net position, and revenue, respectively, of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for aggregate discretely presented component units and aggregate remaining fund information, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the following entities were not audited under *Government Auditing Standards*:

- Wayne County Employees' Retirement System Defined Benefit Plan
- Wayne County Employees' Retirement System Defined Contribution Plan
- Wayne County - Detroit CDE, Inc.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report 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, 2019 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter County of Wayne, Michigan's basic financial statements. The other supplementary information - combining and individual fund statements and schedules, the introductory section, statistical section schedules, and continuing disclosure undertaking, 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 other supplemental information - combining and individual fund statements and schedules, as identified in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information - combining and individual fund statements and schedules, as identified in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2020 on our consideration of the Charter County of Wayne, Michigan'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* in considering the Charter County of Wayne, Michigan's internal control over financial reporting and compliance.

Plante & Morse, PLLC

March 16, 2020

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

As management of the Charter County of Wayne, Michigan (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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 general government, legislative, judicial, public safety, public works, highways, streets and bridges, health and welfare, recreation and cultural, community and economic development. The business-type activities of the County include the operations of the sewage disposal systems and jail commissary.

The government-wide financial statements include not only the County itself (known as the primary government), but also 11 legally separate organizations (including three blended component units) for which the County has financial accountability or other financial interest. These entities operate as governmental entities similar to the governmental activities described above. The County's discretely presented component units are presented in two categories, major and nonmajor. 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 government-wide financial statements can be found in the financial section of this report. The following represent the highlights discussed in more detail later in the report.

Government-wide Highlights:

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at September 30, 2019, by \$770.4 million (net position). Net position is either restricted for specific purposes, related to the County's investment in capital assets and is not available for spending, or unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$140.8 million (net position) (22.4 percent) for the fiscal year ended September 30, 2019. Net position of governmental activities increased by \$147.0 million (27.2 percent), while net position of the business-type activities decreased by \$6.2 million (7.0 percent). The change in the net position of the business-type activities is the result of operating losses from sewer operations. The driver for the increase in governmental net position was increases to expenses decreased compared to prior year.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain accounting 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, proprietary, and fiduciary funds.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

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 various 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, Roads, Health, Juvenile Justice and Abuse/Neglect, and Criminal Justice Center funds, all of which are considered to be major funds.

Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found in the financial section of this report.

Proprietary Funds. The County maintains two different types of proprietary funds: enterprise and internal service 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, Rouge Valley Sewage Disposal System, and Combined Sewer Overflow (CSO) Basins, as well as the operations for several other self-sustaining activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Department of Technology costs, Department of Environment administrative costs, risk management services self-insurance, health insurance, long-term disability, 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 six enterprise funds, two of which are considered to be major funds of the County. Major funds include the operations of the Delinquent Tax Revolving and Rouge Valley Sewage Disposal System funds. Data from the four nonmajor enterprise funds are combined into a single aggregated presentation.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and not considered part of the primary 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.

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.

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 and other postemployment benefits to its employees and budgetary comparison schedules.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$770.4 million at September 30, 2019.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

	Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 1,482,107	\$ 1,364,041	27,053	\$ 22,712	\$ 1,509,160	\$ 1,386,753
Capital assets, net	1,005,412	967,757	82,812	87,323	1,088,224	1,055,080
Total assets	2,487,519	2,331,798	109,865	110,035	2,597,384	2,441,833
Deferred outflow of resources	15,458	31,910	-	-	15,458	31,910
Long-term liabilities	889,073	935,663	12,320	13,151	901,393	948,814
Pension and OPEB	715,059	712,009	-	-	715,059	712,009
AP and other short-term liabilities	202,452	157,260	15,066	8,199	217,518	165,459
Total liabilities	1,806,584	1,804,932	27,386	21,350	1,833,970	1,826,282
Deferred inflow of resources	8,436	17,834	-	-	8,436	17,834
Net position:						
Net investment in capital assets	705,198	669,286	72,914	74,243	778,112	743,529
Restricted	411,447	315,711	5,036	4,768	416,483	320,479
Unrestricted	(428,688)	(444,055)	4,529	9,674	(424,159)	(434,381)
Total net position	\$ 687,957	\$ 540,942	82,479	\$ 88,685	\$ 770,436	\$ 629,627

By far the largest portion of the County's net position for governmental activities and business-type activities combined (\$778.1 million) 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.

A portion of the County's net position, \$416.5 million, represents resources that are subject to external restrictions on how they may be used. Governmental activities restricted net position of \$411.4 million for a variety of purposes, which was an increase of \$95.7 million from the prior year. Business-type activities has \$5.0 million in restricted net position due to restrictions on assets imposed by bonded debt instruments.

The County's unrestricted net position has a deficit balance of \$424.2 million and is not available to meet ongoing obligations to citizens or creditors.

	Change in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 166,791	\$ 182,473	\$ 58,049	\$ 102,942	\$ 224,840	\$ 285,415
Operating grants	313,457	288,558	330	2,091	313,787	290,649
Capital grants	16,725	14,313	-	-	16,725	14,313
General revenues:						
Property taxes	312,377	303,549	-	-	312,377	303,549
Sales taxes	55,629	55,570	-	-	55,629	55,570
Excise taxes	11,249	10,989	-	-	11,249	10,989
Airport parking taxes	23,775	22,385	-	-	23,775	22,385
State sources	13,738	9,873	-	-	13,738	9,873
Investment earnings	30,339	18,681	208	828	30,547	19,509
Other revenue	21,441	18,099	-	-	21,441	18,099
Total revenues	965,521	924,490	58,587	105,861	1,024,108	1,030,351

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

	Change in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Expenses:						
General government	161,656	178,675	-	-	161,656	178,675
Legislative	6,798	5,890	-	-	6,798	5,890
Judicial	135,971	132,301	-	-	135,971	132,301
Public safety	129,867	110,732	-	-	129,867	110,732
Public works	310	356	-	-	310	356
Highways, streets and bridges	126,300	112,796	-	-	126,300	112,796
Health and welfare	193,668	182,795	-	-	193,668	182,795
Recreation and cultural	12,580	11,727	-	-	12,580	11,727
Community and economic development	10,106	17,888	-	-	10,106	17,888
Interest on long-term debt	42,053	36,013	-	-	42,053	36,013
Sewage disposal systems	-	-	62,734	172,841	62,734	172,841
Jail commissary	-	-	1,256	1,087	1,256	1,087
Parking lots	-	-	-	685	-	685
Wetlands Mitigation	-	-	-	155	-	155
Total expenses	819,309	789,173	63,990	174,768	883,299	963,941
Change in net position before transfers and special item	\$ 146,212	\$ 135,317	\$ (5,403)	\$ (68,907)	\$ 140,809	\$ 66,410
Transfers	803	193	(803)	(193)	-	-
Special item	-	-	-	(103,512)	-	(103,512)
Change in net position	147,015	135,510	(6,206)	(172,612)	140,809	(37,102)
Net position:						
Beginning of year	540,942	340,359	88,685	270,296	629,627	610,655
Restatement for GASB 75 implementation	-	65,073	-	-	-	65,073
Prior period adjustments	-	-	-	(8,999)	-	(8,999)
End of year	\$ 687,957	\$ 540,942	\$ 82,479	\$ 88,685	\$ 770,436	\$ 629,627

concluded.

Governmental Activities. Governmental activities increased the County's net position by \$147.0 million as compared to an increase of \$135.5 million the prior year, a change from one year to the next of \$11.5 million. Factors contributing to the change from the prior year are:

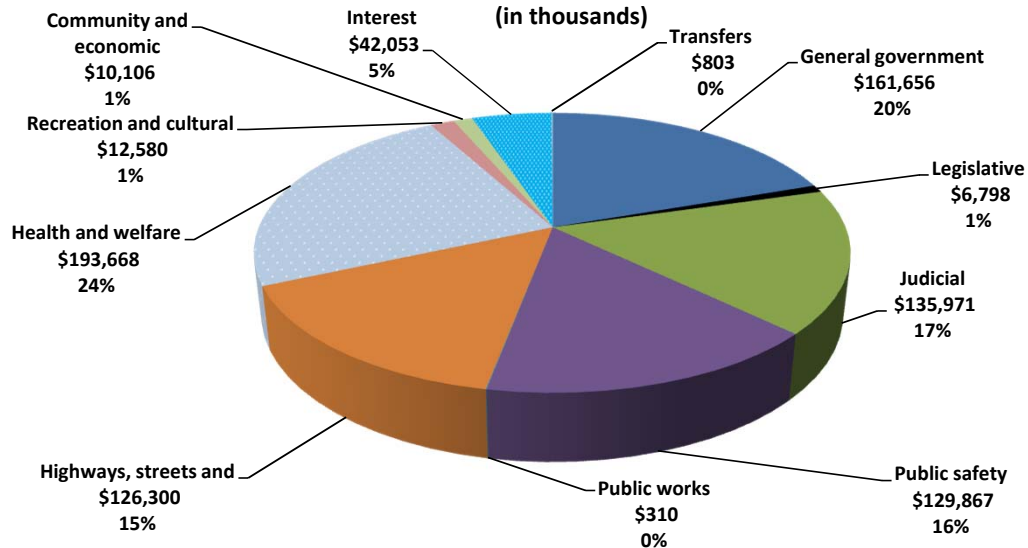
- Total revenues increased by \$41.0 million (or 4.4 percent) whereas total expenses decreased by \$30.1 million (or 3.8%).
- Charges for services revenue decreased \$15.7 million of which \$17.9 million was attributable to general government and a increase of \$2.6 million to highways, streets and bridges. The decrease within general government was primarily due to the elimination of intrafund revenues within the General Fund.
- Operating grants revenue increased by \$24.9 million, most of which was in highways, streets and bridges (\$9.7 million), general government (\$6.9 million), health and welfare (\$4.4 million), and judicial (\$4.0 million).
- Investment earnings revenues increased \$11.7 million. The increase was due to rising interest rates and a higher balance of investable cash.
- General government expenses decreased by \$17.0 million of which \$20.5 million is related to a supplemental pension contribution in fiscal year 2018.
- Public safety expenses increased by a net amount of \$19.1 million. The increase was primarily due to an increase in the allocation of pension expense as the prior year had a large contra pension expense due to the decrease in the net pension liability.

CHARTER COUNTY OF WAYNE, MICHIGAN

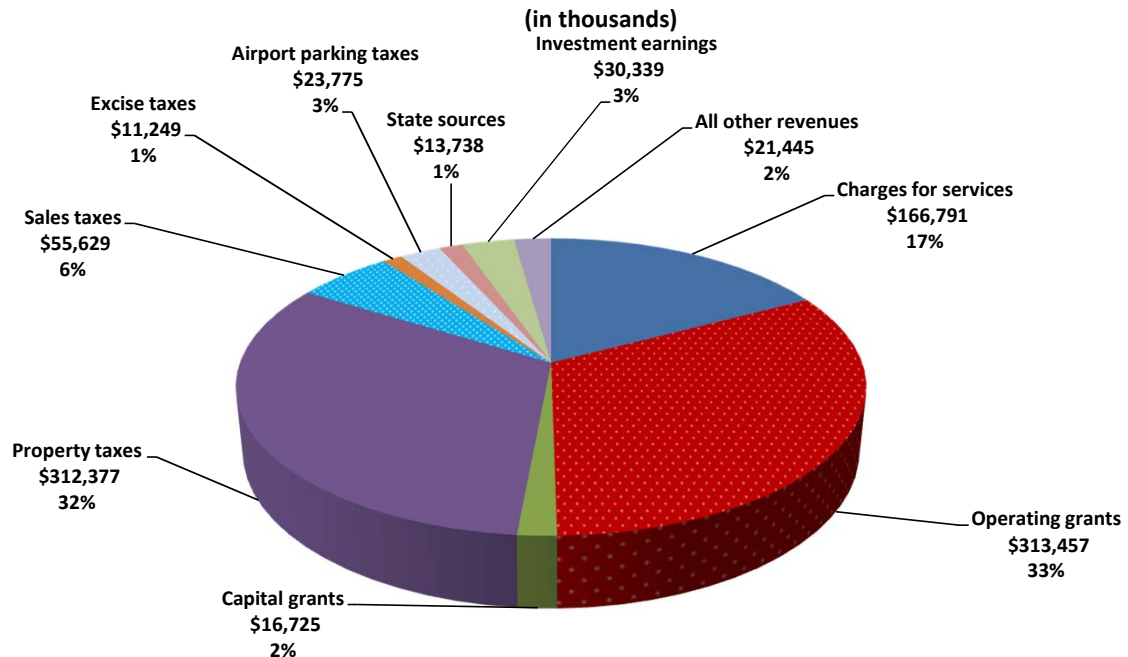
Management's Discussion and Analysis (Unaudited)

- Highways, streets and bridges expenses increased by \$13.5 million which was due to increased expenses for road projects (paving and repairs) of \$6.6 million, an increase in pension (\$6.1 million), and OPEB (\$2.0 million) expenses.
- Health and welfare increased by \$10.9 million primarily due to increases in expenses of providing health services (\$4.5 million), health and human services (\$1.9 million) and increased pension (\$3.7 million) expense.

Summary of Expenses - Governmental Activities



Revenue by Source - Governmental Activities

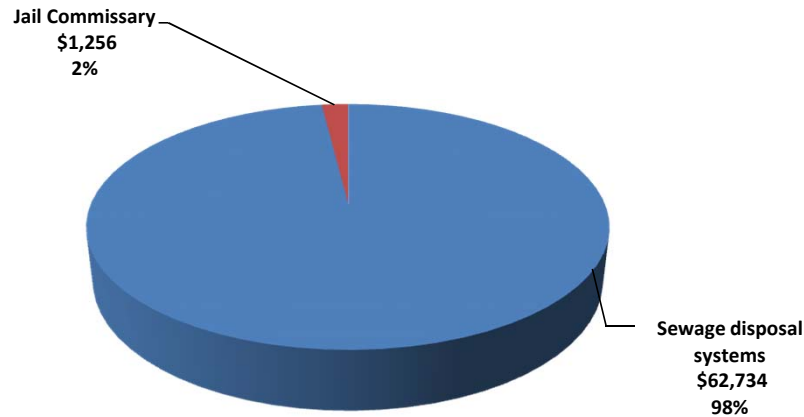


Business-type Activities. The business-type activities decreased the County's net position by \$6.2 million for the year. This decrease is primarily due a decrease in net position of the Rouge Valley Sewage Disposal System of \$5.0 million, the loss was incurred from operating expenses exceeding operating revenue (\$5.1 million). The balance of the reduction in net position came from the CSO Basins activity which had a loss of \$2.0 million mostly due to a loss on the disposal of capital assets. The significant decrease in revenues and expenses is due to the prior fiscal year sale of the Downriver and Northeast sewage disposal systems.

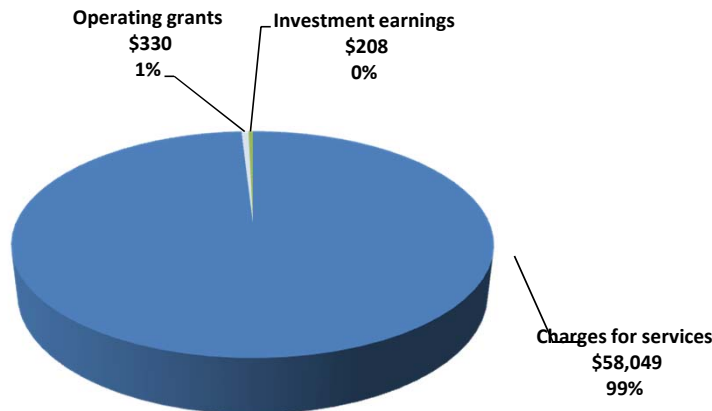
CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Summary of Expenses - Business-type Activities (in thousands)



Summary of Revenues - Business-type Activities (in thousands)



Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$801.6 million, an increase of \$54.1 million over the prior year. Nonspendable fund balances totaled \$20.2 million, committed fund balance totaled \$16.3 million, assigned fund balances totaled \$54.7 million, and unassigned fund balance totaled \$131.4 million. The remainder of fund balance (totaling \$579.0 million) is restricted: (1) to pay debt service (\$29.0 million); (2) to pay for capital projects and improvements (\$365.1 million); (3) for inpatient hospitalization (\$28.3 million); (4) for roads (\$119.4 million); and (5) for other special revenue fund purposes (\$37.2 million).

In general, amounts reported as assigned fund balance originate from an unrestricted revenue source and can be available for discretionary use in accordance with the County's fund balance policy.

The General Fund is the chief operating fund of the County. At the end of the fiscal year total fund balance was \$182.6 million, of which \$135.7 million was unassigned.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

The fund balance of the General Fund increased by \$8.8 million over the prior year. Significant fluctuations from the prior year are discussed below.

- Overall General Fund revenues decreased by \$16.1 million from the prior year.
- Property taxes revenues increased by \$12.5 million over the prior year. The increase is driven by increasing property values but slowed by State constitutional property tax caps (Headlee and Proposition A).
- Charges for services revenue decreased by \$31.9 million due to the elimination of internal, intrafund revenues such as elimination of charges for services provided by the Sheriff to the Courts of \$34.1 million.
- Judicial expenditures decreased by \$45.5 million from the prior fiscal year. Combined court operation costs decreased by \$34.1 million due to the elimination of intrafund charges for services. The Third Circuit Court's expenditures decreased by \$10.1 million primarily due to a reduction of \$7.1 million for indigent defense which is now being provided for in a different fund, Friend of Court expenditures increased by \$0.8 million, and Probate Court decreased by \$0.3 million.
- General government expenditures decreased by \$18.8 million was due to a transfer of \$20.5 million to the pension fund in fiscal year 2018 which did not occur in fiscal year 2019.
- Transfers out increased by \$40.7 million, from \$141.5 million the prior year to \$182.2 million the current year, due to the transfer of \$27.6 million more than the prior year for the construction of the Criminal Justice Center and \$7.4 million for the new Michigan Indigent Defense fund.

The fund balance for the other major governmental funds of the County at September 30, 2019 amounted to the following:

- The Roads Fund reported a total fund balance of \$129.6 million of which \$10.2 million is nonspendable and \$119.4 million is restricted as to purpose. The Roads Fund total fund balance increased \$21.1 million as funding has accumulated for a variety of forthcoming projects.
- The Health Fund has an accumulated fund balance of \$3.4 million, an increase of \$1.1 million from the prior year. The Health Fund has \$0.6 million of nonspendable fund balance and \$2.7 million of restricted fund balance.
- The Juvenile Justice and Abuse / Neglect (JJAN) Fund has a total fund deficit of \$2.6 million, a decrease of \$5.4 million from the prior year. There is \$0.1 million which is nonspendable and \$2.7 million in an unassigned deficit. The accumulated deficit is caused by the State of Michigan not paying timely for services rendered.
- The Criminal Justice Center Fund has a total fund balance of \$409.5 million, some of which is restricted for the construction of the County's new criminal justice complex and for the healthcare of indigent persons. Approximately \$49.3 million was spent on construction during the year and the fund received \$71.6 million in transfers in to fund construction of a central utility plant and parking.

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.

The Rouge Valley System has a net position of \$75.6 million. The system's net position is made up of \$72.9 million of net investment in capital assets and \$2.7 million of unrestricted net position.

The net position for the Delinquent Tax Revolving Fund amounted to \$127.8 million, an increase of \$18.2 million due to primarily to the program's increasing the amount retained for future years.

General Fund Budgetary Highlights

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. During the year, there were several significant changes from the original to the final amended budget. The changes are as follows:

- Property tax revenue budget increased by \$25.8 million due to higher than anticipated tax collections.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

- Interest and rents revenue budget was increased by \$3.0 million due to higher than originally anticipated returns on investments.
- The transfers in budget was increased by \$3.4 million due to a greater than originally expected excess tourist tax transfer.
- Circuit court expenditures budget decreased by \$7.1 million as indigent defense costs were transferred to the new Michigan Indigent Defense fund.
- The transfers out budget increased by \$58.7 million for funding of the central utility plant and for parking at the Criminal Justice Center.

In addition, there were several significant differences between the final amended budget and actual results, including:

- Federal grants revenue had an unfavorable variance between actual and final amended budget of \$5.3 million. Federal grants, especially new grants are budgeted with the assumption that the full amount of the expenditure budget will be spent, while generally the full cannot be spent a revenue shortfall compared to the amended budget.
- Charges for services revenues were short of the final amended budget by \$13.8 million due to the start of the new enterprise resource planning system' start being delayed until the end of the fiscal year (\$6.5 million) and Clerk Court Services charges for services (\$2.2 million).
- Management & Budget ended the fiscal year \$11.4 million under budget mostly due to delayed start of the enterprise resource planning implementation and a significant number of open but budgeted positions.
- The Prosecuting Attorney budget exceeded actual expenditures by \$5.8 million primarily due to wages and benefits unspent of \$2.8 million and \$1.0 million of miscellaneous contractual.
- Capital Outlay was under budget by \$5.7 million due to the Pinnacle Racetrack which was planned to have been acquired with capital outlay but was acquired in a different fund.

Capital Asset and Debt Administration

The County's governmental activities capital assets net of accumulated depreciation for governmental activities increased by \$37.7 million in fiscal year 2019. The increase was primarily due to construction in progress, notably the Criminal Justice Center \$49.3 million, infrastructure projects of approximately \$31.6 million but offset by depreciation expense of \$50.3 million.

	Capital Assets (Net of Depreciation) (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 533,610	\$ 538,076	\$ 1,449	\$ 1,449	\$ 535,059	\$ 539,525
Buildings and improvements	49,795	53,015	590	844	50,385	53,859
Machinery, equipment and vehicles	32,758	35,228	34	54	32,792	35,282
Infrastructure	277,040	267,747	80,739	78,852	357,779	346,599
Construction in progress	112,209	73,691	-	6,124	112,209	79,815
Total capital assets, net	\$ 1,005,412	\$ 967,757	\$ 82,812	\$ 87,323	\$ 1,088,224	\$ 1,055,080

The County's business type activities' capital assets net of accumulated depreciation decreased by \$4.5 million. The decline is due to \$2.8 million of depreciation expense and \$2.4 million of asset disposals.

Additional information on the County's capital assets can be found in Note 8.

Long-term Debt. At the end of the current fiscal year, the County's total bonded debt and notes outstanding was \$825.6 million. Of the total bonded debt, \$593.3 million is comprised of debt primarily back by the full faith and credit of the County (general obligation bonds). The balance of \$58.0 million of debt is primarily back by specified revenue sources of the County (revenue bonds). The remaining \$174.4 million consists of the delinquent tax notes.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

During the current fiscal year, the County's total bonded debt and notes decreased \$25.9 million. Debt for governmental activities decreased by \$25.1 million. The decrease is primarily due to principal payments of long-term debt of \$23.3 million. The County's delinquent tax notes borrowing decreased by \$0.3 million. Business-type activities debt decreased by \$0.8 million as the result of principal payments on long-term debt.

Outstanding Bonded Debt as of September 30 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds (backed by the County)	\$ 559,206	\$ 577,840	\$ 2,353	\$ 2,516	\$ 561,559	\$ 580,356
Capital leases & notes payable	174,368	174,697	-	-	174,368	174,697
Bond discount	(147)	(159)	-	-	(147)	(159)
Bond premium	31,892	33,355	-	-	31,892	33,355
Total general obligation bonds, net of bond discount and premium	765,319	785,733	2,353	2,516	767,672	788,249
Revenue bonds (backed by specific fee revenues)	48,035	52,720	9,898	10,564	57,933	63,284
Bond premium	-	-	-	-	-	-
Total revenue bonds, net of premium	48,035	52,720	9,898	10,564	57,933	63,284
Total bonds and notes payable, net of bond discounts and premiums	\$ 813,354	\$ 838,453	\$ 12,251	\$ 13,080	\$ 825,605	\$ 851,533

The County has a "BBB+" with a stable outlook from Fitch Ratings, a "BBB+" with a positive outlook from Standard & Poor's, a "Baa1" with a stable outlook from Moody's Investor Services for uninsured debt issuances.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The County's current debt obligation (debt carrying the County's limited tax general obligation) is approximately \$812.6 million including tax notes and certain component unit obligations, which is significantly less than the County's \$5.4 billion legal debt limit.

Additional information on the County's long-term debt can be found in Note 9.

Economic Factors and Next Year's Budget

- The County's 2018 Equalization Report indicates that the total State Equalized Value for Wayne County increased by \$5.9 billion, from \$48.5 billion to \$54.4 billion, an increase of 12.2%. The total taxable value of the County serves as the basis for current and future tax levies. The total taxable value increased \$1.3 billion, from \$39.5 billion to \$40.8 billion, an increase of 3.3%.
- The County projects balanced operations for the General Fund and governmental activities for fiscal year 2019-2020. The budget totals \$1.63 billion which represents an increase from fiscal year 2018-2019 of \$0.02 billion. The General Fund's adopted budget increased \$14.5 million compared to the prior year. This considered:
 - Increases in wages to reduce staffing turnover.
 - Construction of the County's new Criminal Justice Center.
 - The General Fund general purpose allocations to all departments after adjusting for changes to salaries, pension and internal service department allocations were done as a status quo.
- The impact of the Coronavirus Disease 2019 (COVID-19) the County's finances will impact subsequent periods of the County. The full measure of the effect on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot yet to be estimated.

The consumer price index for all urban customers (CPI-U) not seasonally adjusted, according to the U. S. Department of Labor, for the Detroit/Warren/Dearborn areas increased by about 2.5% from 231.7 in December 2018 to 237.5 in December 2019.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Charter County of Wayne, Michigan, Department of Management and Budget, Financial Reporting Division, 500 Griswold, 14th Floor, Detroit, Michigan 48226.



COMPREHENSIVE ANNUAL **FINANCIAL REPORT**

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

BASIC FINANCIAL STATEMENTS

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CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Net Position

September 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Equity in pooled cash and investments	\$ 481,596,152	\$ 8,968,212	\$ 490,564,364	\$ 20,824,150
Other cash and investments	3,535,420	44,158	3,579,578	16,816,925
Internal balances	2,422,688	(2,422,688)	-	-
Receivables:				
Due within one year	173,586,689	3,554,011	177,140,700	172,115
Due in more than one year	88,775,923	-	88,775,923	-
Due from other governments	(41,280)	11,811,004	11,769,724	1,310,939
Other assets	14,416,958	63,038	14,479,996	65,021
Assets held for resale	1,703,339	-	1,703,339	4,974,750
Restricted assets:				
Equity in pooled cash and investments	503,282,595	2,682,457	505,965,052	-
Other cash and investments	38,774,386	-	38,774,386	-
Accounts receivables	159,697,779	2,353,364	162,051,143	32,354,745
Due from other governments	14,356,720	-	14,356,720	-
Capital assets not being depreciated	643,303,527	1,448,847	644,752,374	-
Capital assets being depreciated, net	362,108,702	81,362,908	443,471,610	22,031,206
Total assets	2,487,519,598	109,865,311	2,597,384,909	98,549,851
Deferred outflows of resources				
Deferred charge on refunding	1,487,243	-	1,487,243	-
Deferred OPEB amounts	975,000	-	975,000	-
Deferred pension amounts	12,996,205	-	12,996,205	5,806
Total deferred outflows of resources	15,458,448	-	15,458,448	5,806
Liabilities				
Accounts payable and accrued expenses	144,724,899	14,542,421	159,267,320	8,630,998
Accrued interest payable	13,909,510	-	13,909,510	-
Unearned revenue	8,261,410	-	8,261,410	2,299,062
Due to other governments	35,556,168	523,653	36,079,821	98,712
Real estate sale obligations	45,060,986	-	45,060,986	-
Bonds, notes and other liabilities:				
Due within one year	78,430,507	899,143	79,329,650	2,495,030
Due in more than one year	765,581,604	11,421,277	777,002,881	29,882,678
Net OPEB liability	177,476,340	-	177,476,340	83,660
Net pension liability	537,582,900	-	537,582,900	270,570
Total liabilities	1,806,584,324	27,386,494	1,833,970,818	43,760,710
Deferred inflows of resources				
Deferred pension amounts	8,436,403	-	8,436,403	17,108
Net position				
Net investment in capital assets	705,197,548	72,913,842	778,111,390	14,153,939
Restricted for:				
Inpatient hospitalization	28,345,948	-	28,345,948	-
Health and welfare	27,831,981	-	27,831,981	-
Delinquent tax administration	127,504,863	-	127,504,863	-
Debt service	42,807,666	-	42,807,666	7,877,226
Veterans programs	2,145,042	-	2,145,042	-
Recreation and cultural	5,838,553	-	5,838,553	-
Highways and streets	130,126,723	-	130,126,723	-
Public safety	12,301,412	-	12,301,412	-
Economic development	2,808,944	-	2,808,944	39,750
Bond programs	-	5,035,821	5,035,821	-
Capital projects	31,736,377	-	31,736,377	-
Unrestricted (deficit)	(428,687,738)	4,529,154	(424,158,584)	32,706,924
Total net position	\$ 687,957,319	\$ 82,478,817	\$ 770,436,136	\$ 54,777,839

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Activities For the Year Ended September 30, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 161,656,371	\$ 92,089,870	\$ 11,735,994	\$ 30,509	\$ (57,799,998)
Legislative	6,797,796	1,461,030	-	-	(5,336,766)
Judicial	135,970,608	9,560,325	56,039,591	-	(70,370,692)
Public safety	129,866,927	31,574,287	7,134,509	22,847	(91,135,284)
Public works	309,971	-	-	-	(309,971)
Highways, streets and bridges	126,300,257	3,911,781	126,544,790	16,671,603	20,827,917
Health and welfare	193,667,760	18,863,896	106,067,939	-	(68,735,925)
Recreation and cultural	12,580,059	1,548,484	44,300	-	(10,987,275)
Community and economic development	10,106,056	7,781,546	5,890,278	-	3,565,768
Interest on long-term debt	42,052,729	-	-	-	(42,052,729)
Total governmental activities	819,308,534	166,791,219	313,457,401	16,724,959	(322,334,955)
Business-type activities:					
Rouge Valley sewage disposal system	58,663,255	53,337,756	265,755	-	(5,059,744)
CSO basins	4,070,659	1,981,550	64,319	-	(2,024,790)
Jail commissary	1,256,391	2,729,378	-	-	1,472,987
Total business-type activities	63,990,305	58,048,684	330,074	-	(5,611,547)
Total primary government	\$ 883,298,839	\$ 224,839,903	\$ 313,787,475	\$ 16,724,959	\$ (327,946,502)
Component units:					
Drainage Districts	\$ 21,166,282	\$ 359,063	\$ 7,693,326	\$ -	\$ (13,113,893)
HealthChoice of Michigan	19,265,153	21,060,568	-	-	1,795,415
Wayne County Land Bank Corporation	1,916,678	2,655,750	4,673,995	-	5,413,067
Wayne County - Detroit CDE, Inc.	404,579	-	-	-	(404,579)
Greater Wayne County Economic Development Corporation	10,944	-	-	-	(10,944)
Brownfield Redevelopment Authority	3,364,486	-	61,632	-	(3,302,854)
Total component units	\$ 46,128,122	\$ 24,075,381	\$ 12,428,953	\$ -	\$ (9,623,788)

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Activities For the Year Ended September 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net expense from previous page	\$ (322,334,955)	\$ (5,611,547)	\$ (327,946,502)	\$ (9,623,788)
General revenues:				
Taxes:				
Property	312,377,230	-	312,377,230	4,296,400
State sales	55,628,749	-	55,628,749	-
Excise	11,248,778	-	11,248,778	-
Airport parking	23,775,128	-	23,775,128	-
State sources	13,737,991	-	13,737,991	-
Investment earnings	30,338,834	208,605	30,547,439	625,633
Other revenue	21,440,802	-	21,440,802	4,349,831
Total general revenues	468,547,512	208,605	468,756,117	9,271,864
Transfers in (out)	802,623	(802,623)	-	-
Change in net position	147,015,180	(6,205,565)	140,809,615	(351,924)
Net position, beginning of year	540,942,139	88,684,382	629,626,521	55,129,763
Net position, end of year	<u>\$ 687,957,319</u>	<u>\$ 82,478,817</u>	<u>\$ 770,436,136</u>	<u>\$ 54,777,839</u>

concluded.

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Balance Sheet Governmental Funds September 30, 2019

	General	Roads	Health	Juvenile Justice and Abuse / Neglect
Assets				
Equity in pooled cash and investments	\$ 158,956,176	\$ 142,288,506	\$ 4,170,957	\$ -
Other cash and investments	127,978	2,475	1,050	200
Due from other funds	16,730,889	-	-	-
Interfund receivable	6,028,466	-	-	-
Receivables:				
Current property taxes	67,907,764	-	-	-
Delinquent property taxes	908,383	-	-	-
Accounts	414,938	228,318	1,775,020	1,318,320
Due from other governments	50,104,040	12,252,430	1,397,261	30,879,973
Less allowance for uncollectible accounts	(4,924,936)	(149,922)	-	-
Supplies inventory	8,022	7,883,059	183,347	141,214
Assets held for resale	1,703,339	-	-	-
Prepayments and deposits	190,633	2,331,331	454,218	1,789
Long-term receivables	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-
Restricted assets:				
Due from other governments restricted	-	-	-	-
Equity in pooled cash and investments	-	-	-	-
Total assets	\$ 298,155,692	\$ 164,836,197	\$ 7,981,853	\$ 32,341,496
Liabilities				
Accounts and contracts payable	\$ 4,650,263	\$ 6,639,106	\$ 2,722,238	\$ 9,243,700
Due to other funds	28,000,000	-	-	-
Interfund payable	-	-	-	3,082,400
Due to other governments	3,779,608	6,066,879	592,256	-
Accrued wages and benefits	5,284,420	910,086	105,089	393,991
Deposits	-	19,540,430	-	-
Other liabilities	26,764,089	1,552,973	884,201	7,058,015
Unearned revenue	348,539	-	183,347	-
Total liabilities	68,826,919	34,709,474	4,487,131	19,778,106
Deferred inflows of resources				
Unavailable property taxes	27,486,532	-	-	-
Unavailable receivable	-	-	-	-
Unavailable grants	19,237,234	557,203	130,446	15,180,852
Total deferred inflows of resources	46,723,766	557,203	130,446	15,180,852
Fund balances				
Nonspendable	7,779,480	10,214,390	637,565	143,003
Restricted	10,843,469	119,355,130	2,726,711	-
Committed	16,256,684	-	-	-
Assigned	11,976,604	-	-	-
Unassigned (deficit)	135,748,770	-	-	(2,760,465)
Total fund balances	182,605,007	129,569,520	3,364,276	(2,617,462)
Total liabilities, deferred inflows of resources and fund balances	\$ 298,155,692	\$ 164,836,197	\$ 7,981,853	\$ 32,341,496

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Balance Sheet Governmental Funds September 30, 2019

	Criminal Justice Center	Nonmajor Governmental Funds	Total
Assets			
Equity in pooled cash and investments	\$ 36,624,806	\$ 85,935,974	\$ 427,976,419
Other cash and investments	-	3,400,335	3,532,038
Due from other funds	27,223,213	1,777,750	45,731,852
Interfund receivable	-	-	6,028,466
Receivables:			
Current property taxes	-	-	67,907,764
Delinquent property taxes	-	-	908,383
Accounts	-	6,141,348	9,877,944
Due from other governments	-	5,526,480	100,160,184
Less allowance for uncollectible accounts	-	-	(5,074,858)
Supplies inventory	-	-	8,215,642
Assets held for resale	-	-	1,703,339
Prepayments and deposits	-	1,442,635	4,420,606
Long-term receivables	-	350,277	350,277
Less allowance for uncollectible accounts	-	(350,277)	(350,277)
Restricted assets:			
Due from other governments restricted	-	14,208,131	14,208,131
Equity in pooled cash and investments	355,933,619	22,503,349	378,436,968
Total assets	\$ 419,781,638	\$ 140,936,002	\$ 1,064,032,878
Liabilities			
Accounts and contracts payable	\$ 10,299,933	\$ 3,912,240	\$ 37,467,480
Due to other funds	-	17,731,852	45,731,852
Interfund payable	-	523,378	3,605,778
Due to other governments	-	179,014	10,617,757
Accrued wages and benefits	-	413,818	7,107,404
Deposits	-	-	19,540,430
Other liabilities	-	16,781,995	53,041,273
Unearned revenue	-	7,729,524	8,261,410
Total liabilities	10,299,933	47,271,821	185,373,384
Deferred inflows of resources			
Unavailable property taxes	-	-	27,486,532
Unavailable receivable	-	13,843,374	13,843,374
Unavailable grants	-	625,079	35,730,814
Total deferred inflows of resources	-	14,468,453	77,060,720
Fund balances			
Nonspendable	-	1,442,635	20,217,073
Restricted	384,586,015	61,529,862	579,041,187
Committed	-	-	16,256,684
Assigned	24,895,690	17,819,976	54,692,270
Unassigned (deficit)	-	(1,596,745)	131,391,560
Total fund balances	409,481,705	79,195,728	801,598,774
Total liabilities, deferred inflows of resources and fund balances	\$ 419,781,638	\$ 140,936,002	\$ 1,064,032,878

concluded.

See accompanying notes to the basic financial statements.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position September 30, 2019

Total fund balances - total governmental funds \$ 801,598,774

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	2,846,398,752
Less accumulated depreciation	(1,842,205,618)

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 the internal service funds are recorded as governmental activities in the Statement of Net Position.

(23,095,117)

The assets and liabilities of the Delinquent Tax Revolving fund, an enterprise fund, are recorded as governmental activities in the Statement of Net Position.

127,812,871

Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the governmental funds.

Deferred inflows - unavailable property taxes	27,486,532
Deferred inflows - unavailable grants	35,730,814
Deferred inflows - unavailable receivables	13,843,374

The receivable related to the jail transaction will not be relieved by cash but rather through contributions toward construction and does not represent current financial resources and therefore is not reported in the funds.

88,425,646

Certain employee fringe benefits, such as the net pension and OPEB liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension liability	(505,833,068)
Other postemployment benefit obligation	(167,982,658)
Deferred inflows related to the net pension asset and liability	(7,943,721)
Deferred outflows related to the net pension asset and liability	12,252,965
Deferred outflows related to the net OPEB liability	924,000

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds, capital leases, notes and other debt	(607,241,278)
Unamortized bond premium	(31,891,571)
Unamortized bond discount	147,376
Unamortized deferred charge on refunding	1,487,243
Accrued interest payable	(13,909,510)
Compensated absences	(19,737,228)
Claims, litigation and assessments	(3,250,273)
Real estate sale obligations	(45,060,986)

Net position of governmental activities \$ 687,957,319

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2019

	General	Roads	Health	Juvenile Justice and Abuse / Neglect
Revenues				
Taxes:				
Property	\$ 309,447,794	\$ -	\$ -	\$ 3,387,831
State sales	55,628,749	-	-	-
Excise	-	-	-	-
Licenses and permits	777,899	-	-	-
Federal grants	25,903,508	972,480	10,914,632	-
State grants and contracts	24,224,884	127,264,689	5,036,213	58,016,351
Local grants and contracts	694,163	1,367,724	5,826,230	6,868,994
State sources	13,336,971	-	-	95,200
Charges for services	104,869,195	3,887,040	2,979,310	2,194,620
Interest revenue (loss) and rents	6,031,008	4,208,105	-	(155,198)
Other	20,381,508	27,567	-	-
Total revenues	561,295,679	137,727,605	24,756,385	70,407,798
Expenditures				
Current operations:				
Legislative	7,613,541	-	-	-
Judicial	96,473,126	-	-	-
General government	134,499,398	-	-	-
Public safety	134,295,192	-	-	-
Public works	351,810	-	-	-
Highways, streets and bridges	-	111,841,023	-	-
Health and welfare	24,252,044	-	41,070,837	131,096,995
Recreational and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	173,914	5,471,232	-	145,792
Debt service:				
Principal	-	-	-	-
Interest	100	-	-	-
Total expenditures	397,659,125	117,312,255	41,070,837	131,242,787
Revenues over (under) expenditures	163,636,554	20,415,350	(16,314,452)	(60,834,989)
Other financing sources (uses)				
Transfers in	27,332,172	-	17,382,143	55,385,286
Transfers out	(182,162,796)	(254,975)	-	-
Proceeds from sale of capital assets	17,780	982,812	-	-
Total other financing sources (uses)	(154,812,844)	727,837	17,382,143	55,385,286
Net change in fund balances	8,823,710	21,143,187	1,067,691	(5,449,703)
Fund balances (deficits), beginning of year	173,781,297	108,426,333	2,296,585	2,832,241
Fund balances, end of year	\$ 182,605,007	\$ 129,569,520	\$ 3,364,276	\$ (2,617,462)

continued...

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2019

	Criminal Justice Center	Nonmajor Governmental Funds	Total
Revenues			
Taxes:			
Property	\$ -	\$ 10,752,040	\$ 323,587,665
State sales	-	-	55,628,749
Excise	-	11,248,778	11,248,778
Licenses and permits	-	102,043	879,942
Federal grants	-	13,591,201	51,381,821
State grants and contracts	-	14,338,512	228,880,649
Local grants and contracts	-	9,555,862	24,312,973
State sources	-	305,820	13,737,991
Charges for services	-	18,145,874	132,076,039
Interest revenue (loss) and rents	7,146,095	11,055,383	28,285,393
Other	-	557,838	20,966,913
Total revenues	<u>7,146,095</u>	<u>89,653,351</u>	<u>890,986,913</u>
Expenditures			
Current operations:			
Legislative	-	-	7,613,541
Judicial	-	12,530,577	109,003,703
General government	-	1,482,911	135,982,309
Public safety	-	9,133,829	143,429,021
Public works	-	-	351,810
Highways, streets and bridges	-	-	111,841,023
Health and welfare	-	9,693,911	206,113,787
Recreational and cultural	-	12,610,470	12,610,470
Community and economic development	-	14,158,589	14,158,589
Capital outlay	49,260,118	4,601,367	59,652,423
Debt service:			
Principal	-	23,318,673	23,318,673
Interest	-	35,233,303	35,233,403
Total expenditures	<u>49,260,118</u>	<u>122,763,630</u>	<u>859,308,752</u>
Revenues over (under) expenditures	<u>(42,114,023)</u>	<u>(33,110,279)</u>	<u>31,678,161</u>
Other financing sources (uses)			
Transfers in	71,639,269	64,065,564	235,804,434
Transfers out	-	(31,974,212)	(214,391,983)
Proceeds from sale of capital assets	-	3,325	1,003,917
Total other financing sources (uses)	<u>71,639,269</u>	<u>32,094,677</u>	<u>22,416,368</u>
Net change in fund balances	29,525,246	(1,015,602)	54,094,529
Fund balances (deficits), beginning of year	<u>379,956,459</u>	<u>80,211,330</u>	<u>747,504,245</u>
Fund balances, end of year	<u><u>\$ 409,481,705</u></u>	<u><u>\$ 79,195,728</u></u>	<u><u>\$ 801,598,774</u></u>

concluded.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended September 30, 2019

Net change in fund balances - total governmental funds	\$ 54,094,529
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Amounts reported for *governmental activities* in the Statement of Activities are different because:

The change in net position of the internal service funds is reported with governmental activities in the Statement of Activities.	(15,786,767)
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The change in net position of the Delinquent Tax Revolving Fund, an enterprise fund, is reported with governmental activities in the Statement of Activities.	18,249,782
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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	74,115,393
Less current year depreciation	(50,936,717)
Loss on disposal of capital assets	(1,179,379)

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.	15,699,123
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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 Position.	23,318,675
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Revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenues in the governmental funds.	2,299,196
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Net change in the value of a long-term receivable and related obligation liability related to a real estate transaction involving the exchange of properties and construction of facilities that will be contributed by the other party to the transaction. This transaction does not provide current financial resources and is therefore not reported in the governmental funds.	24,460,980
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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	(3,601,275)
Change in other postemployment benefits liability	(831,000)
Change in net pension liability and related deferred amounts	3,319,176
Change in accrued compensated absences	299,433
Change in accrued claims, litigation and assessments	2,359,727
Amortization of bond premium, discount and deferred charge on refunding	1,134,304

Change in net position of governmental activities	<u>\$ 147,015,180</u>
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See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2019

	Enterprise Funds				
	Rouge Valley Sewage Disposal System	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Equity in pooled cash and investments	\$ 4,959,049	\$ -	\$ 4,009,163	\$ 8,968,212	\$ 53,620,065
Other cash and investments	-	-	44,158	44,158	3,050
Receivables:					
Accounts	48,901	-	3,505,110	3,554,011	20,814
Due from other governments	24,830,190	-	96,319	24,926,509	95,455
Less allowance for uncollectible accounts	(13,115,505)	-	-	(13,115,505)	-
Prepayments and deposits	-	-	63,038	63,038	1,780,710
Restricted assets:					
Equity in pooled cash and investments	-	49,507,642	-	49,507,642	-
Delinquent property taxes receivable	-	4,425,644	-	4,425,644	-
Total current assets	16,722,635	53,933,286	7,717,788	78,373,709	55,520,094
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and investments	54	75,337,985	2,682,403	78,020,442	-
Other cash and investments	-	38,774,386	-	38,774,386	-
Delinquent property taxes receivable	-	153,968,653	-	153,968,653	-
Accounts receivable	-	1,303,482	-	1,303,482	-
Due from other governments	-	148,589	-	148,589	-
Bond principal due from municipalities	-	-	2,353,364	2,353,364	-
Capital assets not being depreciated	1,448,847	-	-	1,448,847	23,678
Capital assets being depreciated, net	81,362,908	259,493	-	81,622,401	935,924
Total noncurrent assets	82,811,809	269,792,588	5,035,767	357,640,164	959,602
Total assets	99,534,444	323,725,874	12,753,555	436,013,873	56,479,696
Deferred outflows of resources					
Deferred pension amounts	-	40,515	-	40,515	702,725
Deferred OPEB amounts	-	8,000	-	8,000	43,000
Total deferred outflows of resources	-	48,515	-	48,515	745,725

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Net Position Proprietary Funds September 30, 2019

	Enterprise Funds				
	Rouge Valley Sewage Disposal System	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities					
Current liabilities:					
Accounts and contracts payable	\$ 4,908,349	\$ 2,115,317	\$ 179,964	\$ 7,203,630	\$ 3,149,066
Accrued wages and benefits	-	62,359	14,310	76,669	377,412
Due to other governments	-	15,877,263	809,871	16,687,134	-
Interfund payable	-	-	2,422,688	2,422,688	-
Long-term obligations, current	685,000	35,667,600	145,000	36,497,600	-
Compensated absences, current	-	210,747	69,143	279,890	973,266
Claims payable, current	-	-	-	-	6,362,191
Other liabilities	9,094,180	-	59,400	9,153,580	31,050,239
Total current liabilities	14,687,529	53,933,286	3,700,376	72,321,191	41,912,174
Noncurrent liabilities:					
Net OPEB liability	-	1,535,747	-	1,535,747	7,957,935
Net pension liability	-	1,764,938	-	1,764,938	29,984,894
Bonds and notes payable	9,212,913	138,700,400	2,208,364	150,121,677	-
Total noncurrent liabilities	9,212,913	142,001,085	2,208,364	153,422,362	37,942,829
Total liabilities	23,900,442	195,934,371	5,908,740	225,743,553	79,855,003
Deferred inflows of resources					
Deferred pension amounts	-	27,147	-	27,147	465,535
Net position					
Net investment in capital assets	72,913,842	259,493	-	73,173,335	959,602
Restricted for:					
Delinquent taxes and property foreclosures	-	127,504,863	-	127,504,863	-
Bond programs	54	-	5,035,767	5,035,821	-
Unrestricted (deficit)	2,720,106	48,515	1,809,048	4,577,669	(24,054,719)
Total net position	\$ 75,634,002	\$ 127,812,871	\$ 6,844,815	\$ 210,291,688	\$ (23,095,117)
Reconciliation of statement of net position of enterprise funds to business-type activities:					
Total enterprise fund net position				\$ 210,291,688	
The Delinquent Tax Revolving Fund primarily serves a governmental purpose and therefore is reported as governmental activities in the statement of net position				(127,812,871)	
Net position of business-type activities				\$ 82,478,817	

concluded.

See accompanying notes to the basic financial statements.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Statements of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2019

	Enterprise Funds				
	Rouge Valley Sewage Disposal System	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Sewage disposal charges	\$ 53,337,736	\$ -	\$ 36,900	\$ 53,374,636	\$ -
Other charges for services	20	-	4,674,028	4,674,048	85,111,022
Fines and forfeitures	-	65,093,179	-	65,093,179	-
Rentals and expense recoveries	-	-	-	-	5,856
Other revenue	-	49	-	49	4,643
Total operating revenues	53,337,756	65,093,228	4,710,928	123,141,912	85,121,521
Operating expenses					
Personnel	-	2,179,465	628,007	2,807,472	9,549,154
Fringe benefits	-	925,493	196,639	1,122,132	4,879,464
Pension and retirement benefits	-	454,108	187,267	641,375	12,741,342
Materials and supplies	2,618	127,340	102,435	232,393	839,160
Contractual services	55,319,828	17,216,765	1,487,767	74,024,360	10,876,441
Insurance benefits	-	-	-	-	55,167,578
Travel	-	9,872	223	10,095	78,208
Miscellaneous operating	306,977	2,890,410	267,125	3,464,512	4,235,499
Rentals	-	192,603	-	192,603	1,797,704
Other charges	-	245,485	36,121	281,606	180,684
Depreciation and amortization	2,775,974	75,467	-	2,851,441	180,652
Total operating expenses	58,405,397	24,317,008	2,905,584	85,627,989	100,525,886
Operating income (loss)	(5,067,641)	40,776,220	1,805,344	37,513,923	(15,404,365)
Nonoperating revenues (expenses)					
Investment earnings (loss)	76,048	2,170,411	132,557	2,379,016	(116,969)
Collections from participating units	265,755	-	64,319	330,074	-
Gain (loss) from disposal of capital assets	-	-	(2,359,130)	(2,359,130)	-
Interest expense	(257,858)	(4,352,454)	(62,336)	(4,672,648)	-
Total nonoperating revenues (expenses)	83,945	(2,182,043)	(2,224,590)	(4,322,688)	(116,969)
Income (loss) before transfers	(4,983,696)	38,594,177	(419,246)	33,191,235	(15,521,334)
Transfers in	-	-	-	-	413
Transfers out	-	(20,344,395)	(802,623)	(21,147,018)	(265,846)
Change in net position	(4,983,696)	18,249,782	(1,221,869)	12,044,217	(15,786,767)
Net position (deficit), beginning of year	80,617,698	109,563,089	8,066,684	198,247,471	(7,308,350)
Net position (deficit), end of year	\$ 75,634,002	\$ 127,812,871	\$ 6,844,815	\$ 210,291,688	\$ (23,095,117)
Reconciliation of statement of revenues, expenses and changes in fund net position to the business-type activities in the statement of activities					
Change in net position - enterprise funds				\$ 12,044,217	
The Delinquent Tax Revolving Fund primarily serves a governmental purpose and therefore is reported as governmental activities in the statement of activities (Note 1)				(18,249,782)	
Change in net position of business-type activities				\$ (6,205,565)	

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, 2019

	Enterprise Funds				
	Rouge Valley Sewage Disposal System	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Receipts from customers	\$ 52,999,528	\$ 78,397,772	\$ 4,056,707	\$ 135,454,007	\$ -
Receipts from interfund services	-	-	-	-	85,100,707
Payments to employees	-	(1,785,229)	(1,007,645)	(2,792,874)	(44,207,318)
Payments to suppliers	(46,474,716)	(20,064,983)	(4,744,720)	(71,284,419)	(17,300,790)
Net cash provided by (used in) operating activities	6,524,812	56,547,560	(1,695,658)	61,376,714	23,592,599
Cash flows from non-capital financing activities					
Transfers in	-	-	-	-	413
Transfers out	-	(20,344,395)	(802,623)	(21,147,018)	(265,846)
Repayments of loans from other funds	(523,892)	-	1,403,981	880,089	-
Net cash used in non-capital financing activities	(523,892)	(20,344,395)	601,358	(20,266,929)	(265,433)
Cash flows from capital and related financing activities					
Repayment of long-term debt	(690,621)	(329,000)	(138,017)	(1,157,638)	-
Bond principal received from municipalities	165,000	-	128,016	293,016	-
Interest received from participating local units	125,755	-	64,319	190,074	-
Interest paid	(257,858)	(4,352,455)	(62,336)	(4,672,649)	-
Acquisition of capital assets	(460,327)	(232,823)	(163,757)	(856,907)	-
Net cash provided by (used in) capital and related financing activities	(1,118,051)	(4,914,278)	(171,775)	(6,204,104)	-
Cash flows from investing activities					
Investment earnings (loss)	76,048	2,170,411	132,557	2,379,016	(116,969)
Change in cash and cash equivalents	4,958,917	33,459,298	(1,133,518)	37,284,697	23,210,197
Cash and cash equivalents, beginning of year	186	130,160,715	7,869,242	138,030,143	30,412,918
Cash and cash equivalents, end of year	\$ 4,959,103	\$ 163,620,013	\$ 6,735,724	\$ 175,314,840	\$ 53,623,115
Cash and cash equivalents at September 30, 2019 consist of the following:					
Equity in pooled cash and investments	\$ 4,959,049	\$ -	\$ 4,009,163	\$ 8,968,212	\$ 53,620,065
Other cash and investments	-	-	44,158	44,158	3,050
Restricted assets:					
Equity in pooled cash and investments	54	124,845,627	2,682,403	127,528,084	-
Other cash and investments	-	38,774,386	-	38,774,386	-
Total cash and investments	\$ 4,959,103	\$ 163,620,013	\$ 6,735,724	\$ 175,314,840	\$ 53,623,115

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Cash Flows Proprietary Funds For the Year Ended September 30, 2019

	Enterprise Funds				
	Rouge Valley Sewage Disposal System	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (5,067,641)	\$ 40,776,220	\$ 1,805,344	\$ 37,513,923	\$ (15,404,365)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,775,974	75,467	-	2,851,441	180,652
Changes in current assets, current liabilities and deferrals:					
Delinquent property taxes receivable	-	13,462,035	-	13,462,035	-
Accounts receivable	-	(157,491)	667,337	509,846	(20,814)
Due from other governments	(338,228)	1,194,595	(1,321,558)	(465,191)	-
Prepayments and deposits	-	-	(201,112)	(201,112)	(263,300)
Deferred pension amounts (outflows)	-	97,426	-	97,426	394,264
Accounts and contracts payable	9,154,707	953,784	(2,606,395)	7,502,096	(3,046,417)
Accrued wages and benefits	-	24,254	6,419	30,673	148,260
Compensated absences	-	54,479	(2,151)	52,328	131,994
Other liabilities	-	(151,286)	(43,542)	(194,828)	29,907,211
Net other postemployment benefit obligations	-	332,000	-	332,000	2,136,000
Net pension liability	-	(79,959)	-	(79,959)	9,638,945
Deferred pension amounts (inflows)	-	(33,964)	-	(33,964)	(209,831)
Net cash provided by (used in) operating activities	\$ 6,524,812	\$ 56,547,560	\$ (1,695,658)	\$ 61,376,714	\$ 23,592,599

concluded.

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Fiduciary Net Position Fiduciary Funds September 30, 2019

	Pension and Other Employee Benefits Trust Funds	Agency Funds
Assets		
Investments:		
Equity securities	\$ 834,644,881	\$ -
Debt securities	292,352,755	-
Money market funds	29,322,427	-
Real estate investment trusts	178,446,688	
Private equity investments	52,540,429	
Hedge and structured debt funds	39,385,975	
Interest in pooled investments	29,195,205	-
Total investments	1,455,888,360	-
Equity in pooled cash and investments	1,203,613	291,152,955
Other cash and investments	-	4,932,754
Accounts receivable	763,184	-
Participant loans	16,482,126	-
Accrued interest receivable	789,184	-
Prepayments and deposits	21,762	-
Total assets	1,475,148,229	\$ 296,085,709
Liabilities		
Accounts and contracts payable	684,633	\$ -
Due to other governments	-	170,493
Accrued wages and benefits	146,843	-
Due to broker for securities purchased	951,783	-
Undistributed receipts	-	77,375,848
Undistributed taxes	-	184,768,346
Other liabilities	85,606	33,771,022
Total liabilities	1,868,865	\$ 296,085,709
Net position		
Restricted for pension and other employee benefits	\$ 1,473,279,364	

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefits Trust Funds

For the Year Ended September 30, 2019

Additions

Investment income:

Net appreciation in fair market value	\$ 15,220,948
Interest and dividends	31,230,198
Other investment income	891,881
Investment expenses	<u>(3,127,558)</u>

Net investment income	<u>44,215,469</u>
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Contributions:

Employer	91,772,902
Employee	<u>17,830,876</u>

Total contributions	<u>109,603,778</u>
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Total additions	<u>153,819,247</u>
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Deductions

Participant benefits	163,604,637
Administrative expenses	<u>3,122,634</u>

Total deductions	<u>166,727,271</u>
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Change in net position	(12,908,024)
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Net position - restricted for pension and other employee benefits, beginning of year	<u>1,486,187,388</u>
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Net position - restricted for pension and other employee benefits, end of year	<u>\$ 1,473,279,364</u>
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See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Net Position

Component Units

September 30, 2019

	Drains	Health Choice	Land Bank	Brownfield Redevelopment Authority	Nonmajor Component Units	Total
Assets						
Equity in pooled cash and investments	\$ 16,472,363	\$ -	\$ 3,370,158	\$ 981,629	\$ -	\$ 20,824,150
Other cash and investments	100	13,267,553	730,502	-	2,818,770	16,816,925
Receivables:						
Due in one year	122,600	-	36,126	10,526	2,863	172,115
Due from other governments	1,210,160	-	-	6,920	93,859	1,310,939
Restricted asset-bond principal due from municipalities	32,354,745	-	-	-	-	32,354,745
Other assets	-	42,115	16,641	-	6,265	65,021
Assets held for resale	-	-	4,974,750	-	-	4,974,750
Capital assets being depreciated, net	21,906,166	116,334	8,706	-	-	22,031,206
Total assets	72,066,134	13,426,002	9,136,883	999,075	2,921,757	98,549,851
Deferred outflow of resources						
Deferred pension amounts	5,806	-	-	-	-	5,806
Liabilities						
Accounts payable and accrued expenses	6,389,230	2,123,627	47,099	8,515	62,527	8,630,998
Due to other governments	-	-	-	87,412	11,300	98,712
Unearned revenue	-	1,633,708	-	665,354	-	2,299,062
Bonds, notes and other liabilities:						
Due in one year	2,495,030	-	-	-	-	2,495,030
Due in more than one year	29,882,678	-	-	-	-	29,882,678
Net OPEB liability	83,660	-	-	-	-	83,660
Net pension liability	270,570	-	-	-	-	270,570
Total liabilities	39,121,168	3,757,335	47,099	761,281	73,827	43,760,710
Deferred inflows of resources						
Deferred pension amounts	17,108	-	-	-	-	17,108
Net position						
Net investment in capital assets	14,028,899	116,334	8,706	-	-	14,153,939
Restricted for debt	7,877,226					7,877,226
Restricted for economic development	-	-	-	-	39,750	39,750
Unrestricted	11,027,539	9,552,333	9,081,078	237,794	2,808,180	32,706,924
Total net position	\$ 32,933,664	\$ 9,668,667	\$ 9,089,784	\$ 237,794	\$ 2,847,930	\$ 54,777,839

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Activities Component Units For the Year Ended September 30, 2019

	Drains	Health Choice	Land Bank	Brownfield Redevelopment Authority	Nonmajor Component Units	Total
Expenses	\$ 21,166,282	\$ 19,265,153	\$ 1,916,678	\$ 3,364,486	\$ 415,523	\$ 46,128,122
Program revenues						
Charges for services	359,063	21,060,568	2,655,750	-	-	24,075,381
Operating grants and contributions	7,693,326	-	4,673,995	61,632	-	12,428,953
Total program revenues	8,052,389	21,060,568	7,329,745	61,632	-	36,504,334
Net (expense) revenue	(13,113,893)	1,795,415	5,413,067	(3,302,854)	(415,523)	(9,623,788)
General revenues						
Property taxes	4,296,400	-	-	-	-	4,296,400
Investment earnings	481,008	17,829	98,750	26,960	1,086	625,633
Other revenue	678,447	2,085	-	3,268,409	400,890	4,349,831
Total general revenues	5,455,855	19,914	98,750	3,295,369	401,976	9,271,864
Change in net position	(7,658,038)	1,815,329	5,511,817	(7,485)	(13,547)	(351,924)
Net position, beginning of year	40,591,702	7,853,338	3,577,967	245,279	2,861,477	55,129,763
Net position, end of year	\$ 32,933,664	\$ 9,668,667	\$ 9,089,784	\$ 237,794	\$ 2,847,930	\$ 54,777,839

See accompanying notes to the basic financial statements.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

NOTES TO THE BASIC FINANCIAL STATEMENTS

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CHARTER COUNTY OF WAYNE, MICHIGAN

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CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Charter County of Wayne, Michigan (the County) was incorporated in 1796 and covers an area of approximately 620 square miles. The County provides law enforcement, administration of justice, community enrichment and development, and health and human services to approximately 1.8 million residents. The County operates under a Home Rule Charter that provides for government by a legislative branch, which is comprised of fifteen elected commissioners, and an executive branch, which is headed by an elected chief executive officer (County Executive). The County Executive is the County's chief administrator and manages the County's eight executive departments, including Corporation Counsel, Health, Veterans and Community Wellness, Homeland Security and Emergency Management, Management and Budget, Personnel/Human Resources, Public Services, Senior Services and Technology. In addition, the primary government includes other elected officials including the County Clerk, Prosecuting Attorney, Register of Deeds, Sheriff, Treasurer, 3rd Circuit Court and Probate Court. 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

As defined by generally accepted accounting principles established by the Governmental Accounting Standard Board, the financial reporting entity consists of the primary government as well as its component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationship with the county. In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

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

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

The Detroit-Wayne County Stadium Authority (DWCSA) is a Michigan body corporate, incorporated on August 22, 1996 under the provisions of Act 31, Public Acts of Michigan of 1948. Its purpose is to construct, maintain, operate, and own stadia and their related structures, including Comerica Park and Ford Field, home of the Detroit Tigers Professional Baseball Team and the Detroit Lions Professional Football Team, respectively. The DWCSA is authorized to enter into contracts and indebtedness for this purpose. The DWCSA's Articles of Incorporation provide for a six-member board ("the Commission"). Each member of the Commission is appointed by the County Executive, with three members recommended by the Mayor of the City of Detroit. On April 1, 1997, the DWCSA issued revenue bonds totaling \$85,815,000. In 2013, DWCSA became a blended component unit as there is a financial benefit/burden relationship with Wayne County. 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. The operations of the DWCSA are reported in two nonmajor governmental funds.

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. In addition, the EDC is responsible for managing operations of the Guardian Building, the County's administrative headquarters. Starting in 2013, the EDC is reported as a blended component unit, as the EDC is fiscally dependent on the County, has no taxing authority and provides services almost exclusively to Wayne County.

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.

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 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 132 drainage districts that are assessed by the County. The drainage districts are grouped and reported as follows:

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

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

Chapter 20 Drainage Districts are intra-county drainage districts that are operated, maintained, and extended pursuant to the provisions in the Drain Code, which allow for at-large assessment of costs against either the benefited public entities 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 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 entities or the specific owners of the benefited parcels of property. The District has a drainage board that is responsible for determining the yearly assessments and 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 each district.

The Wayne County-Detroit Community Development Entity, Inc. (CDE, Inc.) is an IRS Section 501(c)(3) corporation. It is a qualified community development entity that has been 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 appoints seven of the eleven Board members. The CDE's limited liability corporations administer the NMTC projects.

The Greater Wayne County Economic Development Corporation (GWCEDC) 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 GWCEDC is to administer economic development programs and functions in Michigan. The GWCEDC is governed by an executive committee and a board of directors. The County Executive appoints six of the ten board members of the executive committee. The entity is primarily funded by contributions from the County.

The Brownfield Redevelopment Authority (BRA) was established by State enabling legislation. The BRA assists the Wayne County Department of Public Services and the various 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.

HealthChoice has faced uncertainty over the last couple of years due to the loss of subsidy dollars and the changes in health care brought about by the roll out of the Affordable Care Act, the latter surfacing in fiscal year 2015. On March 2, 2015, HealthChoice received a letter from the Centers of Medicare and Medicaid Services recognizing HealthChoice as minimum essential coverage (MEC) for employees of participating employers and their dependents. Individuals participating in HealthChoice's program will avoid the shared responsibility payment (individual mandate) imposed on individuals that do not have MEC. This recognition will allow HealthChoice to increase enrollment as HealthChoice positions itself as an affordable health care coverage option for small businesses in Wayne County and the Metro Detroit area. It also allows HealthChoice to return to marketing and advertising of the program.

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

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

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

The following component units issue audited financial statements that may be obtained at the entity's administrative offices:

Wayne County Building Authority
500 Griswold, 14th Floor
Detroit, Michigan 48226

HealthChoice of Michigan
500 Griswold, 15th Floor
Detroit, Michigan 48226

Wayne County Land
Bank Corporation
500 Griswold, 28th Floor
Detroit, Michigan 48226

Greater Wayne County Economic
Development Corporation
500 Griswold, 28th Floor
Detroit, Michigan 48226

Wayne County-Detroit Community
Development Entity, Inc.
500 Griswold, 28th Floor
Detroit, Michigan 48226

The administrative offices of the other component units are listed below. Detailed financial information may be obtained from the Wayne County Department of Management and Budget, 500 Griswold, 14th Floor.

Chapters 8, 20 and 21 Drainage Districts
Wayne County Department of Public Services
400 Monroe, 4th Floor
Detroit, Michigan 48226

Economic Development Corporation of
Wayne County
500 Griswold, 28th Floor
Detroit, Michigan 48226

Detroit-Wayne County Stadium Authority
500 Griswold, 14th Floor
Detroit, Michigan 48226

Brownfield Redevelopment Authority
500 Griswold, 28th Floor
Detroit, Michigan 48226

Related Organizations

County officials are also responsible for appointing members of boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. County officials appoint the board members of the Detroit-Wayne County Joint Building Authority; Wayne County Zoological Authority; and the Wayne County Airport Authority.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The County follows accounting principles generally accepted in the United States of America (GAAP) applicable to government units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

The basic financial statements include both government-wide and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for services. Likewise, the primary government is reported separately from its discretely presented component units for which the primary government is financially accountable. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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 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. 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Fund Financial Statements

Separate fund financial statements are presented for governmental, proprietary, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. Nonmajor governmental, nonmajor enterprise, internal service, pension and other employee benefits trust, and trust 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 days. The County considers all other revenues to be available if they are collected within sixty days of the end of the fiscal year, except grant and trade receivables. They shall be considered available if they are collected within ninety 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 accounted for and reported in other funds. The General Fund is the County's primary operating fund.
- *Roads Special Revenue 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.
- *Health Special Revenue Fund* - This fund is used to account for revenue restricted for the purpose of providing health protection, maintenance, and improvement for the residents of the County. These operations are principally funded by federal grants and the State of Michigan through Medicaid and State grants and contracts.
- *Juvenile Justice and Abuse/Neglect Special Revenue Fund* - This fund accounts for the cost of providing required foster care and/or residential care to abused, neglected, and delinquent children, including County residents who become wards of the State of Michigan. These operations are principally funded by grants and contracts from the State of Michigan.
- *Criminal Justice Center Construction Capital Projects Fund* - This fund accounts for the cost of the construction of the County's new Criminal Justice Center housing criminal courts, adult detention and juvenile detention. The project is principally funded by bond proceeds, approximately \$75 million from 2010 jail bonds, approximately \$318 million from 2018 criminal justice center bonds and approximately \$90 million from County sources.

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 the accrual basis of accounting and the economic resources measurement focus.

The County reports the following major enterprise funds:

- *Rouge Valley Sewage Disposal System Enterprise Fund* - This major enterprise fund is used to record the fiscal activities associated with operation and maintenance of the Rouge Valley sewage treatment facilities. Costs are recovered through development of usage rates, which are billed to the local communities served.
- *Delinquent Tax Revolving Enterprise 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 other taxing authorities in the County.

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.

Additionally, the County reports the following fund types:

- *Special revenue funds* are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- *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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

- *Capital projects funds* are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary 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.
- *Internal service funds* are used to account for the costs of certain goods, services, and activities (such as information technology, employee health benefits, property insurance, buildings and grounds maintenance, etc.) provided by one department to another department or to component units of the County.
- *Pension and other employee benefits trust funds* are used to account for the assets of the County's employees' pension plan and other post employment benefit plans. 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* 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 Position, 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; receipts 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.

The County reports the following major component units:

- *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.
- *Health Choice* - 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.
- *Land Bank* - The Land Bank was established by State enabling legislation and was incorporated through an intergovernmental agreement between the Michigan Land Bank Fast Track Authority and the Wayne County Treasurer. Its purpose is to acquire, assemble, manage and/or dispose of real property, or rights and interests in real (such as tax reverted) property to develop/rehabilitate that property and promote economic growth; to quiet title to property; to issue bonds; and provide for financing acquisition, assembly, disposition and quieting of title to property.
- *Brownfield Redevelopment Authority* - Brownfield was established by State enabling legislation to assist the Wayne County Department of Public Services and the various County communities involved with the Urban Recovery Partnership to facilitate the redevelopment of unproductive, contaminated and/or blighted property by providing tax incentives.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits 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 lower of cost or market, primarily using the weighted average cost flow assumption. Expenditures are recognized as inventory items are used.

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

Fund balances in governmental funds have been reported as nonspendable for the amount of inventory, prepaid items and deposits as of September 30, 2019, as that portion of fund balance is not in spendable form.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Interfund Balances

Outstanding balances between funds are reported as "due to/from other funds". The amounts shown as "interfund receivables/payables" represent short-term borrowings between funds due to certain funds having a negative equity in the County's pooled cash and investments. Interfund payables with governmental funds that cannot be repaid within a year are reported as nonspendable, as that portion of fund balance is not in spendable form. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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 their estimated acquisition cost as of 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. During the year 2019, the County implemented Governmental Accounting Standard Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period early*. As a result of the implementation, interest incurred during the construction phase of capital assets is not 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 (years):

Land improvements	20
Buildings and improvements	5-50
Infrastructure:	
Roadways and signage	7-15
Bridges and dams	25-50
Roadways and paving	5-25
Sewer systems	25-80
Machinery, equipment and vehicles	5-25
Office equipment	5

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for the change in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefit plans as well as for the deferred charge on refunding. A deferred refunding charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Real estate obligations

The County reports a liability for the estimated net present value of operating and maintenance costs to be incurred at the four jail properties contributed to the new Criminal Justice Center developer but still operated by the County until the new facility is constructed. The Criminal Justice Center transaction is described in more detail in Note 22.

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Other Long-term Obligations

Other long-term obligations include compensated absences, net pension liabilities, other postemployment benefits, and reserves for commitments and contingencies.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

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. 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.

Other Postemployment Benefit Costs (OPEB)

The County offers retiree health care benefits to retirees. The County records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflow of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Wayne County Other Postemployment Benefit plan (OPEB plan) and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions

The County offers pension benefits to retirees. The County records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position may sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County's deferred inflows of resources include amounts related to the net pension liability and OPEB liability. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting, that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

In the fund financial statements, governmental funds report the following components of fund balance:

- *Nonspendable* - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- *Restricted* - Amounts that have externally imposed constraints and are legally restricted by outside parties, constitutional provisions or enabling legislation for use of a specific purpose.
- *Committed* - Amounts that have been committed for specific purposes by formal action of the government's highest level of decision-making authority (i.e. County Commission). Commitments are made and can be rescinded only via resolution of the County Commission.
- *Assigned* - Amounts that are intended by the government to be used for specific purposes, but are not restricted or committed. By resolution of the Wayne County Commission, authority to assign fund balance has been designated to the Chief Financial Officer or his/her designee subject to the approval of the Wayne County Commission.
- *Unassigned* - Residual amounts remaining in the General Fund and negative amounts in other governmental funds.

In addition, special revenue funds are only allowed to be reported if they are used to account for activities that are substantially funded by a specific external revenue source that is restricted or committed for a specific purpose.

The County Commission has adopted, by ordinance, a Budget Stabilization Fund under Michigan's Public Act 30 of 1978. The County Commission may, with a 2/3 vote, set aside 50% of the General Fund surplus, up to a maximum of 15% of the most recent General Fund budget (or average of the five most recent budgets, if less). An appropriation from the Budget Stabilization Fund, which also requires a 2/3 vote of the County Commission, may only occur to correct a budget shortfall, or in the case of a natural disaster. The balance at September 30, 2019 of the Budget Stabilization Fund, which is reported in the General Fund within unassigned fund balance, is \$23 million.

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

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Net position

In the government-wide and proprietary fund financial statements, net position is classified in three components:

- Net investment in capital assets 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 position results when constraints are placed on the use of net position by either creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.

The County will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

Cash Flows

For purposes of the Statements 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.

2. BUDGET MATTERS

The following is a listing of total expenditures in excess of the final amended budget. 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. The budgetary comparison schedules for the nonmajor funds are presented in the supplementary information.

	Final Amended Budget	Actual Expenditures	Amount Over Amended Budget
General Fund			
General Government:			
Economic and neighborhood development	\$ 55,090	\$ 2,209,837	\$ 2,154,747
Non-departmental -			
Mental health and substance abuse appropriation	12,893,224	13,092,995	199,771
Nonmajor special revenue funds			
Veteran's Trust Fund -			
General government	30,000	33,901	3,901
Economic Development Corporation -			
Economic development	6,132,341	7,093,832	961,491
Health and Family Service -			
Health and welfare	30,000	75,272	45,272
Michigan Indigent Defense Fund -			
Capital outlay	-	33,839	33,839
Nonmajor debt service funds			
Downriver Communities Debt Service Fund -			
Debt service principal	-	8,168,673	8,168,673
Debt service interest	-	784,478	784,478
Transfer out	-	10,066	10,066
Nonmajor capital projects funds			
Other Capital Projects Fund -			
Judicial	-	350,169	350,169
Economic development	723,079	1,093,750	370,671

Economic and neighborhood development - There were three expenditures which were not budgeted for, the first was the write down of the value from the acquisition of the interest in the Pinnacle Racetrack. The need to write down the asset was determined after fiscal year end and a budget adjustment could not be made for the transaction. The other included a contractual payment to Huron Township which was originally budgeted but reclassified and an accounting reclassification of expenditures from capital expenditures to economic and neighborhood development.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Mental health and substance abuse appropriation - State law requires the payment to DWIH as a percentage of liquor tax collected. The fiscal liquor tax collections exceeded the anticipated collection which caused an accrual of an amount owed to the authority.

Veteran's Trust Fund general government - Administrative charges are applied based on actual costs which exceeded the budget for the fiscal year.

Economic Development Corporation - The EDC budgeted an adequate amount for capital expenditures but the nature of the transactions required the expenditures to be reclassified as Economic development and not capital expenditures.

Health and Family Service Fund Health and welfare - Head Start operations were being discontinued and there were internal service charges predominantly from Corporation Counsel which had not been properly budgeted for but which were needed to properly end the grant.

Michigan Indigent Defense Fund Capital Outlay - The expenditures had been budgeted as Judicial expenditures but were reclassified to capital expenditures based on the nature of the transactions.

Downriver Communities Debt Service Fund - the activities of the fund were incorrectly budgeted to the Downriver Sewer fund instead of the new judgement levy fund.

Other Capital Projects Fund Judicial - actual expenditures were budgeted as capital expenditures but during a review of the nature of the expenditures they were deemed not to be capital expenditures and therefore reclassified causing the variance.

Other Capital Projects Fund Economic development - actual expenditures were budgeted as capital expenditures but during a review of the nature of the expenditures they were deemed not to be capital expenditures and therefore reclassified causing the variance.

Compliance with Finance-related Legal and Contractual Provisions

The County was not in compliance with the State of Michigan Public Act 2 of 1968, Uniform Budgeting and Accounting Act, Section 141.435 (2), which requires total budgeted expenditures not to exceed estimated revenue plus accumulated fund balance. The County's final budget for law enforcement special revenue fund resulted in projected deficit. The fund ended the fiscal year with \$3.4 million of restricted fund balance. The County's final budget for Economic and Development Corporation special revenue fund resulted in projected deficit. The fund is currently under State approved Corrective Action Plan to eliminate the fund deficit.

The County did not approve and adopt a budget for the Wayne County Construction Capital Project Fund, Building Authority Special Revenue Fund, Building Authority Construction and the Stadium Authority debt service and capital project funds.

3. 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. As of September 30, 2019, the County had six funds with accumulated fund deficits totaling \$34.7 million.

The fund deficits at September 30, 2019 were as follows:

	Deficit	Source of Funding			
		General Fund Appropriations	Interfund Charges	Expenditure Reduction	Other Revenue Sources
Governmental funds					
Juvenile Justice and Abuse/Neglect	\$ 2,617,462	\$ -	\$ -	\$ -	\$ 2,617,462
Community Corrections	101,157	101,157			
Economic Development Corporation	82,187	82,187	-	-	-
Total governmental funds	\$ 2,800,806	\$ 183,344	\$ -	\$ -	\$ 2,617,462
Internal service funds					
Buildings and Grounds Maintenance	\$ 17,506,510	\$ -	\$ 17,506,510	\$ -	\$ -
Central Services	11,003,949	-	11,003,949	-	-
Environment	3,361,179	-	3,361,179	-	-
Total internal service funds	\$ 31,871,638	\$ -	\$ 31,871,638	\$ -	\$ -

The six funds with accumulated fund deficits will be eliminated as resources are available either from General Fund appropriations, from interfund charges, or from collections on receivables.

Governmental Funds

* Juvenile Justice and Abuse/Neglect fund is in deficit due to the State of Michigan's newly implemented payment software which delayed the payment of invoices from the County with over \$15.0M owed to the County.

* The Community Correction fund is currently part of the 2018 corrective action plan to eliminate fund deficit.

* The Economic Development Fund is currently under State approved Corrective Action Plans to eliminate the fund deficit.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Internal Service Funds

The internal service funds with the accumulated net position deficits were directly caused by recording net pension liability (NPL) and net OPEB liability (NOL) to the internal service funds:

- * The Buildings and Ground Maintenance Fund deficit is \$17.5 million with a \$19.3 million of NPL and NOL.
- * The Central Services Fund deficit is \$11.0 million with a \$14.9 million of NPL and NOL.
- * The Environment Fund deficit is \$3.4 million with a \$3.8 million of NPL and NOL.

4. DEPOSITS AND INVESTMENTS

Following is a summary of deposit and investment balances as of September 30, 2019:

	Primary Government	Component Units	Total
Statement of Net Position			
Equity in pooled cash and investments	\$ 490,564,364	\$ 20,824,150	\$ 511,388,514
Other cash and investments	3,579,578	16,816,925	20,396,503
Restricted assets:			
Equity in pooled cash and investments	505,965,052	-	505,965,052
Other cash and investments	38,774,386	-	38,774,386
Statement of Fiduciary Net Position			
Equity in pooled cash and investments	292,356,568	-	292,356,568
Other cash and investments	4,932,754	-	4,932,754
Investments - pension and other employee benefits trust funds	1,455,888,360	-	1,455,888,360
Total	\$ 2,792,061,062	\$ 37,641,075	\$ 2,829,702,137

Reconciliation of Deposits and Investments

Bank deposits (demand and time deposits):	
Treasurer's pool	\$ 267,141,562
Other deposits (in Treasurer's pool)	3,574,426
Other deposits (not in Treasurer's pool)	21,782,014
Investments in securities, mutual funds and similar instruments:	
Treasurer's pool	684,649,855
Pension and other employee benefits trust funds	1,426,693,155
Other investments (not in Treasurer's pool-MERS)	29,195,205
Other investments (not in Treasurer's pool-US Bank)	396,481,585
Cash on hand	184,335
Total	\$ 2,829,702,137

Composition of Cash and Investment Balances

Pooled cash and investments consist of demand deposits, certificates of deposit, money market funds, commercial paper, and obligations of the U.S. Treasury and agencies and obligations of political subdivisions within the State of Michigan. The Wayne County Treasurer administers these pools, which include the assets of certain component units. Equity in pooled cash represents the fund/reporting unit's position in the portfolio. In other words, the equity in pooled cash is the value of their ownership in the pools of cash and investments. Pooling of cash and investments accomplishes various goals, such as the ability to earn higher interest rates and better manage 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 required to be set aside in separate accounts to be used only for that restricted purpose.

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.

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

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

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

The Pension and Other Postemployment Benefits Fund is authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specific investment vehicles.

Treasurer's Cash and Investment Portfolio

The County Treasurer's cash and investments are subject to several types of risk as discussed below.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government's deposits may not be recovered. The County's investment policy requires that deposits over the \$250,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, savings bank, or savings and loan association and that institution must meet minimum standards of at least one standard rating service. If deposits in a credit union exceed the insured limit, that institution must meet the minimum standards of at least one standard rating service.

At year-end, the County portfolio had \$265.9 million of bank deposits (primarily demand deposits and certificates of deposit) with a carrying value of \$265.9 million, that were largely uninsured and uncollateralized. Other primary government depository accounts (outside of the portfolio administered by the Treasurer) had a total bank balance and carrying value of \$3.6 million. The County believes that due to the dollar amount of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with acceptable levels of estimated risk are used as depositories.

Following is a summary of the County's investments as of September 30, 2019. The OPEB Fund also holds investments in a MERS retiree health funding vehicle of \$29,195,205 that are excluded from the table below:

U.S. agency bonds	\$ 63,543,607
Municipal bonds	14,248,428
Money market funds	705,105,966
Commercial paper	303,347,522
	<u>\$ 1,086,245,523</u>

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

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

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. The Other Postemployment Benefits Fund also holds investments in MERS retiree health funding vehicle of \$29,195,205 that are excluded from the table below.

Investment Type	Fair Value	Rating	Agency
U.S. agency bonds	\$ 29,840,292	AA+	S&P
FNMA Mortgage	\$ 21,313,426	AA+	S&P
FHLMG Mortgage	12,389,889	AA+	S&P
	<u>63,543,607</u>		

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Agency</u>
Municipal bonds	7,057,292	AA	S&P
Municipal bonds	-	AA	S&P
Municipal bonds	1,482,945	AA-	S&P
Municipal bonds	3,258,191	AA+	S&P
Municipal bonds	2,450,000	NR	N/A
	<u>14,248,428</u>		
Money market funds	458,022,350	AAAm	S&P
Money market funds	247,083,616	AAAm	S&P
	<u>705,105,966</u>		
Commercial paper	303,347,522	A1	S&P
Total	<u>\$ 1,086,245,523</u>		concluded.

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

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

Limits based upon use of specific instruments:

<u>Investment Type</u>	<u>Limit</u>
Bankers' acceptances	25%
U.S. government	100%
Commercial paper	50%
Money market funds, mutual funds and investment pools	100%
Certificate of deposit (bank)	50%
Municipal bonds	50%
U.S. agencies	100%
Overnight deposits	100%

County limits based on use of a single issuer:

<u>Investment Type</u>	<u>Limit</u>
Bankers' acceptances	10% of total portfolio
Commercial paper	10% of total portfolio
Certificates of deposit (bank)	10% of total portfolio
U.S. agencies	50% of total portfolio

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

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

<u>Fund/Fund Type</u>	<u>Maximum Maturity</u>
General fund, operating funds	Three years
Debt service, special assessment, nonexpendable trust funds	Three years
Delinquent tax revolving fund	Three years
Funds subject to federal arbitrage restrictions	Three years
Enterprise reserve funds	Max based on amortization of bonds

Investments as of September 30, 2019 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. The Other Postemployment Benefits Fund also holds investments in a MERS retiree health funding vehicle of \$29,125,205 that are excluded from the table below.

	<u>Fair Value</u>	<u>Average Maturity</u>
U.S. agency bonds	\$ 63,543,607	921 days
Michigan class investment pool	247,083,616	44 days
Money market Funds	458,022,350	27 days
Commercial paper	303,347,522	171 days
Municipal bonds	<u>14,248,428</u>	649 days
Investments subject to risk	<u>\$ 1,086,245,523</u>	

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Fair Value Measurements - The County categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the System's investment manager. These are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in funds. The investment manager will request the information from the fund manager, if necessary. The County had the following recurring fair value measurements as of September 30, 2019:

	Level 1	Level 2	Level 3	Total
Investments by fair value level				
U.S. agencies	\$ -	\$ 63,543,607	\$ -	\$ 63,543,607
Municipal bonds	-	14,248,428	-	14,248,428
Commercial paper	-	303,347,522	-	303,347,522
Total investments by fair value level	<u>\$ -</u>	<u>\$ 381,139,557</u>	<u>\$ -</u>	<u>\$ 381,139,557</u>

There were no investments at September 30, 2019 valued based on Level 1 or 3 inputs.

U.S. agency bonds, municipal bonds, and commercial paper are valued using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The County holds shares or interests in investments pools whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At September 30, 2019, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MERS RHFV Established Market Portfolio	\$ 29,195,205	\$ -	N/A	N/A
Michigan CLASS investment pool	247,083,616	-	N/A	N/A
Total investments by fair value level	<u>\$ 276,278,821</u>	<u>\$ -</u>		

The MERS Established Market Portfolio seeks to provide long-term growth capital and income through a diversified mix of stocks and bonds. The objective is to outperform a traditional 60/40 mix of stocks and bonds. MERS manages the asset allocation and monitors the underlying investment managers of the MERS RHFV Established Market Portfolio.

The Michigan CLASS investments pool interests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under State statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

Wayne County Employees' Retirement System

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

The Investment Act incorporates the prudent person rule and requires investment fiduciaries to act solely in the interest of the pension plans' (the Plans) participants and beneficiaries. The Retirement Commission has authority to invest the Plans' 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 Plans have balances in the County's pooled accounts, displayed in the financial statements as "equity in pooled cash and investments." Disclosures related to these "pooled" balances is included in the Treasurer's Cash and Investment Portfolio section above. See the individual Plans below for the appropriate investment risk information.

Wayne County Employees' Retirement System Defined Benefit Plan

Investment Allocation Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Commission. The policy pursues an investment strategy that protects the financial health of the Plan and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets are invested in the broad investment categories and asset classes to achieve the allocation targets below. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the Plan may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the Plan will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

The adopted asset allocation policy as of September 30, 2019, is as follows:

Asset Class	Target Allocation	Allocation Range
Equity	50%	40% to 70%
Domestic fixed income	15%	5% to 50%
International fixed income	5%	0% to 20%
Real estate	15%	5% to 20%
Alternative investments	15%	10% to 20%
Michigan-based private equity	0%	0% to 2%
Short-term / cash	0%	0% to 5%
Total investments	100%	

Investment Holding - As of September 30, 2019 the Plan's investments are classified as follows:

Equity securities and mutual funds	
Common stocks	\$ 337,788,104
Equity mutual funds	31,089,393
Commingled equity funds	173,449,691
International equities	2,051,228
Total equity securities	544,378,416
Debt securities and mutual funds	
Corporate	43
Mortgage-backed securities	77,918
Bond mutual funds	8,236,951
Commingled fixed income funds	142,721,003
Total debt securities	151,035,915
Money market funds	29,322,427
Other investments	
Real estate investment trusts	178,446,688
Investments in private equity (net of valuation allowance of \$1 million)	52,540,429
Hedge funds	39,385,975
Total other investments	270,373,092
Total investments	\$ 995,109,850

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

Custodial Credit Risk of Deposits - The Plan's carrying amount of deposits of \$1,202,948 as of September 30, 2019 are included in the County's pooled cash.

Custodial Credit Risk of Investments - The Plan's investment policy and Public Act 314 of 1965, as amended, require that are (a) investments are held by a third-party safe-keeper in the Plan's name; (b) investments are held by a trustee in the Plan's name; or (c) investments are part of a mutual fund. The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SOC 1 report").

As of September 30, 2019, none of the Plan's investments were subject to custodial credit risk due to one of the following: (a) investments were held by a third-party safe-keeper in the Plan's name; (b) investments were held by a trustee in the Plan's name; or (c) investments were part of a mutual fund.

Concentration of Credit Risk - Other than obligations issued, assumed or guaranteed by the United States, its agencies or United States government sponsored enterprises, the Plan is prohibited by Public Act 314 of 1965, as amended, from investing in more than five percent of the outstanding obligations of any one issuer or investing more than five percent of the Plan's assets in the obligations of any one issuer. The Plan places no limits in excess of statutory authority. As of September 30, 2019, 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

A contract approved by the Plan's Board, permits the System to lend its securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives predominantly cash as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral cash is initially pledged at 102 percent of the fair value of the securities lent for domestic securities and 105 percent for international securities, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned. Securities on loan at year-end are summarized as follows:

Common stocks	\$ 8,941,399
Cash	<u>1,557,237</u>
	<u>\$ 10,498,636</u>

At year-end, the System has no credit risk exposure to borrowers as the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

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

The Plan's investment in debt securities were rated at September 30, 2019 as follows:

	Corporate Bonds	Mortgage-backed Securities	Bond Mutual Funds	Commingled Fixed Income Funds
Standard & Poor's				
Aa3	\$ -	\$ -	\$ -	\$ 109,729,373
AAA	-	77,918	-	32,991,630
A	-	-	5,232,334	-
BBB	-	-	3,004,617	-
Unrated	43	-	-	-
Total	<u>\$ 43</u>	<u>\$ 77,918</u>	<u>\$ 8,236,951</u>	<u>\$ 142,721,003</u>

As of September 30, 2019, the Plan's money market funds were rated A1+ by Standard & Poor's with weighted average maturities of 48 days.

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

Maturities of the Plan's debt securities as of September 30, 2019 were as follows:

	Investment Maturities (Fair Value by Years)				Totals
	Due < 1 year	Due in 1-5 years	Due in 6-10 years	Due > 10 years	
Corporate bonds	\$ 43	\$ -	\$ -	\$ -	\$ 43
Mortgage-backed securities	-	-	-	77,918	77,918
Bond mutual funds	-	2,348,810	5,888,141	-	8,236,951
Commingled funds	-	-	142,721,003	-	142,721,003
	<u>\$ 43</u>	<u>\$ 2,348,810</u>	<u>\$ 148,609,144</u>	<u>\$ 77,918</u>	<u>\$ 151,035,915</u>

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

Investment/Country	Currency	Fair Value (USD)
International equities		
Canada	Canadian dollar	\$ 2,051,228

Rate of Return - For the year ended September 30, 2019, the annual money-weighted rate of return on plan investments, net of investment expenses, was 3.0 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Commitments - The Plan has commitments to invest approximately \$40 million in private equities, hedge funds, and private real estate investments as of September 30, 2019, of which management believes approximately \$300,000 is unlikely to be called.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Fair Value Measurements - The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System had the following recurring fair value measurements as of September 30, 2019:

	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Equity securities and mutual funds:				
Common stocks	\$ 337,788,104	\$ -	\$ -	\$ 337,788,104
Equity mutual funds	31,089,393	-	-	31,089,393
International equities	2,051,228	-	-	2,051,228
Total equity securities/mutual funds	370,928,725	-	-	370,928,725
Debt securities and mutual funds:				
Corporate bonds	-	43	-	43
Mortgage-backed securities	-	77,918	-	77,918
Bond mutual funds	8,236,951	-	-	8,236,951
Total debt securities/mutual funds	8,236,951	77,961	-	8,314,912
Money market funds	29,322,427	-	-	29,322,427
Total investments by fair value	\$ 408,488,103	\$ 77,961	\$ -	\$ 408,566,064
Investments measured at the net asset value (NAV)				
Real estate funds				\$ 178,446,688
Multi-strategy hedge funds				39,385,975
Private equity funds				52,540,429
Commingled funds				316,170,694
Total investments measured at NAV				586,543,786
Total investments measured at fair value				\$ 995,109,850

Real estate funds. This type includes eleven real estate funds (including a mortgage trust) that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 8 years. One hundred percent of the total investment in this type is expected to be sold. However, the individual investments that will be sold have not yet been determined. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Once it has been determined which investments will be sold and whether those investments will be sold individually or in a group, the investments will be sold in an auction process. Approximately 18 percent of the assets are able to be liquidated via a quarterly redemption queue. The balance of the assets will be liquidated as underlying properties are sold or the investee fund's management approves of the buyer before the sale of the investments can be completed. At September 30, 2019, the real estate funds have unfunded commitments of \$14 million.

Multi-strategy hedge funds. This type invests in two hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this type includes investments in approximately 61% global stocks and 39% global fixed income. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Investments representing \$15,759,992 in this type cannot be redeemed because the investments include restrictions that do not allow for redemption in the first two years after acquisition. The remaining restriction period for these investments ranged from four to six months at September 30, 2019. At September 30, 2019, the multi-strategy hedge funds had no unfunded commitments.

Private equity funds. This type includes eight private equity funds (four that invest primarily in equities, one in international equities, three in debt). The investments do not offer a stated redemption window. Instead, the nature of the investments in this type is that distributions are received through the liquidation of the underlying assets of the funds. If these investments were held, it is expected that the underlying assets of the fund would be liquidated over 1 to 8 years. However, as of September 30, 2019, it is probable that all of the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Therefore, the fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments. As of September 30, 2019, a buyer (or buyers) for these investments has not yet been identified. Once a buyer has been identified, the investee fund's management is required to approve of the buyer before the sale of the investments can be completed. At September 30, 2019, the private equity funds have unfunded commitments of \$26 million.

Commingled funds. This type includes seven commingled funds that invest in publicly traded global stocks and global fixed income. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Of the total commingled funds, \$200,967,074 of the assets can be liquidated on a daily basis and \$115,203,620 can be liquidated on a monthly basis with 30 days notice. All of the underlying securities within the commingled funds carry a recurring fair value measurement level 1 or 2. There are no unfunded commitments to commingled funds at September 30, 2019.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Wayne County Employees' Retirement System Defined Contribution Plan

As of September 30, 2019, the Plan's investments are classified as follows:

Equity mutual funds	<u>\$ 290,266,465</u>
Debt mutual funds	
Guaranteed income fund	96,350,933
Bond mutual funds	<u>44,965,907</u>
Total debt funds	<u>141,316,840</u>
Total investments	<u><u>\$ 431,583,305</u></u>

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

Custodial Credit Risk of Deposits - The Plan had no deposits that were subject to custodial credit risk at September 30, 2019.

Custodial Credit Risk of Investments - The Plan's investment policy and Public Act 314 of 1965, as amended, require that (a) investments are held by a third-party safe-keeper in the Plan's name; (b) investments are held by a trustee in the Plan's name; or (c) investments are part of a mutual fund. The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SOC 1 report").

As of September 30, 2019, none of the Plan's investments were subject to custodial credit risk due to one of the following: (a) investments were held by third-party safe-keeper in the Plan's name; (b) investments were held by a trustee in the Plan's name; or (c) investments were part of a mutual fund.

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

The Plan has investments in a guaranteed income fund that has an average portfolio credit rating of AA- by Standard & Poor's and weighted average maturity of 3.4 years. Also, the Plan has investments in bond mutual funds that have the following portfolio characteristics as of September 30, 2019:

Amount	Portfolio Average Quality by S&P	Weighted Average Maturity (in years)
\$ 115,748	AAA	7.75
5,501,242	AAA	8.39
<u>39,348,917</u>	AA	12.82
<u><u>\$ 44,965,907</u></u>		

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

Fair Value Measurements - The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System had the following recurring fair value measurements as of September 30, 2019:

	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Equity mutual funds	\$ 290,266,465	\$ -	\$ -	\$ 290,266,465
Bond mutual funds	44,965,907	-	-	44,965,907
Guaranteed income funds	-	96,350,933	-	96,350,933
Total investments by fair value	<u>335,232,372</u>	<u>96,350,933</u>	<u>-</u>	<u>431,583,305</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

5. RESTRICTED ASSETS

Restricted assets in governmental activities, including amounts that are pledged toward the repayment of outstanding notes, will be used for delinquent tax administration and short-term borrowings. A summary of restricted assets for governmental activities at year-end are as follows:

	Governmental		Enterprise	
	Major	Nonmajor		Total
	Criminal Justice Center	Other Funds	Delinquent Tax Revolving	Governmental Activities
Equity in pooled cash and investments:				
Construction	\$ 355,933,619	\$ 13,953,657	\$ -	\$ 369,887,276
Bond and interest redemption	-	6,868,362	124,845,627	131,713,989
Economic development	-	594,955	-	594,955
Operating and maintenance	-	1,086,375	-	1,086,375
Total equity in pooled cash and investments	355,933,619	22,503,349	124,845,627	503,282,595
Other cash and investments -				
Bond and interest redemption	-	-	38,774,386	38,774,386
Accounts receivable:				
Delinquent property taxes	-	-	158,394,297	158,394,297
Accounts receivable	-	-	1,303,482	1,303,482
Due from other governments	-	14,208,131	148,589	14,356,720
Total	<u>\$ 355,933,619</u>	<u>\$ 36,711,480</u>	<u>\$ 323,466,381</u>	<u>\$ 716,111,480</u>

In accordance with the terms of certain bond issues, the sewage disposal systems restrict assets that are pledged for the repayment of certain bonds or for maintenance, replacement and/or construction of infrastructure. Bonds principal due from local units or 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. A summary of the restricted assets for business-type activities at year-end are as follows:

	Enterprise Funds		Total
	Rouge Valley	Nonmajor Funds	Business-type Activities
Equity in pooled cash and investments:			
Bond and interest redemption	\$ 54	\$ 2,682,403	\$ 2,682,457
Accounts receivable:			
Bond principal due from local units	-	2,353,364	2,353,364
Total	<u>\$ 54</u>	<u>\$ 5,035,767</u>	<u>\$ 5,035,821</u>

6. LONG-TERM RECEIVABLES

In 1992, a federally-funded revolving loan sub-grant was received from the State of Michigan. Prior to fiscal year 2010, Metropolitan Growth and Development Corporation acted as the administrator of the Urban Loan Fund (ULF), on behalf of the County, to promote economic development for minority businesses and businesses in distressed communities.

As of September 30, 2019, the current value of the outstanding loans is \$350,277 which is fully allowed. These loans represent long-term receivables of the governmental activities and the Community and Economic Development Fund.

The governmental activities report an \$88.4 million long-term receivable related to the development agreement for the new Criminal Justice Center currently under construction. Please see note 22 for additional information related to this transaction.

7. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Interfund transfers for the year ended September 30, 2019 consisted of the following:

	Transfers Out						Totals
	General	Roads	Nonmajor Governmental Funds	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Internal Service	
Transfers In							
General	\$ -	\$ 254,975	\$ 5,930,179	\$ 20,344,395	\$ 802,623	\$ -	\$ 27,332,172
Health	17,382,143	-	-	-	-	-	17,382,143
JJ	55,385,286	-	-	-	-	-	55,385,286
CJC	58,213,562	-	13,425,707	-	-	-	71,639,269
Internal Service	-	-	413	-	-	-	413
NMGF	51,181,805	-	12,617,913	-	-	265,846	64,065,564
Totals	<u>\$ 182,162,796</u>	<u>\$ 254,975</u>	<u>\$ 31,974,212</u>	<u>\$ 20,344,395</u>	<u>\$ 802,623</u>	<u>\$ 265,846</u>	<u>\$ 235,804,847</u>

JJ = Juvenile Justice Fund
CJC = Criminal Justice Center

NMGF = Nonmajor governmental funds

Interfund Receivables and Payables

Interfund balances result from the time lag between the dates 1) interfund goods and services are provided or reimbursable expenditures occur, and 2) payment between funds are made. Interfund balances for the year ended September 30, 2019 consisted of the following:

	Due from Other Funds			Totals
	General	Criminal Justice Center	Nonmajor Governmental Funds	
Due to Other Funds				
General	\$ -	\$ 27,223,213	\$ 776,787	\$ 28,000,000
Nonmajor governmental funds	16,730,889	-	1,000,963	17,731,852
Totals	<u>\$ 16,730,889</u>	<u>\$ 27,223,213</u>	<u>\$ 1,777,750</u>	<u>\$ 45,731,852</u>

Interfund Payable (funds with negative cash)				Totals
Juvenile Justice and Abuse / Neglect	Nonmajor Governmental Funds	Nonmajor Enterprise Funds		
Interfund Receivable				
General	\$ 3,082,400	\$ 523,378	\$ 2,422,688	\$ 6,028,466

Interfund payables that are not expected to be repaid to the General Fund in the next year are reflected as nonspendable in the General Fund.

8. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2019 was as follows:

Primary Government

	Beginning Balance	Additions	Transfers (net) and Adjustments	Disposals	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 531,251,598	\$ -	\$ (156,930)	\$ -	\$ 531,094,668
Construction in progress	73,690,964	84,133,832	(44,611,007)	(1,004,930)	112,208,859
	<u>604,942,562</u>	<u>84,133,832</u>	<u>(44,767,937)</u>	<u>(1,004,930)</u>	<u>643,303,527</u>
Capital assets, being depreciated:					
Land improvements	18,597,958	-	(4,212,208)	-	14,385,750
Buildings and improvements	304,624,027	49,100	(58,477,024)	(2,255,904)	243,940,199
Machinery and equipment	163,922,785	6,432,468	(1,753,405)	(19,945)	168,581,903
Vehicles	20,058,498	1,094,590	443,034	(356,746)	21,239,376
Office furniture and equipment	32,742,593	680,711	(428,526)	-	32,994,778
Infrastructure	1,724,899,097	-	44,959,786	-	1,769,858,883
	<u>2,264,844,958</u>	<u>8,256,869</u>	<u>(19,468,343)</u>	<u>(2,632,595)</u>	<u>2,251,000,889</u>

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CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

	Beginning Balance	Additions	Transfers (net) and Adjustments	Disposals	Ending Balance
Less accumulated depreciation for:					
Land improvements	(11,773,112)	(181,593)	85,728	-	(11,868,977)
Buildings and improvements	(251,608,816)	(6,531,046)	62,870,227	1,124,318	(194,145,317)
Machinery and equipment	(131,650,549)	(5,948,459)	(1,247,085)	-	(138,846,093)
Vehicles	(18,285,469)	(583,640)	(443,034)	356,746	(18,955,397)
Office furniture and equipment	(31,559,884)	(1,569,184)	872,534	-	(32,256,534)
Infrastructure	(1,457,152,832)	(35,530,803)	(136,234)	-	(1,492,819,869)
	<u>(1,902,030,662)</u>	<u>(50,344,725)</u>	<u>62,002,136</u>	<u>1,481,064</u>	<u>(1,888,892,187)</u>
Total capital assets being depreciated, net	362,814,296	(42,087,856)	42,533,793	(1,151,531)	362,108,702
Governmental activities capital assets, net	<u>\$ 967,756,858</u>	<u>\$ 42,045,976</u>	<u>\$ (2,234,144)</u>	<u>\$ (2,156,461)</u>	<u>\$ 1,005,412,229</u>

concluded.

Construction in progress as of September 30, 2019 includes construction of new correction facility, roads construction and building renovations; the costs expected to be incurred to complete these projects are estimated at \$466.1 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 governmental activities as follows:

Judicial	\$ 1,598,047
General government	7,106,376
Public safety	1,649,423
Highways, streets and bridges	37,017,400
Health and welfare	898,880
Recreation and culture	1,818,480
Capital assets held by the Delinquent Tax Revolving Fund	75,467
Capital assets held by government internal service funds are charged to the various functions based on asset usage	<u>180,652</u>
	<u>\$ 50,344,725</u>

Proprietary fund capital assets are capitalized in the fund in which they are utilized and are as follows:

	Beginning Balance	Additions	Transfers (net)	Disposals	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 1,448,847	\$ -	\$ -	\$ -	\$ 1,448,847
Construction in progress	6,123,901	624,084	(4,388,856)	(2,359,129)	-
	<u>7,572,748</u>	<u>624,084</u>	<u>(4,388,856)</u>	<u>(2,359,129)</u>	<u>1,448,847</u>
Capital assets, being depreciated:					
Land improvements	-	-	-	-	-
Buildings and improvements	8,602,608	-	-	-	8,602,608
Machinery and equipment	464,257	-	-	(93,584)	370,673
Vehicles	-	-	-	-	-
Office furniture and equipment	-	-	-	-	-
Infrastructure	139,121,423	-	4,388,856	-	143,510,279
	<u>148,188,288</u>	<u>-</u>	<u>4,388,856</u>	<u>(93,584)</u>	<u>152,483,560</u>
Less accumulated depreciation for:					
Land improvements	-	-	-	-	-
Buildings and improvements	(7,758,540)	(253,815)	-	-	(8,012,355)
Machinery and equipment	(410,297)	(20,206)	-	93,584	(336,919)
Vehicles	-	-	-	-	-
Office furniture and equipment	-	-	-	-	-
Infrastructure	(60,269,425)	(2,501,953)	-	-	(62,771,378)
	<u>(68,438,262)</u>	<u>(2,775,974)</u>	<u>-</u>	<u>93,584</u>	<u>(71,120,652)</u>
Total capital assets being depreciated, net	79,750,026	(2,775,974)	4,388,856	-	81,362,908
Business-type activities capital assets, net	<u>\$ 87,322,774</u>	<u>\$ (2,151,890)</u>	<u>\$ -</u>	<u>\$ (2,359,129)</u>	<u>\$ 82,811,755</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Depreciation expense was charged to business-type activities as follows:

Sewage disposal systems (includes nonmajor activities)	<u>\$ 2,775,974</u>
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Discretely Presented Component Units

Capital assets activity for the Drains, a major component unit, for the year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (net)</u>	<u>Disposals</u>	<u>Ending Balance</u>
Component Unit - Drains					
Capital assets, not being depreciated - Construction in progress	\$ 3,307,596	\$ -	\$ (3,307,596)	\$ -	\$ -
Capital assets, being depreciated:					
Buildings and improvements	24,471,221	-	-	-	24,471,221
Machinery, equipment and vehicles	1,406,914	2,800	19,858	-	1,429,572
Infrastructure	74,607,635	-	3,346,084	-	77,953,719
	<u>100,485,770</u>	<u>2,800</u>	<u>3,365,942</u>	<u>-</u>	<u>103,854,512</u>
Less accumulated depreciation for:					
Buildings and improvements	(20,171,088)	(349,665)	-	-	(20,520,753)
Machinery, equipment and vehicles	(823,777)	(92,442)	-	-	(916,219)
Infrastructure	(58,260,871)	(2,248,849)	(1,654)	-	(60,511,374)
	<u>(79,255,736)</u>	<u>(2,690,956)</u>	<u>(1,654)</u>	<u>-</u>	<u>(81,948,346)</u>
Total capital assets being depreciated, net	21,230,034	(2,688,156)	3,364,288	-	21,906,166
Drains capital assets, net	<u>\$ 24,537,630</u>	<u>\$ (2,688,156)</u>	<u>\$ 56,692</u>	<u>\$ -</u>	<u>\$ 21,906,166</u>

Capital assets activity for Health Choice, a major component unit, for the year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Component Unit - Health Choice				
Capital assets, not being depreciated - Construction in progress	\$ 50,000	\$ -	\$ (50,000)	\$ -
Capital assets, being depreciated:				
Equipment	\$ 4,690	\$ -	\$ -	\$ 4,690
Database software	142,500	50,000	-	192,500
	<u>147,190</u>	<u>50,000</u>	<u>-</u>	<u>197,190</u>
Less accumulated depreciation for - Equipment	(42,918)	(37,938)	-	(80,856)
Total capital assets being depreciated, net	104,272	12,062	-	116,334
Health Choice capital assets, net	<u>\$ 154,272</u>	<u>\$ 12,062</u>	<u>\$ (50,000)</u>	<u>\$ 116,334</u>

Capital assets activity for Land bank, a major component unit, for the year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Component Unit - Land bank				
Capital assets, being depreciated - Office furniture and equipment	\$ 32,541	\$ -	\$ -	\$ 32,541
Less accumulated depreciation for - Office furniture and equipment	(20,465)	(3,370)	-	(23,835)
Land bank capital assets, net	<u>\$ 12,076</u>	<u>\$ (3,370)</u>	<u>\$ -</u>	<u>\$ 8,706</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Capital assets activity for GWCEDC, a nonmajor component unit, for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - GWCEDC				
Capital assets, being depreciated - Office furniture and equipment	\$ 23,358	\$ -	\$ -	\$ 23,358
Less accumulated depreciation for - Office furniture and equipment	(23,358)	-	-	(23,358)
GWCEDC capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fiduciary Funds

Capital assets activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, being depreciated - Machinery, equipment and vehicles	\$ 431,434	\$ -	\$ -	\$ 431,434
Less accumulated depreciation for - Machinery, equipment and vehicles	(431,434)	-	-	(431,434)
Fiduciary funds capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

9. LONG-TERM DEBT AND OTHER OBLIGATIONS

The County's long-term debt at year-end is summarized below. State statutes limit a government's debt to 10 percent of the State Equalized Value of property located in that jurisdiction; this equated to approximately \$5.4 billion for the County at September 30, 2019.

Operating Leases. The County is committed under 22 leases for office, storage space, and land. These leases are considered for accounting purposes to be non-cancelable operating leases. Lease expenditures/expenses for the year ended September 30, 2019 amounted to \$11.75 million. Future minimum lease payments for governmental and fiduciary type activity leases are as follows:

September 30,	Governmental Activities	Business-type Activities	Fiduciary Activities
2020	\$ 8,305,698	\$ -	\$ 232,483
2021	4,616,119	-	236,805
2022	4,309,801	-	240,763
2023	4,354,371	-	244,912
2024	4,383,374	-	227,989
2025-2029	20,746,588	-	-
2030-2034	23,280,983	-	-
2035-2039	22,729,833	-	-
	<u>\$ 92,726,768</u>	<u>\$ -</u>	<u>\$ 1,182,952</u>

General Obligation Bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In the case of the CSO Basins, ownership of the assets lies with the communities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Governmental activities				
General obligations				
2008 capital improvement	2038	4.375 - 5.0%	32,875,000	32,875,000
2008 capital improvement	2025	5.25 - 5.5%	18,110,000	7,920,000
2008 water and sewer	2038	4.5 - 5.7%	13,060,000	10,265,000
2009 building improvement	2040	6.75%	24,885,000	21,235,000

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CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Direct placements/borrowings				
2003 capital improvement	2024	2.0 - 4.75%	\$ 13,740,000	\$ 2,025,000
2009 equipment	2025	3.75 - 5.375%	24,715,000	1,040,000
2010 building authority (jail)	2041	6.22 - 10.0%	200,000,000	180,220,000
2018 capital improvement	2048	4.0 - 5.0%	288,625,000	288,625,000
1995 sewage disposal (#5117-24)	2021	2.25%	58,035,000	3,565,000
1998 sewage disposal (#5117-25)	2021	2.25%	16,865,000	1,035,000
1999 sewage disposal (#5117-01)	2020	2.50%	105,103	1,278
1999 sewage disposal (#5117-20)	2021	2.50%	12,030,000	755,000
2000 sewage disposal (#5117-34)	2021	2.50%	5,085,000	630,000
2008 sewage disposal refunding	2028	4.25 - 5.75%	15,790,000	9,015,000
			<u>\$ 723,920,103</u>	<u>\$ 559,206,278</u>

Business-type activities - direct placements/borrowings				
2011A sewage disposal (#5430-01)	2033	2.50%	\$ 275,368	\$ 195,368
2011A sewage disposal (#5433-01)	2033	2.50%	760,000	535,000
2015 sewage disposal (#5430-02)	2036	2.50%	2,175,000	1,622,996
			<u>\$ 3,210,368</u>	<u>\$ 2,353,364</u>

Component Units

Drainage Districts - direct placements/borrowings

2008 drain (Chapter 8; Mizner)	2023	5.45%	\$ 1,455,000	\$ 388,000
2009A drain (#5117-01)	2020	2.5 - 10.0%	426,152	4,976
2009A drain (#5349-01)	2030	2.50%	3,717,000	2,265,000
2012 drain (Henry)	2022	3.65%	214,000	64,200
2013 drain (Chapter 8; Adams)	2023	7%	340,000	135,000
2013 drain (Chapter 8; Throop)	2023	7%	1,150,000	460,000
2011 drain (Chapter 20; Southgate; #5392-01)	2032	2.50%	1,285,000	910,000
2014 drain (Chapter 20; Ecorse)	2024	1.75 - 5.25%	2,630,000	1,435,000
2016 drain (Chapter 21; Milk River; #5446-01)	2039	2.50%	24,477,519	24,477,519
			<u>\$ 35,694,671</u>	<u>\$ 30,139,695</u>

concluded.

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
<i>Other debt:</i>						
2020	\$ 2,130,000	\$ 3,965,274	\$ -	\$ -	\$ -	\$ -
2021	2,245,000	3,843,389	-	-	-	-
2022	2,365,000	3,714,042	-	-	-	-
2023	2,495,000	3,576,216	-	-	-	-
2024	2,635,000	3,429,498	-	-	-	-
2025-2029	15,770,000	14,798,849	-	-	-	-
2030-2034	20,480,000	9,976,938	-	-	-	-
2035-2039	22,445,000	3,566,292	-	-	-	-
2040	1,730,000	48,656	-	-	-	-
	<u>72,295,000</u>	<u>46,919,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Direct placements / borrowings:</i>						
2020	11,546,278	31,834,830	145,000	58,785	2,183,376	798,864
2021	6,485,000	31,207,683	145,000	55,160	2,233,400	728,772
2022	6,470,000	30,681,949	150,000	51,535	2,293,400	656,373
2023	12,100,000	29,999,709	155,000	47,785	2,322,000	581,537
2024	12,690,000	29,149,422	160,000	43,910	2,140,000	505,269
2025-2029	69,170,000	131,621,697	845,000	158,550	9,855,000	1,767,501
2030-2034	83,215,000	103,679,875	753,364	52,580	9,112,519	508,376
2035-2039	107,480,000	67,949,000	-	-	-	-
2040-2044	93,620,000	28,233,625	-	-	-	-
2045-2049	84,135,000	8,677,100	-	-	-	-
	<u>486,911,278</u>	<u>493,034,890</u>	<u>2,353,364</u>	<u>468,305</u>	<u>30,139,695</u>	<u>5,546,692</u>
	<u>\$ 559,206,278</u>	<u>\$ 539,954,044</u>	<u>\$ 2,353,364</u>	<u>\$ 468,305</u>	<u>\$ 30,139,695</u>	<u>\$ 5,546,692</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Revenue Bonds. The government issues revenue bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revenue bonds currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Governmental activities - direct placements/borrowings				
2012 building authority	2041	3.0-5.25%	\$ 14,960,000	\$ 13,610,000
2012 stadium authority refunding	2026	3.0-5.0%	58,160,000	34,425,000
			<u>\$ 73,120,000</u>	<u>\$ 48,035,000</u>
Business-type activities - direct placements/borrowings				
2009 sewage disposal (#5350-01)	2031	2.50%	\$ 11,426,417	\$ 7,508,417
2015 sewage disposal (#5402-01)	2036	2.50%	3,365,000	2,389,496
			<u>\$ 14,791,417</u>	<u>\$ 9,897,913</u>
Component Units				
<u>Drainage Districts</u> - direct placements/borrowings				
2010 drain (Chapter 8; Cook and Gladding)	2030	2.25 - 5.0%	\$ 2,480,000	\$ 1,375,000
2010 drain (Chapter 8; Winslow)	2030	2.25 - 5.0%	585,000	330,000
2010 drain (Chapter 8; Wolfe)	2020	2.25 - 4.0%	240,000	25,000
2011 drain (Chapter 8; Lateral 94)	2022	4.5%	830,000	255,000
2013 drain (Chapter 8; Wager and Pink)	2029	1.90 - 4.4%	369,800	230,050
			<u>\$ 4,504,800</u>	<u>\$ 2,215,050</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
<i>Direct placements / borrowings:</i>						
2020	\$ 4,705,000	\$ 2,307,125	\$ 685,000	\$ 240,588	\$ 288,650	\$ 99,921
2021	4,725,000	2,075,550	705,000	223,276	265,800	88,206
2022	4,720,000	1,842,988	730,000	205,401	265,800	76,907
2023	4,710,000	1,607,738	745,000	186,963	180,800	65,505
2024	4,715,000	1,372,863	765,000	168,160	180,800	57,472
2025-2029	15,015,000	3,768,815	4,105,000	542,379	878,200	163,898
2030-2034	3,005,000	2,214,227	2,162,913	82,312	155,000	7,750
2035-2039	4,575,000	1,238,739	-	-	-	-
2040-2042	1,865,000	139,519	-	-	-	-
	<u>\$ 48,035,000</u>	<u>\$ 16,567,564</u>	<u>\$ 9,897,913</u>	<u>\$ 1,649,079</u>	<u>\$ 2,215,050</u>	<u>\$ 559,659</u>

Delinquent Tax Notes. The County issues delinquent tax notes in connection with the purchase of delinquent property taxes.

Series 2017 - The County pledged its 2016 delinquent tax collections for the repayment of the series which were issued in June 2017 for \$168.3 million. The series were fully redeemed in June 2019.

Series 2018 - The County pledged its 2017 delinquent tax collections for the repayment of the series which were issued in June 2018 for \$147.7 million. The series is partially redeemed and \$47.9 million is outstanding.

Series 2019 - The County pledged its 2018 delinquent tax collections for the repayment of the series which were issued in June 2019 for \$148.7 million. The series is partially redeemed and \$126.4 million is outstanding.

All of the delinquent taxes collected are required to be used toward repayment of the notes. Interest paid during the fiscal year on the Series 2017, Series 2018 and Series 2019 was \$0.6 million, \$2.6 million and \$1.2 million respectively.

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Governmental activities - direct placements/borrowings				
2018 delinquent tax notes	2021	0.74%	\$ 122,690,000	\$ 39,919,000
2018 delinquent tax notes	2021	0.74%	25,000,000	8,050,000
2019 delinquent tax notes	2022	0.39%	148,740,000	126,399,000
			<u>\$ 296,430,000</u>	<u>\$ 174,368,000</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for delinquent tax and other notes are as follows:

	Governmental Activities	
	Principal	Interest
<i>Direct placements / borrowings:</i>		
2020	\$ 35,667,600	\$ 5,386,294
2021	85,154,000	2,967,340
2022	53,546,400	374,825
	<u>\$ 174,368,000</u>	<u>\$ 8,728,459</u>

Changes in long-term debt activity for the year ended September 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
<i>Other debt:</i>					
General obligation bonds	\$ 75,490,000	\$ -	\$ (3,195,000)	\$ 72,295,000	\$ 2,130,000
<i>Direct placements/borrowings:</i>					
General obligation bonds	502,349,953	-	(15,438,675)	486,911,278	11,546,278
Revenue bonds	52,720,000	-	(4,685,000)	48,035,000	4,705,000
Delinquent tax notes	174,697,000	196,610,000	(196,939,000)	174,368,000	35,667,600
Unamortized bond premiums	33,354,948	-	(1,463,377)	31,891,571	1,397,333
Unamortized bond discounts	(159,196)	11,820	-	(147,376)	(11,771)
Total direct debt	<u>762,962,705</u>	<u>196,621,820</u>	<u>(218,526,052)</u>	<u>741,058,473</u>	<u>53,304,440</u>
<i>Other long-term liabilities:</i>					
Claims and judgments	10,864,945	9,737,397	(10,864,945)	9,737,397	6,487,124
Compensated absences	21,034,204	20,921,241	(21,034,204)	20,921,241	16,508,943
Total other LT liabilities	<u>31,899,149</u>	<u>30,658,638</u>	<u>(31,899,149)</u>	<u>30,658,638</u>	<u>22,996,067</u>
Total governmental activities	<u>\$ 870,351,854</u>	<u>\$ 227,280,458</u>	<u>\$ (253,620,201)</u>	<u>\$ 844,012,111</u>	<u>\$ 78,430,507</u>
Business-type activities					
<i>Direct placements/borrowings:</i>					
General obligation bonds	\$ 2,516,381	\$ 1,983	\$ (165,000)	\$ 2,353,364	\$ 145,000
Revenue bonds	10,563,534	4,379	(670,000)	9,897,913	685,000
Total direct debt	<u>13,079,915</u>	<u>6,362</u>	<u>(835,000)</u>	<u>12,251,277</u>	<u>830,000</u>
<i>Other long-term liabilities:</i>					
Compensated absences	<u>71,294</u>	<u>69,143</u>	<u>(71,294)</u>	<u>69,143</u>	<u>69,143</u>
Total business-type activities	<u>\$ 13,151,209</u>	<u>\$ 6,362</u>	<u>\$ (906,294)</u>	<u>\$ 12,320,420</u>	<u>\$ 899,143</u>
Nonmajor component units					
<i>Direct placements/borrowings:</i>					
Drain bonds and notes	\$ 25,747,567	\$ 5,183,603	\$ (791,475)	\$ 30,139,695	\$ 2,183,417
Revenue bonds	2,503,700	-	(288,650)	2,215,050	288,650
Total direct debt	<u>28,251,267</u>	<u>5,183,603</u>	<u>(1,080,125)</u>	<u>32,354,745</u>	<u>2,472,067</u>
<i>Other long-term liabilities:</i>					
Compensated absences	<u>20,816</u>	<u>22,963</u>	<u>(20,816)</u>	<u>22,963</u>	<u>22,963</u>
Total nonmajor component units	<u>\$ 28,272,083</u>	<u>\$ 5,183,603</u>	<u>\$ (1,100,941)</u>	<u>\$ 32,377,708</u>	<u>\$ 2,495,030</u>

Claims and judgments represent actions that have been asserted, 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 12, *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. Judgments (through litigation and assessments) are liquidated in the respective funds.

Payments on the general obligation bonds that pertain to the County's governmental activities are made by the debt service funds, except for the delinquent tax notes, which are repaid directly from the Delinquent Tax Revolving Fund, an enterprise fund. The liability for compensated absences, net pension obligation and net other postemployment benefit obligation for governmental activities are liquidated by the respective funds when paid. Changes in the net pension and other postemployment benefit obligations are disclosed in notes 14 and 15, respectively.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

10. RISK MANAGEMENT

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

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

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

A reconciliation of the County's self-insured claims liability at September 30, 2019 follows:

	Workers' Compensation	Hospitalization Insurance	Long-term Disability	Other Claims	Total
Estimated liability, September 30, 2017	\$ 5,272,724	\$ 1,184,518	\$ 331,086	\$ -	\$ 6,788,328
Claims and changes in estimates	2,509,329	41,319,319	1,227,745	1,753,905	46,810,298
Claim payments	(3,403,713)	(41,911,769)	(1,255,971)	(1,753,905)	(48,325,358)
Estimated liability, September 30, 2018	4,378,340	592,068	302,860	-	5,273,268
Claims and changes in estimates	3,238,993	45,121,076	983,744	2,313,555	51,657,368
Claim payments	(2,282,207)	(44,822,885)	(1,024,865)	(2,313,555)	(50,443,512)
Estimated liability, September 30, 2019	<u>\$ 5,335,126</u>	<u>\$ 890,259</u>	<u>\$ 261,739</u>	<u>\$ -</u>	<u>\$ 6,487,124</u>

The liability for workers' compensation claims includes an estimate of loss and allocated loss adjustment expenses (ALAE). The estimate of loss is based on historical loss runs for the workers' compensation program through September 30, 2019. ALAE represents the cost of legal fees, expert testimony, medical examinations, and the like that are associated with the defense and settlement of particular claims. Unallocated loss adjustment expenses are not included in the estimate.

A discount rate of 1.0 percent is used to determine the present value of unpaid worker's compensation claims.

11. PROPERTY TAXES

County Tax Levy

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

Pursuant to the County Charter and State law, the County has levied an ad valorem property tax against the taxable value (TV), based on property values determined by local assessors in the several townships and cities as of the preceding December 31. Real and personal property in Wayne County for the July 1, 2018 and December 1, 2018 combined levies was equalized at \$48.5 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: State equalized value (SEV) and TV, with property taxes calculated upon the TV of real and personal property. Generally, TV is the lesser of (a) the TV 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, TV of a property may be different from the same property's SEV. The December 2018 ad valorem and statutory levies were equal to the millage rate times the 2018 taxable value of \$40.8 billion. The July 2019 general operating levy was the millage rate times the 2019 taxable value of \$42.5 billion.

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

In 1988, the voters of the County approved an additional one mill (jail millage) to be levied through December 1, 1997, to acquire, construct, and/or operate jail, misdemeanor, juvenile incarceration or detention facilities; and to provide adult-penalty options such as work release, home detention, and community restitution, with at least one-tenth of a mill set aside to acquire, build, and operate a juvenile offender work/training institution. In 1998, the 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 2012 through 2021.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

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

In 1996, the voters of Wayne County approved an additional quarter-mill to be levied through December 1, 2000, to fund operations and major improvements in the Wayne County Parks System and historic Fort Wayne. In 2000, the Wayne County electorate voted to continue the additional quarter-mill (as reduced by the Headlee requirements of the Michigan Constitution) for the years 2001 through 2010. In 2010, the voters renewed the additional quarter-mill to be levied through 2015. In 2016, the Wayne County voters again renewed the additional quarter-mill to be levied through 2020.

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, 2018 and July 1, 2019 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
	<u>7.8220</u>

Delinquent Tax Revolving Fund

The Wayne County Treasurer's Office (WCTO) is required by the General Property Tax Act 206 of 1983, as amended, to collect delinquent real property taxes levied by all local units of government within the County. Taxes become delinquent, if unpaid, on March 1 of the year subsequent to the year levied, i.e. taxes levied in July and December of 2018 become delinquent March 1, 2019. On this date, the local municipalities close their current tax rolls, create delinquent property tax rolls and formally transfer the collection of these delinquent tax rolls to the WCTO.

Public Act 123 of 1999 (PA 123) created an expedited, forfeiture, foreclosure, and sale process for properties that have delinquent taxes. The Act designates County Treasurers who opt-in as the foreclosing governmental units and as such, the WCTO is responsible for the administration of this process. Under PA 123, the delinquent tax cycle is two and a half years from delinquency to foreclosure and property sale. Property sales take place in September and October.

The General Property Tax Act authorizes the WCTO to establish a delinquent tax revolving fund (DTRF), an enterprise fund, to advance the amount of delinquent real property taxes and special assessments owed to the County's General Fund, other internal county funds, municipalities, school districts, and other external taxing authorities. Funding for the DTRF is accomplished through the issuance of tax revenue notes. For the fiscal year ended September 30, 2019, approximately \$12.3 million was advanced to the County's General Fund. The total amount of the advanced to all entities creates a delinquent tax receivable for the specific tax year within the DTRF. Subsequent collections on this receivable along with collections of statutory interest and fees are pledged as collateral for repayment of the tax revenue notes. Total pledged assets of the DTRF, including delinquent property taxes receivable, amount to \$324 million at September 30, 2019.

At any time taxes are deemed uncollectible, usually due to foreclosure, the General Property Tax Act authorizes the DTRF to charge back or recover the uncollectible amount from the appropriate taxing authorities (including the County's General Fund). At September 30, 2019, two years of the County's delinquent real property taxes receivable are recorded in the Delinquent Tax Revolving Fund.

After two and half years, a DTRF series is completed (the receivable is fully collected and the notes are repaid) and the fund is closed. Any surplus earnings may be a transferred to the County's General Fund with Commission approval. During 2019, \$20.3 million was transferred to the General Fund.

12. COMMITMENTS AND CONTINGENCIES

Claims, litigation, and assessments asserted against the County, which are probable of loss and estimable in amount, are reflected in the government-wide and proprietary fund financial statements at September 30, 2019. In the governmental fund financial statements, liabilities are accrued when costs are settled and the amount is due and payable.

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

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

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Litigation Matters

Wayne County - Department of Public Services

Plaintiffs have sued alleging injuries arising from an alleged incident with a County operated vehicle. The plaintiffs allege that the County vehicle failed to properly stop at an intersection and caused injuries. The County has reserved \$2,865,273 for the litigation of this matter and the County Commission has approved the settlement. Payment is expected in mid-fiscal year 2020.

Environmental Matters

Wayne County - Governmental Activities

Environmental accruals are recorded when it is both probable that a liability has been incurred and the amount of the liability is reasonably estimable, based on current law and existing technologies. The County is a party to disputes and negotiations regarding potentially hazardous sites within Wayne County. A liability for such matters has not been recognized at September 30, 2019, as the County expects its obligation, if any, to be immaterial.

Commitments

Wayne County - Criminal Justice Center

During the fiscal year 2018 the County and Rock Economic Development Group (Rock) negotiated a deal in which Rock agreed to build a new consolidated Criminal Justice Center (CJC) at I-75 and East Warren for \$533 million by the spring or summer of 2022. The new CJC will be built on the land parcels obtained from the City of Detroit in a Land swap agreement. The County's responsibility is for contributing \$401.3 million cash and four properties (Division I jail, Division II jail, Juvenile Detention Facility, and Frank Murphy Hall of Justice); Rock will be responsible for any cost overruns, unless change is mandated by the County. Rock also gets up to \$30 million in parking revenue from parking lots surrounding the site; while the County will get revenues beyond the first \$30 million. The County is currently negotiating with Rock to change the parking agreement where the County would pay costs of construction, negotiations are ongoing. The \$401.3 million County cost is covered with the remaining 2010 bond proceeds (\$57.5 million), proceeds from the sale of Gratiot Avenue Unfinished Jail (\$21.4 million), new bond issuance (\$291.7 million) and general fund revenue (\$30.6 million). The Criminal Justice Center is expected to have a 2,280-bed jail, 25 courtrooms and five hearing rooms, Sheriff's and prosecutor department offices, and a 160-bed juvenile detention facility.

Wayne County - Central Utility Plant

During the fiscal year the County, DTE and Rock negotiated for the construction of a Central Utility Plant (CUP) to provide utility services to the CJC. Included in the agreement are commitments for the DTE to construct components of the CUP and to provide utilities to the County for the CJC. Rock will construct the exterior of the CUP.

13. 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 or the "Retirement System"), an agent multiple-employer defined benefit public employee retirement system, which is governed by the Wayne County Retirement Ordinance, as amended, and has two participating employers, the County and Airport Authority. WCERS provides five defined benefit retirement options, four of which are contributory (together, the defined benefit plan) and a defined contribution plan. The Retirement System provides retirement, survivor, and disability benefits to substantially all County and Airport Authority employees. In addition, the County's Retirement Board of Commissioners administers the Wayne County Circuit Court Commissioners Bailiffs' Retirement System, a defined benefit plan.

Detailed information about the plan's fiduciary net position is available in a separately issued financial report. The reports can be obtained from the Retirement System's website (www.WCERS.org) or at their offices (28 W. Adams, Suite 1900, Detroit, Michigan 48226). For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

The administration, management and responsibility for the proper operation of WCERS, and for interpreting and making effective the provisions of the Retirement System, is vested in the trustees of the Wayne County Retirement Commission (the "Retirement Commission"). WCERS is exempt from the requirements of Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, and, as such, is not subject to the reporting and disclosure requirements of ERISA.

The Retirement Commission consists of eight individual trustees either elected or appointed in accordance with the County Pension Ordinance. Four members (active employees) are elected by active members of the retirement system and must be from different county departments. Two members (retired members) are elected by retired members and beneficiaries. One member is the chairperson of the County Commission and one member is the County Executive or his designated appointee. All elected terms are four years.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

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

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

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

Effective October 1, 2001, only Plan Option 5 is available to new employees, except for new executives and legislative benefit plan members, who may continue to elect participation in Plan Option 4; Plan Options 1, 2, and 3 are closed to new hires. Effective September 2012, only Plan Option 4 is available to new Airport Authority employees. Because there is no legal requirement to segregate the assets relating to Plan Options 1, 2, 3, 5 or 6 in paying benefits, the financial statements of the defined benefit plan include the net position and changes in net position relating to Plan Options 1, 2, and 3, as well as the defined benefit components in Plan Options 5 and 6. The defined contribution portion of Plan Options 5 and 6 are included in the financial statements of the defined contribution plan.

On December 18, 2014 the Wayne County Commission adopted Resolution No. 2014-736, authorizing WCERS to operate an agent multiple-employer retirement system and to be able to enter into an agency agreement with the Airport Authority to administer the retirement plans of the WCAA. The intergovernmental agreement between WCERS and Airport Authority was approved by the Airport Authority's board on July 15, 2015.

On November 19, 2015 the Wayne County Commission adopted Enrolled Ordinance No. 2015-610, establishing the payment of a monthly stipend to pre-Medicare eligible retirees that previously received health insurance. The County contributes to WCERS the funds required for the retiree health stipend benefit payments in advance each month as required in the ordinance. The contributions are currently the amount of the actual benefit payment, thus, there is no balance in a reserve account for the prefunding of the future benefit payments.

The Wayne County Commission adopted Enrolled Ordinance No. 2016-112 in March of 2016, which merged the Wayne County Circuit Court Commissioners Bailiffs' (Bailiffs) retirement fund into the Defined Benefit Plans of WCERS. The Bailiffs' net position was transferred to the Defined Benefit Plan of WCERS in March of 2016. All Bailiffs participants became participants in the WCERS plan at that time.

Effective October 1, 2015, Wayne County changed its retirement benefits going forward for nearly all its defined benefit active members, except the Legislative plan members and WCAA employees, which continue to be covered under the prior benefit levels. The accrued benefits earned before that time were frozen using the prior benefit levels. Benefits earned after this date are noted as "After October 1, 2015 Defined Benefit Plans" in the descriptions below.

Plan membership. At September 30, 2019, Plan membership consisted of the following:

Retired and beneficiaries	4,777
Inactive, nonretired members	197
Active members	<u>2,025</u>
Total membership	<u><u>6,999</u></u>

Benefits provided. Retirees, employees with a frozen benefit before October 1, 2015, current Legislative plan members who have eight or more years of credited service and have attained the age specified by the specific plan option chosen are entitled to an annual pension. The County pension benefit changes after October 1, 2015 changed the credited service vesting requirement to 10 years and pension begins at age 62, unless the early retirement option is selected which reduces the pension by 0.8% for each month retirement precedes age 62. Benefits are paid monthly over the member or survivor's lifetime based on the following percentages of average final compensation for each year of credited service:

After October 1, 2015 Defined Benefit Plans

Plan Options 1, 2, 3, 5 and 6, retirement eligibility is age 62 with 10 years of credited service and early retirement is age 55 with 30 years of credited service with a reduction of 0.8% for each month retirement precedes age 62 for non-sheriffs. Sheriffs may retire at age 55 with 30 years of service without a reduction.

Plan Option 1

Depending on the applicable collective bargaining agreement or benefit plan, 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. The maximum employer financed portion is 75 percent of average final compensation. The minimum pension is \$5 per month, multiplied by the number of years of service.

Plan Option 2

1.0 percent for each year up to 20 years, and 1.25 percent for each year over 20 years. The maximum employer financed portion is 75 percent of average final compensation.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Plan Option 3

Depending on the applicable collective bargaining agreement or benefit plan, 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; (b) 1.5 percent for each year up to 20 years, 2.0 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years; or (c) 2.5 percent for all years of service contingent upon payment of \$500 per year for each year of credited service up to 20 years. The maximum employer financed portion is 75 percent of average final compensation.

Plan Option 5

Depending on the applicable collective bargaining agreement or benefit plan, either (a) 2.0 percent for each year of credited service; (b) 1.25 percent for each year up to 20 years, and 1.5 percent for each year over 20 years; or (c) 1.5 percent for each year up to 20 years, and 1.75 percent for each year over 20 years. The maximum employer financed portion is 75 percent of average final compensation.

Plan Option 6

2.5 percent for each year of service. The maximum employer financed portion is 75 percent of average final compensation.

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

Contributions. The Plan's basic benefits, as provided for in the Pension Ordinance and various collective bargaining agreements or benefit plans (i.e., coverage groups), are funded by contributions from the County, Airport Authority and active members, as specified by the plan option selected, and by the investment income earned on the Plan's assets. Member contribution percentages under the various plan options are as follows:

After October 1, 2015 Defined Benefit Plans

Plan Options 1, 3, 5 and 6, contribute 6% of gross wages up to \$52,155, then 7% of gross wages over \$52,155. For Sheriffs the amount is 7% of gross wages up to \$52,155, then 8% of gross wages over \$52,155. Plan option 2 will continue to contribute 0%.

Plan Option 1

- Sheriff Command Officers and Sheriff Deputies: Five percent of eligible compensation.
- Others: Contributions are based on credited service, depending on the coverage group in which the member participates, as follows:

Credited Service	Contribution Rates
0-8 years	6.00 or 6.58 percent of eligible compensation
9-12 years	4.00 or 4.58 percent of eligible compensation
13-16 years	3.00 or 3.58 percent of eligible compensation
17 or more years	2.00 or 2.58 percent of eligible compensation

Plan Option 2 - No member contributions.

Plan Option 3 - Three percent of eligible compensation.

Plan Option 5 - Employees make contributions ranging from one to five percent of eligible compensation or no contributions at all, depending on each employee's coverage group.

Plan Option 6 - Four percent of eligible compensation.

Net pension liability. The Wayne County Airport Authority, effective March 26, 2002, is an independent public benefit agency with operational jurisdiction of the Detroit Metropolitan Wayne County Airport, the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them pursuant to Public Act 90 and Michigan Public Acts of 2002. Prior to this date, the Airport Authority was part of the County and its employees were employees of the County.

During fiscal year 2016, the Wayne County Airport Authority, a former component unit of the County and the other employer with the County in this agent multi-employer plan, committed to a five year payment schedule of \$1.1 million per quarter for its estimated share (10.25%) of the combined pre-2002 retiree liability as of September 30, 2015. Prior to the end of the fifth payment year, an actuarial valuation will be prepared to determine the Airport Authority's remaining estimated share of the liability, if any. The funding requirement and payment schedule of any remaining liability will be determined at that time. The terms of this commitment were memorialized in a memorandum of understanding between the Airport Authority, the County, and WCERS. As of September 30, 2019, the Airport Authority has made all payments agreed to in the memorandum of understanding; thus it has no current share of the net pension liability.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

The County's net pension liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2018 rolled forward to September 30, 2019. The components of the change in the County's net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2018	\$ 1,425,842,288	\$ 880,267,331	\$ 545,574,957
Changes for the year:			
Service cost	8,765,350	-	8,765,350
Interest	99,216,080	-	99,216,080
Changes of assumptions	-	-	-
Differences between expected and actual experience	(11,087,866)	-	(11,087,866)
Changes to benefit terms	1,805,747	-	1,805,747
Employer contributions	-	70,458,310	(70,458,310)
Employee contributions	-	10,721,262	(10,721,262)
Net investment income	-	29,948,496	(29,948,496)
Benefit payments, including refunds of employee contributions	(126,148,183)	(126,148,183)	-
Administrative expense	-	(2,190,843)	2,190,843
Other changes	2,693,563	177,136	2,516,427
Net changes	(24,755,309)	(17,033,822)	(7,721,487)
Balances at September 30, 2019	\$ 1,401,086,979	\$ 863,233,509	\$ 537,853,470

The County's portion of the net pension liability above is included in the statement of net position as follows:

Governmental activities	\$ 537,582,900
Drains component unit	270,570
Total	\$ 537,853,470

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of September 30, 2018 (and rolled forward to September 30, 2019), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.0 to 12.15 percent, average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Healthy Annuitant, Disabled, and Employee Mortality tables, adjusted for mortality improvement back to the base year of 2006. Mortality for a particular year is determined by applying the MP-2016 Mortality Improvement Scale to the aforementioned tables.

The actuarial assumptions used in the September 30, 2018 valuation were based on the results of an actuarial experience study for the period October 1, 2010 through September 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities		
Domestic equities	35.00%	5.03%
International equities	15.00%	5.73%
Domestic bonds	15.00%	2.01%
Domestic high yield	5.00%	3.53%
Real estate	15.00%	4.53%
Alternatives	15.00%	6.48%

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25 percent) or one-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective net pension liability	\$ 666,667,088	\$ 537,853,470	\$ 427,912,968

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

Pension expense, deferred outflows and inflows of resources related to pensions. For the year ended September 30, 2019, the County recognized pension expense of \$70,946,098. At September 30, 2019, the County reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (8,436,403)
Changes in assumptions	-	-
Difference between projected and actual experience	12,996,205	-
Drains component unit		
Net difference between projected and actual earnings on pension plan investments		(17,108)
Difference between projected and actual experience	5,806	
Total	<u>\$ 13,002,011</u>	<u>\$ (8,453,511)</u>

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

Year Ended September 30,	Amount
2020	\$ (7,184,254)
2021	(2,070,839)
2022	7,370,037
2023	6,433,556
	<u>\$ 4,548,500</u>

Wayne County Employees' Retirement System Defined Contribution Plan

The Wayne County Employees' Retirement System instituted a defined contribution plan (Plan Option 4 and a component of Plan Option 5 and Plan Option 6) under the County's Enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Plan was established to provide retirement, survivor and disability benefits to County and Airport Authority 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 Plan rests with the Wayne County Retirement Board of Commissioners.

Under Plan Option 4, participants contribute from 1.0 percent up to 4.0 percent of eligible pay, depending on the participant's coverage group. The County makes contributions at rates ranging from 4.0 percent to 15 percent of eligible pay, depending on the employee's coverage group and years of service. 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 2.0 to 3.0 percent of eligible gross pay depending upon employee coverage group. The County makes matching contributions at a rate equal to the amount contributed by each employee. Under certain employee coverage groups, employees contribute on a voluntary basis with no employer match, subject to applicable Internal Revenue Service rules and regulations. 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.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

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

Total employer and employee contributions for Plan Option 4, 5 and 6, during 2019 were \$7.7 million and \$4.6 million, respectively. At September 30, 2019, there were a total of 3,373 active participants in the Plan.

Participants in Plan Option 4 and some participants in Plan Options 5 and 6, depending on applicable collective bargaining agreements, are eligible for a loan from the Plan. Only active employees with a vested account balance of \$2,000 or more are eligible. Interest on a loan is at the prime rate, plus 1%, as reported in the Wall Street Journal.

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 generally accepted accounting principles, the assets and liabilities of the deferred compensation plan are not included in the County's financial statements.

14. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

General Information about the Plan

Plan description. The County provides other postemployment benefits under a single-employer defined benefit plan. The plan provides hospitalization and other health insurance for certain Wayne County retirees and their dependents, pursuant to agreements with various collective bargaining units or other actions of the Wayne County Commission or Wayne County Retirement Board. Existing retirees classified as "mirror" and certain active employee groups are eligible to retain their current health benefits but they are required to enroll in the High Deductible Health Plan (HDHP) 80/20 plan and pay the required contributions. Existing retirees classified as "non-mirror" and certain other active employee groups are eligible for stipend benefits but are required to seek healthcare coverage elsewhere, and the County's only obligation to this group is in providing the stipend benefits. Stipend benefits paid to retirees under age 65 are considered a pension benefit and are included in Note 13. Employees hired on/after certain cut-off dates are only eligible for the Retiree Medical Savings Account (RMSA) benefit and are not eligible to enroll in the County's group health plan at retirement. The County also pays the cost of basic retiree life insurance, up to \$5,000 per employee, on a *pay-as-you-go* basis. This plan covers all retirees of Wayne County and Wayne County Airport Authority's pre-2002 retirees. The Plan has 1,077 employees in active service and 4,624 retired employees and beneficiaries currently receiving benefits as of September 30, 2018.

The County's net OPEB liability was measured as of September 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2018 rolled forward to September 30, 2019. The components of the change in the County's net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at September 30, 2018	\$ 206,420,271	\$ 28,271,420	\$ 178,148,851
Changes for the year:			
Service cost	254,000	-	254,000
Interest	13,465,000	-	13,465,000
Changes of assumptions	-	-	-
Differences between expected and actual experience	5,637,000	-	5,637,000
Changes in assumptions	-	-	-
Employer contributions	-	14,856,000	(14,856,000)
Employee contributions	-	-	-
Net investment income	-	761,415	(761,415)
Benefit payments, including refunds of employee contributions	(14,625,000)	(14,625,000)	-
Administrative expense	-	(69,000)	69,000
Net changes	4,731,000	923,415	3,807,585
Balances at September 30, 2019	\$ 211,151,271	\$ 29,194,835	\$ 181,956,436

The Plan's fiduciary net position represents 13.80 percent of the total OPEB liability.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

The County's portion of the net OPEB liability above (excluding the Airport Authority's \$4,396,436 portion) is included in the statements of net position as follows:

Governmental activities	\$ 177,476,340
Drains component unit	83,660
Total	\$ 177,560,000

OPEB expense and deferred outflows of resources related to OPEB. For the year ended September 30, 2019, the County recognized OPEB expense of \$18,079,000. At September 30, 2019, the County reported deferred outflows of resources to OPEB from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 975,000
Changes in assumptions	-
Difference between projected and actual experience	-
Total	\$ 975,000

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

Year Ended September 30	Amount
2020	\$ 248,000
2021	248,000
2022	248,000
2023	231,000
	\$ 975,000

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of September 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00% in the long-term
Investment rate of return	6.75%, net of investment and administrative expense including inflation
Healthcare cost trend rates	9.00%/11.0% (pre/post-65), gradually decreasing by 0.5% annually to an ultimate of 5.00%

Mortality rates used were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

Discount Rate. The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that the County will contribute the pay-go cost annually.

Projected Cash Flows. Based on those assumptions, the Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current active and inactive participants. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global fixed income	40.00%	1.51%
Global equity	60.00%	6.40%

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the County, calculated using the discount rate of 6.75%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability	\$ 206,556,000	\$ 181,956,000	\$ 161,577,000

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rate of 9.0%/11.0% (pre/post-65), as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (8.0%/10.0%)	Current Trend Rate (9.0%/11.0%)	1% Increase (10.0%/12.0%)
Net OPEB liability	\$ 160,925,000	\$ 181,956,000	\$ 206,990,000

15. FINANCIAL STATEMENTS FOR INDIVIDUAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) FUNDS

Following are the financial statements for the OPEB funds for which separate financial statements were not prepared and issued:

	Statement for Other Postemployment Benefit Funds	
	OPEB	QEBA
Assets		
Equity in pooled cash and investments	\$ -	\$ 665
Other investments	29,195,205	-
Total assets	29,195,205	665
Net position		
Restricted for other employee benefits	\$ 29,195,205	\$ 665
	Changes in Other Postemployment Benefit Funds	
	OPEB	QEBA
Additions		
Net appreciation in fair market value	\$ 761,415	\$ -
Interest and dividends	-	-
Employer contributions	231,150	22,613
Total additions	992,565	22,613
Deductions		
Participant benefits	-	22,700
Administrative expenses	68,780	4,051
Total deductions	68,780	26,751
Change in net position	923,785	(4,138)
Net position, beginning of year	28,271,420	4,803
Net position, end of year	\$ 29,195,205	\$ 665

OPEB = Other Postemployment Benefits
QEBA = Qualified Excess Benefit Arrangement

16. SUBSEQUENT EVENTS

Wayne County, Wayne County Land Bank, and Wayne County Brownfield

The County, Wayne County Land Bank, and Wayne County Brownfield worked together to sell 650 acres of County owned land including the failed Pinnacle Race track. The County owned two parcels of land adjacent to the race track and used its right of first refusal to acquire the race track from the Wayne County Treasurer by paying back taxes and fees on the property in September of 2019. The sale of the combined properties occurred in December of 2019 for \$4,758,932.

Subsequent to year-end, the County's investment portfolio - particularly the investments of the pension and other employee benefit trust funds - has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

The governments of the United States and Michigan declared a state of emergency in early March due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 will impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

17. UPCOMING REPORTING CHANGES

GASB Statement No. 84, Fiduciary Activities (effective 9/30/20)

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods.

GASB Statement No. 87, Lease Accounting (effective 9/30/21)

This standard improves the accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

GASB Statement No. 90, Majority Equity Interest (effective 9/30/20)

This statement establishes criteria to improve consistency in the measurement and comparability of the financial presentation of majority equity interest in legally separate organizations. This statement also provides guidance for reporting of a component unit if a government acquires a 100 percent equity interest in that component unit.

GASB Statement No. 91, Conduit Debt Obligations (effective 9/30/22)

This statement provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively.

GASB Statement No. 92, Omnibus (effective VARIOUS)

The GASB issued this statement to address eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The County does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

18. NET INVESTMENT IN CAPITAL ASSETS

Following is a summary of the net investment in capital assets as of September 30, 2019:

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Capital assets				
Capital assets not being depreciated	\$ 643,303,527	\$ 1,448,847	\$ 644,752,374	\$ -
Capital assets being depreciated, net	362,108,702	81,362,908	443,471,610	22,031,206
Total capital assets	1,005,412,229	82,811,755	1,088,223,984	22,031,206
Related debt				
General obligation bonds	559,206,278	-	559,206,278	5,662,217
Revenue bonds	48,035,000	9,897,913	57,932,913	2,215,050
Unspent bond proceeds	(337,283,549)	-	(337,283,549)	-
Issuance discounts	(147,376)	-	(147,376)	-
Issuance premiums	31,891,571	-	31,891,571	-
Deferred charge on refunding	(1,487,243)	-	(1,487,243)	-
Total related debt	300,214,681	9,897,913	310,112,594	7,877,267
Net investment in capital assets	\$ 705,197,548	\$ 72,913,842	\$ 778,111,390	\$ 14,153,939

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

19. FUND BALANCES

Following is a summary of the composition of fund balances as of September 30, 2019:

	General	Roads	Health	JJAN	CJC
Nonspendable	\$ 7,779,480	\$ 10,214,390	\$ 637,565	\$ 143,003	\$ -
Restricted for					
Inpatient					
hospitalization	4,048,519	-	-	-	24,297,429
Debt service	6,794,950	-	-	-	-
Capital projects	-	-	-	-	360,288,586
Veterans programs	-	-	-	-	-
Highways and streets	-	119,355,130	-	-	-
Recreation and cultural	-	-	-	-	-
CED	-	-	-	-	-
Indigent defense	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	2,726,711	-	-
Total restricted	10,843,469	119,355,130	2,726,711	-	384,586,015
Committed for Judicial	16,256,684	-	-	-	-
Assigned for					
General government	9,630,795	-	-	-	-
Parks and recreation	-	-	-	-	-
CED	-	-	-	-	-
Public safety	2,345,809	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service	-	-	-	-	-
Capital improvements	-	-	-	-	24,895,690
Total assigned	11,976,604	-	-	-	24,895,690
Unassigned (deficit)	135,748,770	-	-	(2,760,465)	-
Total fund balances	\$ 182,605,007	\$ 129,569,520	\$ 3,364,276	\$ (2,617,462)	\$ 409,481,705

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CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

	NMGF	Total
Nonspendable	\$ 1,442,635	\$ 20,217,073
Restricted for		
Inpatient		
hospitalization	-	28,345,948
Debt service	22,169,342	28,964,292
Capital projects	4,799,523	365,088,109
Veterans programs	2,145,042	2,145,042
Highways and streets	-	119,355,130
Recreation and cultural	5,708,000	5,708,000
CED	2,632,674	2,632,674
Indigent defense	7,447,334	7,447,334
Public safety	4,854,078	4,854,078
Health and welfare	11,773,869	14,500,580
Total restricted	61,529,862	579,041,187
Committed for Judicial	-	16,256,684
Assigned for		
General government	-	9,630,795
Parks and recreation	8,021,108	8,021,108
CED	147,396	147,396
Public safety	-	2,345,809
Health and welfare	323,680	323,680
Debt service	2,001,976	2,001,976
Capital improvements	7,325,816	32,221,506
Total assigned	17,819,976	54,692,270
Unassigned (deficit)	(1,596,745)	131,391,560
Total fund balances	\$ 79,195,728	\$ 801,598,774

concluded.

CED - Community and Economic Development
JJAN - Juvenile Justice and Abuse/Neglect
CJC - Criminal Justice Center
NMGF - Nonmajor governmental funds

Further information on the restricted fund balances for the major funds is as follows:

General Fund:

General Fund inpatient hospitalization are funds restricted for the health care of indigent persons.
General Fund debt service is restricted for the debt service for a new CJC.

Roads Fund:

Road capital projects are restricted to the infrastructure capital programs; and
Roads highways and streets are State Act 51 funds not yet spent; the County expends restricted funds first.

Health Fund:

Health Fund is restricted for the health and welfare.

CJC Fund:

CJC capital projects is restricted for the construction of a new Criminal Justice Center.
CJC inpatient hospitalization fund is restricted for the building of infirmary in the new Criminal Justice Center for the health care of indigent persons.

General Fund balance is committed for the Third Circuit Court.

Further information regarding assigned fund balances for the major funds are as follows:

General Fund:

General Fund general government is assigned for the cost associated with retention stipends, additional pension funding, therapeutic park and meals on wheels;
General Fund public safety is assigned for the Jail medical and for the Prosecutor to test rape kits.

CJC Fund:

CJC Fund capital improvements are assigned for the Central Utility Plant (CUP) for a new Criminal Justice Center.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to the Financial Statements

20. ENTERPRISE FUNDS - RECONCILIATION OF RESTRICTED NET POSITION

Amounts reported as restricted net position in the enterprise funds are calculated as follows:

	Sewage Disposal Systems Rouge Valley	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total
Total restricted assets	\$ 54	\$ 323,466,381	\$ 5,035,767	\$ 328,502,202
Less liabilities payable from restricted assets (excluding capital-related				
Non-capital related borrowings	-	(174,368,000)	-	(174,368,000)
Accounts and contracts payable	-	(2,115,317)	-	(2,115,317)
Interest payable	-	-	-	-
Due to other governments	-	(15,877,263)	-	(15,877,263)
Net OPEB liability	-	(1,535,747)	-	(1,535,747)
Net pension liability and deferrals	-	(1,792,085)	-	(1,792,085)
Other liabilities	-	(273,106)	-	(273,106)
Restricted net position	<u>\$ 54</u>	<u>\$ 127,504,863</u>	<u>\$ 5,035,767</u>	<u>\$ 132,540,684</u>

21. TAX ABATEMENTS

The County received reduced property tax revenues during fiscal 2019 as a result of various tax abatement programs and brownfield redevelopment agreements entered into by other taxing jurisdictions within the county.

The Industrial Facilities Tax abatements were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, known as the Industrial Facilities Exemption, PA 198 of 1974, as amended. IFTs provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT - New status are taxed at 50% of the millage rate applicable to other real and personal property in the county, while properties qualifying for IFT - Rehabilitation status retain a frozen taxable value after rehabilitation/renovation activities for the duration of the abatement. The IFT abatements collectively amounted to approximately \$5.7 million in reduced tax revenues to the County for fiscal 2019.

The New Personal Property Tax abatements provide for a full, 100% exemption from ad valorem property taxes on newly-acquired personal property for businesses located in eligible distressed communities, pursuant to Public Act 328 of 1998. PA 328 exemptions provide a tax incentive to encourage capital asset acquisition and promote business modernization and expansion upon the real property where the new personal property is to be situated. PA 328 abatements collectively amounted to approximately \$3.2 million in reduced tax revenues to the County for fiscal 2019.

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. These abatements amounted to approximately \$9.6 million in reduced tax revenues to the County for the fiscal 2019.

22. SIGNIFICANT TRANSACTIONS

Wayne County - Criminal Justice Center

During the fiscal year the County and Rock Economic Development Group (Rock) continued the building of a new consolidated Criminal Justice Center (CJC) at I-75 and East Warren for \$533 million by the spring or summer of 2022. The new CJC will be built on the land parcels obtained from the City of Detroit in a Land swap agreement. The County's responsibility is for contributing \$401.3 million cash and four properties (Division I jail, Division II jail, Juvenile Detention Facility, and Frank Murphy Hall of Justice); Rock will be responsible for any cost overruns, unless change is mandated by the County. Rock also gets up to \$30 million in parking revenue from parking lots surrounding the site; while the County will get revenues beyond the first \$30 million. The County is negotiating with Rock to terminate the parking agreement and to fund the construction of the parking itself. The \$401.3 million County cost is covered with the remaining 2010 bond proceeds (\$57.5 million), proceeds from the sale of Gratiot Avenue Unfinished Jail (\$21.4 million), new bond issuance (291.7 million) and general fund revenue (\$30.6 million). The Criminal Justice Center is expected to have a 2,280-bed jail, 25 courtrooms and five hearing rooms, Sheriff's and prosecutor department offices, and a 160-bed juvenile detention facility.

As part of the CJC campus, the County needed to construct a Central Utility Plant (CUP) to provide utilities to the CJC. The County negotiated agreements with DTE and Rock for the construction of the CUP. By having Rock build the shell of the CUP, the facility will now be located directly next to one of the planned buildings which will reduce construction costs. DTE is responsible for the building of the CUP except for the outer shell of the facility. As part of the agreements with DTE, the County has signed multi-year agreements for utilities to be provided by DTE. In its agreement to build the CUP shell, Rock has agreed to pay for \$2.5 million of the construction costs.

In connection with this transaction, in accordance with GASB 62, *Sales of Real Estate other than Retail Land Sales* in the Governmental Activities Statement of Net Position, the County has recorded a \$88.4 million accounts receivable for the net present value of the net contribution by Rock. The County also recorded a \$45.1 million liability for the net present value of its share of the operating and maintenance costs of the facilities of the Four Properties during the construction period as the County will not vacate those properties until the new CJC is completed.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules General Fund and Major Special Revenue Governmental Funds General Fund For the Year Ended September 30, 2019

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Property	\$ 286,806,079	\$ 312,566,270	\$ 309,447,794	\$ (3,118,476)
State sales	55,305,290	56,043,345	55,628,749	(414,596)
Licenses and permits	965,000	965,000	777,899	(187,101)
Federal grants	29,247,417	31,212,752	25,903,508	(5,309,244)
State grants and contracts	25,137,344	28,104,116	24,224,884	(3,879,232)
Local grants and contracts	614,343	664,614	694,163	29,549
State sources	16,700,000	16,700,000	13,336,971	(3,363,029)
Charges for services	117,183,572	118,670,114	104,869,195	(13,800,919)
Interest and rents	1,454,432	4,476,170	6,031,008	1,554,838
Other	16,504,769	21,562,874	20,381,508	(1,181,366)
Total revenues	549,918,246	590,965,255	561,295,679	(29,669,576)
Expenditures				
Current operations:				
Legislative - County Commission	8,815,200	8,815,200	7,613,541	1,201,659
Judicial:				
Circuit court	68,042,442	60,946,993	58,662,509	2,284,484
Probate court	9,343,025	9,343,025	9,174,035	168,990
Friend of the court	31,855,723	31,855,723	28,636,582	3,219,141
Total judicial	109,241,190	102,145,741	96,473,126	5,672,615
General government:				
Adult probation	1,952,659	1,952,659	1,818,748	133,911
Corporation counsel	8,051,663	8,057,663	6,800,665	1,256,998
County clerk	24,371,057	24,382,753	21,136,550	3,246,203
County elections	1,877,342	1,877,342	1,479,030	398,312
Economic and neighborhood development	184,090	55,090	2,209,837	(2,154,747)
Management and budget	30,988,262	30,922,665	19,569,761	11,352,904
County executive	6,175,149	6,250,149	5,509,211	740,938
Personnel	4,633,450	4,633,450	4,070,013	563,437
Prosecuting attorney	42,359,675	46,033,730	40,193,520	5,840,210
Register of deeds	8,327,531	8,336,248	7,076,124	1,260,124
Register of deeds remonumentation	632,486	632,486	533,475	99,011
County treasurer	7,827,437	7,816,437	6,643,790	1,172,647
Non-departmental:				
Retirement judgment	500,000	-	-	-
Mental health and substance abuse appropriation	12,893,224	12,893,224	13,092,995	(199,771)
Other non-departmental	10,451,547	8,360,000	4,365,679	3,994,321
Total general government	161,225,572	162,203,896	134,499,398	27,704,498

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CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules Major Governmental Funds General Fund For the Year Ended September 30, 2019

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Expenditures (concluded)				
Current operations (concluded):				
Public safety:				
County jail	\$ 103,331,607	\$ 105,976,993	\$ 102,282,626	\$ 3,694,367
Sheriff	31,739,683	31,727,102	30,410,254	1,316,848
Homeland security	2,378,533	2,607,533	1,602,312	1,005,221
Total public safety	137,449,823	140,311,628	134,295,192	6,016,436
Public works	536,228	536,228	351,810	184,418
Health and welfare:				
Health and human services	6,951,007	7,198,638	5,518,245	1,680,393
Indigent health care	11,063,369	11,171,702	10,702,451	469,251
Medical examiner	7,250,847	7,317,716	7,110,863	206,853
Cooperative extension	358,483	394,269	285,299	108,970
Senior citizens services	839,512	839,512	475,279	364,233
Veterans affairs	302,675	314,375	159,907	154,468
Total health and welfare	26,765,893	27,236,212	24,252,044	2,984,168
Capital outlay	456,131	5,882,076	173,914	5,708,162
Debt service - interest	140,000	140,000	100	139,900
Total expenditures	444,630,037	447,270,981	397,659,125	49,611,856
Revenues over expenditures	105,288,209	143,694,274	163,636,554	19,942,280
Other financing sources (uses)				
Transfers in	24,727,409	28,136,688	27,332,172	(804,516)
Transfers out	(126,889,768)	(185,594,848)	(182,162,796)	3,432,052
Proceeds from sale of capital assets	-	-	17,780	17,780
Total other financing sources (uses)	(102,162,359)	(157,458,160)	(154,812,844)	2,645,316
Net change in fund balance	3,125,850	(13,763,886)	8,823,710	22,587,596
Fund balance, beginning of year	173,781,297	173,781,297	173,781,297	-
Fund balance, end of year	\$ 176,907,147	\$ 160,017,411	\$ 182,605,007	\$ 22,587,596

concluded.

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules General Fund and Major Special Revenue Governmental Funds Roads Fund For the Year Ended September 30, 2019

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal grants	\$ 18,313,000	\$ 18,811,800	\$ 972,480	\$ (17,839,320)
State grants and contracts	127,774,522	133,669,522	127,264,689	(6,404,833)
Local grants and contracts	2,161,000	2,161,000	1,367,724	(793,276)
Charges for services	4,457,816	4,457,816	3,887,040	(570,776)
Interest and rents	495,000	495,000	4,208,105	3,713,105
Other	50,000	50,000	27,567	(22,433)
Total revenues	153,251,338	159,645,138	137,727,605	(21,917,533)
Expenditures				
Current operations -				
Highways, streets and bridges	155,222,959	155,806,459	111,841,023	43,965,436
Capital outlay	6,770,000	11,104,484	5,471,232	5,633,252
Total expenditures	161,992,959	166,910,943	117,312,255	49,598,688
Revenues over (under) expenditures	(8,741,621)	(7,265,805)	20,415,350	27,681,155
Other financing sources (uses)				
Transfers out	(399,999)	(399,999)	(254,975)	145,024
Proceeds from sale of capital assets	50,000	1,058,909	982,812	(76,097)
Total other financing uses	(349,999)	658,910	727,837	68,927
Net change in fund balance	(9,091,620)	(6,606,895)	21,143,187	27,750,082
Fund balance, beginning of year	108,426,333	108,426,333	108,426,333	-
Fund balance, end of year	\$ 99,334,713	\$ 101,819,438	\$ 129,569,520	\$ 27,750,082

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules General Fund and Major Special Revenue Governmental Funds Health Fund For the Year Ended September 30, 2019

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal grants	\$ 11,006,452	\$ 12,374,130	\$ 10,914,632	\$ (1,459,498)
State grants and contracts	3,398,827	4,177,871	5,036,213	858,342
Local grants and contracts	5,000,000	6,000,000	5,826,230	(173,770)
Charges for services	11,174,221	11,455,314	2,979,310	(8,476,004)
Total revenues	30,579,500	34,007,315	24,756,385	(9,250,930)
Expenditures				
Current operations - Health and welfare	50,299,965	53,623,075	41,070,837	12,552,238
Revenues under expenditures	(19,720,465)	(19,615,760)	(16,314,452)	3,301,308
Other financing sources				
Transfers in	20,034,445	19,929,740	17,382,143	(2,547,597)
Net change in fund balance	313,980	313,980	1,067,691	753,711
Fund balance, beginning of year	2,296,585	2,296,585	2,296,585	-
Fund balance, end of year	<u>\$ 2,610,565</u>	<u>\$ 2,610,565</u>	<u>\$ 3,364,276</u>	<u>\$ 753,711</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules General Fund and Major Special Revenue Governmental Funds Juvenile Justice and Abuse/Neglect Fund For the Year Ended September 30, 2019

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Revenue				
Property taxes	\$ 3,649,135	\$ 3,649,135	\$ 3,387,831	\$ (261,304)
Federal grants	500,000	500,000	-	(500,000)
State grants and contracts	62,447,667	77,070,307	58,016,351	(19,053,956)
Local grants and contracts	9,890,234	9,275,344	6,868,994	(2,406,350)
State sources	-	-	95,200	95,200
Charges for services	5,429,500	5,429,500	2,194,620	(3,234,880)
Interest revenue (loss) and rents	-	-	(155,198)	(155,198)
Total revenue	81,916,536	95,924,286	70,407,798	(25,516,488)
Expenditures				
Current operations -				
Health and welfare	137,288,342	153,559,072	131,096,995	22,462,077
Capital outlay	162,500	250,500	145,792	104,708
Total expenditures	137,450,842	153,809,572	131,242,787	22,566,785
Revenues under expenditures	(55,534,306)	(57,885,286)	(60,834,989)	(2,949,703)
Other financing sources (uses)				
Transfers in	58,953,035	58,791,007	55,385,286	(3,405,721)
Transfers out	(3,418,729)	(3,405,721)	-	3,405,721
Total other financing sources (uses)	55,534,306	55,385,286	55,385,286	-
Net change in fund balance	-	(2,500,000)	(5,449,703)	(2,949,703)
Fund balance, beginning of year	2,832,241	2,832,241	2,832,241	-
Fund balance (deficit), end of year	\$ 2,832,241	\$ 332,241	\$ (2,617,462)	\$ (2,949,703)

See accompanying notes to required supplementary information.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Employees' Retirement System Defined Benefit Plan Schedule of Changes in the County's Net Pension Liability and Related Ratios Last Six Fiscal Years (ultimately building to ten years)

	2014	2015	2016
Change in total pension liability			
Service cost	\$ 14,573,888	\$ 13,089,909	\$ 8,515,102
Interest	112,802,825	111,792,028	100,336,340
Changes of benefit terms	8,715,000	-	(141,296,225)
Differences between expected and actual experience	-	(23,625,138)	(532,795)
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(125,773,631)	(127,219,157)	(129,942,540)
Other	-	-	-
Net change in total pension liability	10,318,082	(25,962,358)	(162,920,118)
Total pension liability, beginning	1,512,849,467	1,523,167,549	1,497,205,191
Total pension liability, ending (a)	1,523,167,549	1,497,205,191	1,334,285,073
Change in plan fiduciary net position			
Contributions - employer	71,704,902	98,612,944	87,916,274
Contributions - member	7,161,792	9,201,948	10,400,163
Net investment income	71,697,341	24,377,681	69,997,747
Benefit payments, including refunds of member contributions	(125,773,631)	(128,218,667)	(131,961,976)
Administrative expense	(2,692,067)	(2,424,524)	(2,286,728)
Other changes	-	-	-
Net change in plan fiduciary net position	22,098,337	1,549,382	34,065,480
Contribution for pre-2002 retirees	-	-	4,400,000
Transfer in from Bailiffs' pension plan	-	-	5,670,643
Plan fiduciary net position, beginning	702,977,143	725,075,480	726,624,862
Plan fiduciary net position, ending (b)	725,075,480	726,624,862	770,760,985
Collective net pension liability, ending (a)-(b)	\$ 798,092,069	\$ 770,580,329	\$ 563,524,088

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Employees' Retirement System Defined Benefit Plan Schedule of Changes in the County's Net Pension Liability and Related Ratios Last Six Fiscal Years (ultimately building to ten years)

	2017	2018	2019
Change in total pension liability			
Service cost	\$ 8,813,130	\$ 8,544,315	\$ 8,765,350
Interest	98,707,718	100,681,960	99,216,080
Changes of benefit terms	-	-	1,805,747
Differences between expected and actual experience	47,631,366	(5,018,596)	(11,087,866)
Changes of assumptions	87,904,487	-	-
Benefit payments, including refunds of member contributions	(131,528,522)	(127,750,254)	(126,148,183)
Other	1,441,225	2,130,386	2,693,563
Net change in total pension liability	112,969,404	(21,412,189)	(24,755,309)
Total pension liability, beginning	1,334,285,073	1,447,254,477	1,425,842,288
Total pension liability, ending (a)	1,447,254,477	1,425,842,288	1,401,086,979
Change in plan fiduciary net position			
Contributions - employer	60,306,187	139,854,103	63,858,310
Contributions - member	8,831,917	9,940,990	10,721,262
Net investment income	88,907,246	54,237,444	29,948,496
Benefit payments, including refunds of member contributions	(131,528,522)	(127,750,254)	(126,148,183)
Administrative expense	(2,332,368)	(2,187,451)	(2,190,843)
Other changes	-	227,054	177,136
Net change in plan fiduciary net position	24,184,460	74,321,886	(23,633,822)
Contribution for pre-2002 retirees	4,400,000	6,600,000	6,600,000
Transfer in from Bailiffs' pension plan	-	-	-
Plan fiduciary net position, beginning	770,760,985	799,345,445	880,267,331
Plan fiduciary net position, ending (b)	799,345,445	880,267,331	863,233,509
Collective net pension liability, ending (a)-(b)	\$ 647,909,032	\$ 545,574,957	\$ 537,853,470

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Employees' Retirement System Defined Benefit Plan
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Last Six Fiscal Years (ultimately building to ten years)

	2014	2015	2016
Plan fiduciary net position as a percentage of the total pension liability	47.60%	48.53%	57.77%
Nonemployer contributing entities share of the collective net pension liability*	\$ -	\$ -	\$ -
County's net pension liability	\$ 798,092,069	\$ 770,580,329	\$ 563,524,088
Covered payroll	\$ 124,338,533	\$ 119,062,960	\$ 112,516,266
County's net pension liability as a percentage of covered payroll	641.87%	647.20%	500.84%

* As discussed in Note 13, the Wayne County Airport Authority has assumed a portion of the collective net pension liability.

Benefit changes

Effective October 1, 2015, Wayne County changed its retirement benefits going forward for nearly all its defined benefit active members, except the Legislative plan members and WCAA employees, which continue to be covered under the prior benefit levels. The accrued benefits earned before that time were frozen using the prior benefit levels.

Changes in Assumptions

During the fiscal year ended September 30, 2017, the discount rate used to calculate total pension liability was changed from 7.75 percent to 7.25 percent.

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Employees' Retirement System Defined Benefit Plan Schedule of Changes in the County's Net Pension Liability and Related Ratios Last Six Fiscal Years (ultimately building to ten years)

	2017	2018	2019
Plan fiduciary net position as a percentage of the total pension liability	55.23%	61.74%	61.61%
Nonemployer contributing entities share of the collective net pension liability*	\$ 13,200,000	\$ 6,600,000	\$ -
County's net pension liability	\$ 634,709,032	\$ 538,974,957	\$ 537,853,470
Covered payroll	\$ 97,972,865	\$ 102,579,319	\$ 103,397,388
County's net pension liability as a percentage of covered payroll	647.84%	525.42%	520.18%

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Employees' Retirement System Defined Benefit Plan Schedule of County Contributions Last Ten Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2010	\$ 35,401,000	\$ 35,401,000	\$ -	\$ 277,400,000	12.8%
9/30/2011	39,666,000	39,666,000	-	277,100,000	14.3%
9/30/2012	51,662,000	51,662,000	-	269,000,000	19.2%
9/30/2013	66,195,000	77,604,000	(11,409,000)	269,900,000	28.8%
9/30/2014	62,989,902	71,704,903	(8,715,001)	124,338,533	57.7%
9/30/2015	58,294,923	98,612,944	(40,318,021)	119,062,960	82.8%
9/30/2016	63,686,412	87,916,274*	(24,229,862)	112,516,266	78.1%
9/30/2017	47,467,616	60,306,187*	(12,838,571)	97,972,865	61.6%
9/30/2018	55,082,405	139,854,103*	(84,771,698)	102,579,319	136.3%
9/30/2019	56,869,257	63,858,310 *	(6,989,053)	103,397,388	61.8%

Notes to Schedule of Contributions

Valuation date Actuarially determined contribution rates are calculated as of September 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years from 9/30/17 (decreasing two years each year thereafter)
Asset valuation method	4-year smoothed market; 20% corridor
Wage inflation	3.0%
Salary increases	3.0-12.15% including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Healthy Annuitant, Disabled, and Employee Mortality tables, adjusted for mortality improvement back to the base year of 2006. Mortality for a particular year is determined by applying the MP-2016 Mortality Improvement Scale to the aforementioned tables.

* Exclusive of \$4.4 million contributed by the Wayne County Airport Authority in 2016 and 2017 and \$6.6 million in 2018 and 2019

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Other Postemployment Benefits
Schedule of Investment Returns
Last Three Fiscal Years (ultimately building to ten years)

<u>Fiscal Year Ended</u>	<u>Money- Weighted Rate of Return, Net of</u>
9/30/2017	13.10%
9/30/2018	6.96%
9/30/2019	2.79%

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Other Postemployment Benefits Schedule of Changes in the County's Net OPEB Liability and Related Ratios Last Three Fiscal Years (ultimately building to ten years)

	2017	2018	2019
Change in total OPEB liability			
Service cost	\$ 284,000	\$ 154,000	\$ 254,000
Interest	14,850,000	14,104,271	13,465,000
Differences between expected and actual experience	(11,764,000)	(13,744,000)	5,637,000
Changes of assumptions	702,000	4,864,000	-
Benefit payments	(15,313,000)	(15,254,000)	(14,625,000)
Net change in total pension liability	(11,241,000)	(9,875,729)	4,731,000
Total OPEB liability, beginning	227,537,000	216,296,000	206,420,271
Total OPEB liability, ending (a)	216,296,000	206,420,271	211,151,271
Change in plan fiduciary net position			
Contributions - employer	17,036,900	20,127,000	14,856,000
Net investment income	2,431,375	1,552,271	761,415
Benefit payments	(15,313,000)	(15,254,000)	(14,625,000)
Administrative expense	(84,571)	(106,000)	(69,000)
Net change in plan fiduciary net position	4,070,704	6,319,271	923,415
Plan fiduciary net position, beginning	17,881,445	21,952,149	28,271,420
Plan fiduciary net position, ending (b)	21,952,149	28,271,420	29,194,835
County's net OPEB liability, ending (a)-(b)	\$ 194,343,851	\$ 178,148,851	\$ 181,956,436
 Plan fiduciary net position as a percentage of the total OPEB liability	 10.15%	 13.70%	 13.83%
 Covered payroll	 \$ 66,686,000	 \$ 63,591,000	 \$ 65,499,000
 County's net OPEB liability as a percentage of covered payroll	 291.43%	 280.15%	 277.80%

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Other Postemployment Benefits Schedule of County Contributions Last Ten Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2010	\$87,849,000	\$39,183,000	\$ 48,666,000	N/A	N/A
9/30/2011	90,484,000	33,662,000	56,822,000	N/A	N/A
9/30/2012	86,676,000	45,220,000	41,456,000	\$182,192,000	24.8%
9/30/2013	89,439,000	53,908,000	35,531,000	182,908,000	29.5%
9/30/2014	77,623,000	35,901,000	41,722,000	181,566,000	19.8%
9/30/2015	20,602,000	16,386,000	4,216,000	76,105,000	21.5%
9/30/2016	16,496,000	18,629,000	(2,133,000)	71,649,000	26.0%
9/30/2017	18,472,000	17,037,000	1,435,000	66,686,000	25.5%
9/30/2018	21,286,000	20,127,000	1,159,000	63,591,000	31.7%
9/30/2019	18,851,000	14,856,000	3,995,000	65,499,000	22.7%

Notes to Schedule of Contributions

Valuation date Actuarially determined contribution rates are calculated as of September 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	County: Level % pay over a 15-year closed period (13 years remaining as of September 30, 2019) MHA: Level dollar based over a 15-year closed period (11 years remaining as of September 30, 2019)
Asset valuation method	Market value of assets
Wage inflation	3.0%
Salary increases	3.00% in the long-term
Healthcare cost trend rates	9.0%/11.0% (pre/post-65), gradually decreasing by 0.5% annually to an ultimate rate of 5.0%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Mortality rates	RPH-2018 Total Dataset Mortality Table fully generational using scale MP-2018

CHARTER COUNTY OF WAYNE, MICHIGAN

Note to the Required Supplementary Information

1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for the general and special revenue funds. 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 activity level. The legal level of budgetary control for the special revenue funds is at the activity level. For the Roads Fund, the budget is prepared in accordance with the *State of Michigan Uniform Accounting Procedures Manual for County Road Commissions*, which requires that federal grant revenue be included in the accounts and budgets for the Roads Fund.

Amendments that change the County's annual appropriations ordinance require the approval of the Commission. Budget amendments were made during the year. 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.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

OTHER SUPPLEMENTARY INFORMATION - COMBINING AND INDIVIDUAL FUND STATEMENTS/SCHEDULES

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules General Fund Combining Schedule of Revenue, Expenditures and Changes in Fund Balance For the Year Ended September 30, 2019

	General Operating			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Property	\$ 286,806,079	\$ 312,566,270	\$ 309,447,794	\$ (3,118,476)
State sales	55,305,290	56,043,345	55,628,749	(414,596)
Licenses and permits	965,000	965,000	777,899	(187,101)
Federal grants	5,470,936	7,436,271	3,594,763	(3,841,508)
State grants and contracts	16,934,377	19,901,149	16,463,134	(3,438,015)
Local grants and contracts	614,343	664,614	229,916	(434,698)
State sources	16,700,000	16,700,000	13,336,971	(3,363,029)
Charges for services	146,630,504	148,117,046	129,350,358	(18,766,688)
Interest and rents	1,454,432	4,476,170	5,377,757	901,587
Other	15,915,325	20,973,430	19,709,003	(1,264,427)
Total revenues	546,796,286	587,843,295	553,916,344	(33,926,951)
Expenditures				
Current operations:				
Legislative - County Commission	8,815,200	8,815,200	7,613,541	1,201,659
Judicial:				
Circuit court	15,755,760	8,660,311	7,245,349	1,414,962
Probate court	-	-	-	-
Friend of the court	-	-	-	-
Total judicial	15,755,760	8,660,311	7,245,349	1,414,962
General government:				
Adult probation	1,952,659	1,952,659	1,818,748	133,911
Corporation counsel	8,051,663	8,057,663	6,800,665	1,256,998
County clerk	24,371,057	24,382,753	21,136,550	3,246,203
County elections	1,877,342	1,877,342	1,479,030	398,312
Economic and neighborhood development	184,090	55,090	2,209,837	(2,154,747)
Management and budget	30,988,262	30,922,665	19,569,761	11,352,904
County executive	6,175,149	6,250,149	5,509,211	740,938
Personnel	4,633,450	4,633,450	4,070,013	563,437
Prosecuting attorney	42,359,675	46,033,730	40,193,520	5,840,210
Register of deeds	8,327,531	8,336,248	7,076,124	1,260,124
Register of deeds remonumentation	632,486	632,486	533,475	99,011
County treasurer	7,827,437	7,816,437	6,643,790	1,172,647
Non-departmental:				
Retirement judgment	500,000	-	-	-
Mental health and substance abuse appropriation	12,893,224	12,893,224	13,092,995	(199,771)
Other non-departmental	10,451,547	8,360,000	4,365,679	3,994,321
Total general government	161,225,572	162,203,896	134,499,398	27,704,498
Public safety:				
County jail	103,331,607	105,976,993	102,282,626	3,694,367
Sheriff	31,739,683	31,727,102	30,410,254	1,316,848
Homeland security	2,378,533	2,607,533	1,602,312	1,005,221
Total public safety	137,449,823	140,311,628	134,295,192	6,016,436

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CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules General Fund Combining Schedule of Revenue, Expenditures and Changes in Fund Balance For the Year Ended September 30, 2019

	Probate Court			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
State sales	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	1,242,000	1,242,000	1,270,099	28,099
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	1,027,000	1,027,000	1,071,259	44,259
Interest and rents	-	-	-	-
Other	6,000	6,000	6,711	711
Total revenues	2,275,000	2,275,000	2,348,069	73,069
Expenditures				
Current operations:				
Legislative - County Commission	-	-	-	-
Judicial:				
Circuit court	-	-	-	-
Probate court	9,653,357	9,653,357	9,484,367	168,990
Friend of the court	-	-	-	-
Total judicial	9,653,357	9,653,357	9,484,367	168,990
General government:				
Adult probation	-	-	-	-
Corporation counsel	-	-	-	-
County clerk	-	-	-	-
County elections	-	-	-	-
Economic and neighborhood development	-	-	-	-
Management and budget	-	-	-	-
County executive	-	-	-	-
Personnel	-	-	-	-
Prosecuting attorney	-	-	-	-
Register of deeds	-	-	-	-
Register of deeds remonumentation	-	-	-	-
County treasurer	-	-	-	-
Non-departmental:				
Retirement judgment	-	-	-	-
Mental health and substance abuse appropriation	-	-	-	-
Other non-departmental	-	-	-	-
Total general government	-	-	-	-
Public safety:				
County jail	-	-	-	-
Sheriff	-	-	-	-
Homeland security	-	-	-	-
Total public safety	-	-	-	-

Eliminations				General Fund (combined totals)			
Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ 286,806,079	\$ 312,566,270	\$ 309,447,794	\$ (3,118,476)
-	-	-	-	55,305,290	56,043,345	55,628,749	(414,596)
-	-	-	-	965,000	965,000	777,899	(187,101)
-	-	-	-	29,247,417	31,212,752	25,903,508	(5,309,244)
-	-	-	-	25,137,344	28,104,116	24,224,884	(3,879,232)
-	-	-	-	614,343	664,614	694,163	29,549
-	-	-	-	16,700,000	16,700,000	13,336,971	(3,363,029)
(37,101,376)	(37,101,376)	(34,051,984)	3,049,392	117,183,572	118,670,114	104,869,195	(13,800,919)
-	-	-	-	1,454,432	4,476,170	6,031,008	1,554,838
-	-	-	-	16,504,769	21,562,874	20,381,508	(1,181,366)
(37,101,376)	(37,101,376)	(34,051,984)	3,049,392	549,918,246	590,965,255	561,295,679	(29,669,576)
-	-	-	-	8,815,200	8,815,200	7,613,541	1,201,659
(34,432,249)	(34,432,249)	(31,394,018)	(3,038,231)	68,042,442	60,946,993	58,662,509	2,284,484
(310,332)	(310,332)	(310,332)	-	9,343,025	9,343,025	9,174,035	168,990
(2,358,795)	(2,358,795)	(2,347,634)	(11,161)	31,855,723	31,855,723	28,636,582	3,219,141
(37,101,376)	(37,101,376)	(34,051,984)	(3,049,392)	109,241,190	102,145,741	96,473,126	5,672,615
-	-	-	-	1,952,659	1,952,659	1,818,748	133,911
-	-	-	-	8,051,663	8,057,663	6,800,665	1,256,998
-	-	-	-	24,371,057	24,382,753	21,136,550	3,246,203
-	-	-	-	1,877,342	1,877,342	1,479,030	398,312
-	-	-	-	184,090	55,090	2,209,837	(2,154,747)
-	-	-	-	30,988,262	30,922,665	19,569,761	11,352,904
-	-	-	-	6,175,149	6,250,149	5,509,211	740,938
-	-	-	-	4,633,450	4,633,450	4,070,013	563,437
-	-	-	-	42,359,675	46,033,730	40,193,520	5,840,210
-	-	-	-	8,327,531	8,336,248	7,076,124	1,260,124
-	-	-	-	632,486	632,486	533,475	99,011
-	-	-	-	7,827,437	7,816,437	6,643,790	1,172,647
-	-	-	-	500,000	-	-	-
-	-	-	-	12,893,224	12,893,224	13,092,995	(199,771)
-	-	-	-	10,451,547	8,360,000	4,365,679	3,994,321
-	-	-	-	161,225,572	162,203,896	134,499,398	27,704,498
-	-	-	-	103,331,607	105,976,993	102,282,626	3,694,367
-	-	-	-	31,739,683	31,727,102	30,410,254	1,316,848
-	-	-	-	2,378,533	2,607,533	1,602,312	1,005,221
-	-	-	-	137,449,823	140,311,628	134,295,192	6,016,436

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules General Fund Combining Schedule of Revenue, Expenditures and Changes in Fund Balance For the Year Ended September 30, 2019

	General Operating			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Expenditures				
Public works	\$ 536,228	\$ 536,228	\$ 351,810	\$ 184,418
Health and welfare:				
Health and human services	6,951,007	7,198,638	5,518,245	1,680,393
Indigent health care	11,063,369	11,171,702	10,702,451	469,251
Medical examiner	7,250,847	7,317,716	7,110,863	206,853
Cooperative extension	358,483	394,269	285,299	108,970
Senior citizens services	839,512	839,512	475,279	364,233
Veterans affairs	302,675	314,375	159,907	154,468
				-
Health and welfare	26,765,893	27,236,212	24,252,044	2,984,168
Capital outlay	156,131	5,582,076	156,012	5,426,064
Debt service - interest	140,000	140,000	100	139,900
Total expenditures	350,844,607	353,485,551	308,413,446	45,072,105
Revenues over (under) expenditures	195,951,679	234,357,744	245,502,898	11,145,154
Other financing sources (uses)				
Transfers in	24,727,409	28,136,688	27,332,172	(804,516)
Transfers out	(215,011,230)	(273,716,310)	(270,284,258)	3,432,052
Proceeds from sale of capital assets	-	-	17,780	17,780
Total other financing sources (uses)	(190,283,821)	(245,579,622)	(242,934,306)	2,645,316
Net change in fund balance	5,667,858	(11,221,878)	2,568,592	13,790,470
Fund balance, beginning of year	215,964,483	215,964,483	215,964,483	-
Fund balance (deficit), end of year	\$ 221,632,341	\$ 204,742,605	\$ 218,533,075	\$ 13,790,470

Budget Stabilization Reserve				Circuit Court			
Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	300,000	300,000	-	300,000
-	-	-	-	-	-	-	-
-	-	-	-	121,233,449	121,233,449	113,795,394	7,438,055
-	-	-	-	(83,285,113)	(83,285,113)	(74,712,144)	8,572,969
-	-	-	-	80,743,105	80,743,105	80,743,105	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	80,743,105	80,743,105	80,743,105	-
-	-	-	-	(2,542,008)	(2,542,008)	6,030,961	8,572,969
23,000,000	23,000,000	23,000,000	-	(58,034,989)	(58,034,989)	(58,034,989)	-
\$ 23,000,000	\$ 23,000,000	\$ 23,000,000	\$ -	\$ (60,576,997)	\$ (60,576,997)	\$ (52,004,028)	\$ 8,572,969

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CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules General Fund Combining Schedule of Revenue, Expenditures and Changes in Fund Balance For the Year Ended September 30, 2019

	Probate Court			
	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
Expenditures				
Public works	\$ -	\$ -	\$ -	\$ -
Health and welfare:				
Health and human services	-	-	-	-
Indigent health care	-	-	-	-
Medical examiner	-	-	-	-
Cooperative extension	-	-	-	-
Senior citizens services	-	-	-	-
Veterans affairs	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	17,902	(17,902)
Interest	-	-	-	-
Total expenditures	9,653,357	9,653,357	9,502,269	151,088
Revenues over (under) expenditures	(7,378,357)	(7,378,357)	(7,154,200)	224,157
Other financing sources (uses)				
Transfers in	7,378,357	7,378,357	7,378,357	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	7,378,357	7,378,357	7,378,357	-
Net change in fund balance	-	-	224,157	224,157
Fund balance, beginning of year	(7,148,197)	(7,148,197)	(7,148,197)	-
Fund balance (deficit), end of year	\$ (7,148,197)	\$ (7,148,197)	\$ (6,924,040)	\$ 224,157

Eliminations				General Fund (combined totals)			
Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ 536,228	\$ 536,228	\$ 351,810	\$ 184,418
-	-	-	-	6,951,007	7,198,638	5,518,245	1,680,393
-	-	-	-	11,063,369	11,171,702	10,702,451	469,251
-	-	-	-	7,250,847	7,317,716	7,110,863	206,853
-	-	-	-	358,483	394,269	285,299	108,970
-	-	-	-	839,512	839,512	475,279	364,233
-	-	-	-	302,675	314,375	159,907	154,468
-	-	-	-	26,765,893	27,236,212	24,252,044	2,984,168
-	-	-	-	456,131	5,882,076	173,914	5,708,162
-	-	-	-	140,000	140,000	100	139,900
(37,101,376)	(37,101,376)	(34,051,984)	(3,049,392)	444,630,037	447,270,981	397,659,125	49,611,856
-	-	-	-	105,288,209	143,694,274	163,636,554	19,942,280
(88,121,462)	(88,121,462)	(88,121,462)	-	24,727,409	28,136,688	27,332,172	(804,516)
88,121,462	88,121,462	88,121,462	-	(126,889,768)	(185,594,848)	(182,162,796)	3,432,052
-	-	-	-	-	-	17,780	17,780
-	-	-	-	(102,162,359)	(157,458,160)	(154,812,844)	2,645,316
-	-	-	-	3,125,850	(13,763,886)	8,823,710	22,587,596
-	-	-	-	173,781,297	173,781,297	173,781,297	-
\$ -	\$ -	\$ -	\$ -	\$ 176,907,147	\$ 160,017,411	\$ 182,605,007	\$ 22,587,596

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

MAJOR GOVERNMENTAL FUND

CAPITAL PROJECT FUND is used to account for the acquisition and construction of major capital facilities other than those financed by the Propriety funds and trust funds.

Criminal Justice Center (CJC) Fund - This fund is used to account for the costs associated with the construction of Criminal Justice Center in Detroit.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Other Supplementary Information - Major Capital Projects Fund Criminal Justice Center Capital Projects Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Interest income (loss) and rents	\$ -	\$ 7,146,095	\$ 7,146,095	\$ -
Expenditures				
Current operations:				
General government	625,000	-	-	-
Capital outlay	127,833,863	49,617,608	49,260,118	(357,490)
Total expenditures	128,458,863	49,617,608	49,260,118	(357,490)
Revenues over (under) expenditures	(128,458,863)	(42,471,513)	(42,114,023)	357,490
Other financing sources				
Transfers in	-	73,384,484	71,639,269	(1,745,215)
Net change in fund balance	(128,458,863)	30,912,971	29,525,246	(1,387,725)
Fund balance, beginning of year	379,956,459	379,956,459	379,956,459	-
Fund balance (deficit), end of year	\$ 251,497,596	\$ 410,869,430	\$ 409,481,705	\$ (1,387,725)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

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

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

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

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

Drug Enforcement - This fund is used to account for nutritional services provided to home bound senior citizens in western Wayne County and downriver areas.

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

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

Community Corrections - This fund accounts for activities of grant funded alternative programs for offenders.

Victim Wellness - 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.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (continued) are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Community and Economic Development - These funds are used to account for the activities of the County's Economic Development Growth Engine.

Wayne County Building Authority - This fund accounts for the operation and maintenance activities of the Building Authority.

Downriver Utility Wastewater Authority (DUWA) Collection Fund - This fund is created to track pending collection of funds from the sale of Downriver Sewage System.

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.

Stadium and Land Development - This fund is used to account for the collection of excise taxes on hotel accommodations and care rentals used for stadium and land development.

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

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

Michigan Indigent Defense Commission (MIDC) - This fund is used to account for resources related to administration and compliance with State Executive Order 2011-12 which was created to improve legal representation for indigent criminal defendants.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

NON-MAJOR GOVERNMENTAL FUNDS

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 country is obligated in some manner for the payment.

General Debt Service - This fund is used to account for the payment of interest and principal on the County's long-term debt other than that payable from special assessments and debt issued for and serviced primarily by an enterprise fund.

Wayne County Building Authority Debt Services Funds - 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.

Detroit-Wayne County Stadium Authority (Stadium Authority) Debt Service Fund - This fund is used to account for servicing of general long-term obligations associated with bonds issued for the purpose of acquiring, building, furnishing, equipping, owning, improving, enlarging, operating and/or maintaining one or more stadia.

Criminal Justice Center (CJC) Debt Service Fund - This fund is used to account for resources reserved for the debt service associated with the construction of the new criminal justice center.

Downriver Communities Debt Service Fund - This fund is used to account for resources reserved for the debt services associated with the judgment levy debt for the downriver communities.

CAPITAL PROJECT FUNDS are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Stadium Authority Construction - This fund is used to account for resources used for construction associated with the professional football and baseball stadiums.

Wayne County Construction - This fund is used to account for costs associated with structural repairs of various Wayne County facilities and renovations to the Wayne County Prosecutor's Offices.

Building Authority Construction - This fund is used to account for costs associated with the construction of County facilities including the jail facility on Gratiot in Detroit.

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

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2019

	Special Revenue Funds					
	Parks	Rouge Demonstration Project	Law Enforcement	Community Development Block Grants	Drug Enforcement	Nutrition
Assets						
Equity in pooled cash and investments	\$ 15,585,707	\$ 204,666	\$ 4,279,223	\$ 1,379,080	\$ 1,622,723	\$ 893,880
Other cash and investments	3,100	500	-	100	50,000	250
Due from other funds	-	-	-	-	-	-
Receivables:						
Accounts	62,838	510,225	139,104	-	5,491	8,696
Due from other governments	-	-	-	1,813,781	-	386,329
Prepayments and deposits	-	-	-	29,234	-	-
Long-term receivables	-	-	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-	-	-
Restricted assets -						
Due from other governments restricted	-	-	-	-	-	-
Equity in pooled cash and investments	-	-	-	-	-	-
Total assets	\$ 15,651,645	\$ 715,391	\$ 4,418,327	\$ 3,222,195	\$ 1,678,214	\$ 1,289,155
Liabilities						
Accounts and contracts payable	\$ 543,647	\$ 79,527	\$ 922,981	\$ 721,078	\$ 51,601	\$ 713,715
Due to other funds	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Due to other governmental units	-	-	15,295	-	-	-
Accrued wages and benefits	110,817	18,450	42,746	9,253	88,064	25,074
Other liabilities	1,268,073	-	37,794	792,658	6,728	237,162
Unearned revenue	-	-	6,259	34,900	70,995	-
Total liabilities	1,922,537	97,977	1,025,075	1,557,889	217,388	975,951
Deferred inflows of resources						
Unavailable receivable	-	-	-	-	-	-
Unavailable revenues - grants	-	-	-	277,589	-	-
Total deferred inflows	-	-	-	277,589	-	-
Fund balances						
Nonspendable	-	-	-	29,234	-	-
Restricted for programs	5,708,000	617,414	3,393,252	1,357,483	1,460,826	-
Restricted for debt service	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-
Assigned	8,021,108	-	-	-	-	313,204
Unassigned fund deficit	-	-	-	-	-	-
Total fund balances (deficits)	13,729,108	617,414	3,393,252	1,386,717	1,460,826	313,204
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 15,651,645	\$ 715,391	\$ 4,418,327	\$ 3,222,195	\$ 1,678,214	\$ 1,289,155

Special Revenue Funds

Veteran's Trust	Community Corrections	Victim Witness	Soldiers' Relief	Community & Economic Development	Building Authority	DUWA Collection
\$ 328,310	\$ -	\$ -	\$ 1,919,896	\$ 558,525	\$ 82,453	\$ -
-	100	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	47,252	-	3,500,000
-	390,606	203,855	-	220,459	-	-
-	-	-	-	-	-	-
-	-	-	-	350,277	-	-
-	-	-	-	(350,277)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,086,375	-
<u>\$ 328,310</u>	<u>\$ 390,706</u>	<u>\$ 203,855</u>	<u>\$ 1,919,896</u>	<u>\$ 826,236</u>	<u>\$ 1,168,828</u>	<u>\$ 3,500,000</u>
\$ -	\$ 89,822	\$ 33	\$ 56,841	\$ 15,262	\$ 8,068	\$ -
-	-	-	-	-	-	-
-	258,412	150,980	-	-	-	-
-	-	-	-	163,719	-	-
-	53,712	38,759	6,484	-	-	-
-	89,917	-	39,839	171,859	239	3,500,000
-	-	-	-	-	-	-
-	491,863	189,772	103,164	350,840	8,307	3,500,000
-	-	-	-	-	-	-
-	-	3,607	-	343,883	-	-
-	-	3,607	-	343,883	-	-
-	-	-	-	-	-	-
328,310	-	-	1,816,732	58,263	1,086,375	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	10,476	-	73,250	74,146	-
-	(101,157)	-	-	-	-	-
<u>328,310</u>	<u>(101,157)</u>	<u>10,476</u>	<u>1,816,732</u>	<u>131,513</u>	<u>1,160,521</u>	<u>-</u>
<u>\$ 328,310</u>	<u>\$ 390,706</u>	<u>\$ 203,855</u>	<u>\$ 1,919,896</u>	<u>\$ 826,236</u>	<u>\$ 1,168,828</u>	<u>\$ 3,500,000</u>

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CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2019

	Special Revenue Funds					Debt Service Funds	
	Economic Development Corporation	Stadium and Land Development	Environmental Programs	Health and Family Services	MIDC	General Debt Services	Building Authority
Assets							
Equity in pooled cash and investments	\$ -	\$ 119,454	\$ 10,129,915	\$ 369,441	\$ 14,845,553	\$ 2,001,976	\$ 5,677,116
Other cash and investments	3,346,085	-	200	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Receivables:							
Accounts	56,346	1,012,062	719,918	79,416	-	-	-
Due from other governments	-	-	-	-	-	-	2,511,450
Prepayments and deposits	1,413,401	-	-	-	-	-	-
Long-term receivables	-	-	-	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-	-	-	-
Restricted assets -							
Due from other governments	-	-	-	-	-	-	-
Equity in pooled cash and investments	-	-	-	-	-	-	-
Total assets	\$ 4,815,832	\$ 1,131,516	\$ 10,850,033	\$ 448,857	\$ 14,845,553	\$ 2,001,976	\$ 8,188,566
Liabilities							
Accounts and contracts payable	\$ 378,071	\$ -	\$ 109,073	\$ 3,562	\$ 45,827	\$ -	\$ -
Due to other funds	3,979,738	1,000,963	-	-	-	-	-
Interfund payable	113,986	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-
Accrued wages and benefits	-	-	20,459	-	-	-	-
Other liabilities	161,246	-	9,341	-	-	-	-
Unearned revenue	264,978	-	-	-	7,352,392	-	-
Total liabilities	4,898,019	1,000,963	138,873	3,562	7,398,219	-	-
Deferred inflows of resources							
Unavailable revenues	-	-	-	-	-	-	-
Unavailable revenues - grants	-	-	-	-	-	-	-
Total deferred inflows	-	-	-	-	-	-	-
Fund balances							
Nonspendable	1,413,401	-	-	-	-	-	-
Restricted for programs	-	130,553	10,711,160	445,295	7,447,334	-	-
Restricted for debt service	-	-	-	-	-	-	8,188,566
Restricted for capital projects	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	2,001,976	-
Unassigned fund deficit	(1,495,588)	-	-	-	-	-	-
Total fund balances (deficits)	(82,187)	130,553	10,711,160	445,295	7,447,334	2,001,976	8,188,566
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 4,815,832	\$ 1,131,516	\$ 10,850,033	\$ 448,857	\$ 14,845,553	\$ 2,001,976	\$ 8,188,566

Debt Service Funds			Capital Projects Funds				Totals
Stadium Authority	Criminal Justice Center	Downriver Communities	Stadium Authority	Wayne County Construction	Building Authority Construction	Other Capital Projects	
\$ 17,007,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,930,795	\$ 85,935,974
-	-	-	-	-	-	-	3,400,335
1,000,963	-	-	-	-	776,787	-	1,777,750
-	-	-	-	-	-	-	6,141,348
-	-	-	-	-	-	-	5,526,480
-	-	-	-	-	-	-	1,442,635
-	-	-	-	-	-	-	350,277
-	-	-	-	-	-	-	(350,277)
-	-	14,208,131	-	-	-	-	14,208,131
-	6,868,362	10,525,710	594,955	404,800	-	3,023,147	22,503,349
<u>\$ 18,008,224</u>	<u>\$ 6,868,362</u>	<u>\$ 24,733,841</u>	<u>\$ 594,955</u>	<u>\$ 404,800</u>	<u>\$ 776,787</u>	<u>\$ 11,953,942</u>	<u>\$ 140,936,002</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,132	\$ 3,912,240
5,930,179	6,794,950	-	-	-	-	26,022	17,731,852
-	-	-	-	-	-	-	523,378
-	-	-	-	-	-	-	179,014
-	-	-	-	-	-	-	413,818
-	-	9,061,148	-	-	166	1,405,825	16,781,995
-	-	-	-	-	-	-	7,729,524
<u>5,930,179</u>	<u>6,794,950</u>	<u>9,061,148</u>	<u>-</u>	<u>-</u>	<u>166</u>	<u>1,604,979</u>	<u>47,271,821</u>
-	-	13,843,374	-	-	-	-	13,843,374
-	-	-	-	-	-	-	625,079
-	-	13,843,374	-	-	-	-	14,468,453
-	-	-	-	-	-	-	1,442,635
-	-	-	-	-	-	-	34,560,997
12,078,045	73,412	1,829,319	-	-	-	-	22,169,342
-	-	-	594,955	404,800	776,621	3,023,147	4,799,523
-	-	-	-	-	-	7,325,816	17,819,976
-	-	-	-	-	-	-	(1,596,745)
<u>12,078,045</u>	<u>73,412</u>	<u>1,829,319</u>	<u>594,955</u>	<u>404,800</u>	<u>776,621</u>	<u>10,348,963</u>	<u>79,195,728</u>
<u>\$ 18,008,224</u>	<u>\$ 6,868,362</u>	<u>\$ 24,733,841</u>	<u>\$ 594,955</u>	<u>\$ 404,800</u>	<u>\$ 776,787</u>	<u>\$ 11,953,942</u>	<u>\$ 140,936,002</u>

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2019

	Special Revenue Funds					
	Parks	Rouge Demonstration Project	Law Enforcement	Community Development Block Grant	Drug Enforcement	Nutrition
Revenue						
Taxes:						
Property taxes	\$ 9,397,982	\$ -	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-	-	-
Licenses and permits	102,043	-	-	-	-	-
Federal grants	-	2,537,409	2,696,607	4,222,426	-	2,230,462
State grants and contracts	44,300	6,309	44,641	-	1,010	1,066,846
Local grants and contracts	-	-	-	-	-	-
State sources	266,010	-	-	-	-	-
Charges for services	1,446,441	1,233,253	2,963,427	306,287	725,993	413,820
Interest income (loss) and rents	456,183	-	-	122,190	48,692	(1,527)
Other	343,746	-	-	-	22,847	65,528
Total revenue	12,056,705	3,776,971	5,704,675	4,650,903	798,542	3,775,129
Expenditures						
Current operations:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	4,639,865	-	1,347,971	-
Health and welfare	-	3,629,459	-	-	-	4,191,914
Recreational and cultural	12,435,769	-	-	-	-	-
Community and economic development	-	-	-	4,540,185	-	-
Capital outlay	1,835,651	-	48,629	-	7,835	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	14,271,420	3,629,459	4,688,494	4,540,185	1,355,806	4,191,914
Revenues over (under) expenditures	(2,214,715)	147,512	1,016,181	110,718	(557,264)	(416,785)
Other financing sources (uses)						
Transfers in	2,100,000	2,850	-	-	-	640,000
Transfers out	-	-	-	(30,491)	-	-
Proceeds from sale of capital assets	-	-	-	-	3,325	-
Total other financing sources (uses)	2,100,000	2,850	-	(30,491)	3,325	640,000
Net change in fund balances	(114,715)	150,362	1,016,181	80,227	(553,939)	223,215
Fund balances (deficits), beginning of year	13,843,823	467,052	2,377,071	1,306,490	2,014,765	89,989
Fund balances (deficits), end of year	\$ 13,729,108	\$ 617,414	\$ 3,393,252	\$ 1,386,717	\$ 1,460,826	\$ 313,204

Special Revenue Funds

Veteran's Trust	Community Corrections	Victim Witness	Soldiers' Relief	Community & Economic Development	Building Authority	DUWA Collection
\$ -	\$ -	\$ -	\$ 1,354,058	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,045,531	-	812,404	-	-
30,000	2,530,170	715,287	-	-	-	-
-	-	-	-	-	-	-
-	-	-	39,810	-	-	-
-	-	-	-	120,502	-	-
9,191	-	-	7,276	12,498	1,452,843	-
-	-	-	-	-	-	-
39,191	2,530,170	1,760,818	1,401,144	945,404	1,452,843	-
-	-	2,132,977	-	-	-	-
33,901	-	-	1,449,010	-	-	-
-	3,145,993	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,030,442	400,380	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33,901	3,145,993	2,132,977	1,449,010	1,030,442	400,380	-
5,290	(615,823)	(372,159)	(47,866)	(85,038)	1,052,463	-
-	619,370	379,227	-	1,862	-	-
-	-	-	-	-	(962,376)	-
-	-	-	-	-	-	-
-	619,370	379,227	-	1,862	(962,376)	-
5,290	3,547	7,068	(47,866)	(83,176)	90,087	-
323,020	(104,704)	3,408	1,864,598	214,689	1,070,434	-
\$ 328,310	\$ (101,157)	\$ 10,476	\$ 1,816,732	\$ 131,513	\$ 1,160,521	\$ -

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CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2019

	Special Revenue Funds					Debt Service Funds	
	Economic Development Corporation	Stadium and Land Development	Environmental Programs	Health and Family Services	MIDC	General Debt Services	Building Authority
Revenue							
Taxes:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	11,248,778	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Federal grants	-	-	-	46,362	-	-	-
State grants and contracts	-	-	-	-	9,899,949	-	-
Local grants and contracts	381,057	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Charges for services	7,354,757	-	3,581,394	-	-	-	-
Interest income (loss) and rents	(2,297)	11,316	320,413	-	181,321	-	7,577,753
Other	94,968	-	-	-	-	-	-
Total revenue	7,828,485	11,260,094	3,901,807	46,362	10,081,270	-	7,577,753
Expenditures							
Current operations:							
Judicial	-	-	-	-	10,047,431	-	-
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	1,797,266	75,272	-	-	-
Recreational and cultural	-	174,701	-	-	-	-	-
Community and economic development	7,093,832	-	-	-	-	-	-
Capital outlay	92,728	-	7,729	-	33,839	-	-
Debt service							
Principal	-	-	-	-	-	3,250,000	7,475,000
Interest	-	-	-	-	-	4,269,320	18,720,200
Total expenditures	7,186,560	174,701	1,804,995	75,272	10,081,270	7,519,320	26,195,200
Revenues over (under) expenditures	641,925	11,085,393	2,096,812	(28,910)	-	(7,519,320)	(18,617,447)
Other financing sources (uses)							
Transfers in	530,000	-	-	-	7,447,334	8,079,321	18,620,204
Transfers out	-	(11,085,393)	-	-	-	(530,000)	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	530,000	(11,085,393)	-	-	7,447,334	7,549,321	18,620,204
Net change in fund balances	1,171,925	-	2,096,812	(28,910)	7,447,334	30,001	2,757
Fund balances (deficits), beginning of year	(1,254,112)	130,553	8,614,348	474,205	-	1,971,975	8,185,809
Fund balances (deficits), end of year	\$ (82,187)	\$ 130,553	\$ 10,711,160	\$ 445,295	\$ 7,447,334	\$ 2,001,976	\$ 8,188,566

Debt Service Funds			Capital Projects Funds				Totals
Stadium Authority	Criminal Justice Center	Downriver Communities	Stadium Authority	Wayne County Construction	Building Authority Construction	Other Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,752,040
-	-	-	-	-	-	-	11,248,778
-	-	-	-	-	-	-	102,043
-	-	-	-	-	-	-	13,591,201
-	-	-	-	-	-	-	14,338,512
-	-	9,174,805	-	-	-	-	9,555,862
-	-	-	-	-	-	-	305,820
-	-	-	-	-	-	-	18,145,874
238,914	146,392	(5)	-	11,106	28,606	434,518	11,055,383
-	-	19,036	11,713	-	-	-	557,838
238,914	146,392	9,193,836	11,713	11,106	28,606	434,518	89,653,351
-	-	-	-	-	-	350,169	12,530,577
-	-	-	-	-	-	-	1,482,911
-	-	-	-	-	-	-	9,133,829
-	-	-	-	-	-	-	9,693,911
-	-	-	-	-	-	-	12,610,470
-	-	-	-	-	-	1,093,750	14,158,589
-	-	-	-	-	-	2,574,956	4,601,367
4,425,000	-	8,168,673	-	-	-	-	23,318,673
1,833,126	9,626,179	784,478	-	-	-	-	35,233,303
6,258,126	9,626,179	8,953,151	-	-	-	4,018,875	122,763,630
(6,019,212)	(9,479,787)	240,685	11,713	11,106	28,606	(3,584,357)	(33,110,279)
11,085,394	9,553,199	6,803	-	-	-	5,000,000	64,065,564
(5,930,179)	-	(10,066)	-	-	(8,425,707)	(5,000,000)	(31,974,212)
-	-	-	-	-	-	-	3,325
5,155,215	9,553,199	(3,263)	-	-	(8,425,707)	-	32,094,677
(863,997)	73,412	237,422	11,713	11,106	(8,397,101)	(3,584,357)	(1,015,602)
12,942,042	-	1,591,897	583,242	393,694	9,173,722	13,933,320	80,211,330
\$ 12,078,045	\$ 73,412	\$ 1,829,319	\$ 594,955	\$ 404,800	\$ 776,621	\$ 10,348,963	\$ 79,195,728

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Parks Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ 9,449,082	\$ 9,449,082	\$ 9,397,982	\$ (51,100)
Excise taxes	-	-	-	-
Licenses and permits	100,000	100,000	102,043	2,043
Federal grants	-	-	-	-
State grants and contracts	-	-	44,300	44,300
Local grants and contracts	-	-	-	-
State sources	-	-	266,010	266,010
Charges for services	1,524,000	1,545,565	1,446,441	(99,124)
Interest income and rents	62,000	62,000	456,183	394,183
Other	290,000	290,000	343,746	53,746
Total revenue	11,425,082	11,446,647	12,056,705	610,058
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	12,746,147	16,489,343	12,435,769	(4,053,574)
Economic development	-	-	-	-
Capital outlay	850,000	4,662,000	1,835,651	(2,826,349)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	13,596,147	21,151,343	14,271,420	(6,879,923)
Revenues over (under) expenditures	(2,171,065)	(9,704,696)	(2,214,715)	7,489,981
Other financing sources				
Transfers in	2,100,000	2,100,000	2,100,000	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources	2,100,000	2,100,000	2,100,000	-
Net change in fund balances	(71,065)	(7,604,696)	(114,715)	7,489,981
Fund balance, beginning of year	13,843,823	13,843,823	13,843,823	-
Fund balance, end of year	\$ 13,772,758	\$ 6,239,127	\$ 13,729,108	\$ 7,489,981

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Rouge Demonstration Project Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	4,924,982	4,924,982	2,537,409	(2,387,573)
State grants and contracts	38,500	38,500	6,309	(32,191)
Local grants and contracts	25,000	25,000	-	(25,000)
State sources	-	-	-	-
Charges for services	1,630,700	1,630,700	1,233,253	(397,447)
Interest income (loss) and rents	-	-	-	-
Other	-	-	-	-
Total revenue	<u>6,619,182</u>	<u>6,619,182</u>	<u>3,776,971</u>	<u>(2,842,211)</u>
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	6,616,682	6,616,682	3,629,459	(2,987,223)
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	2,500	2,500	-	(2,500)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>6,619,182</u>	<u>6,619,182</u>	<u>3,629,459</u>	<u>(2,989,723)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>147,512</u>	<u>147,512</u>
Other financing sources (uses)				
Transfers in	-	-	2,850	2,850
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,850</u>	<u>2,850</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>150,362</u>	<u>150,362</u>
Fund balance, beginning of year	<u>467,052</u>	<u>467,052</u>	<u>467,052</u>	<u>-</u>
Fund balance, end of year	<u>\$ 467,052</u>	<u>\$ 467,052</u>	<u>\$ 617,414</u>	<u>\$ 150,362</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Law Enforcement Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	1,297,731	1,309,899	2,696,607	1,386,708
State grants and contracts	120,000	120,000	44,641	(75,359)
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	3,113,707	3,113,707	2,963,427	(150,280)
Interest income (loss) and rents	-	-	-	-
Other	-	-	-	-
Total revenue	4,531,438	4,543,606	5,704,675	1,161,069
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	8,205,870	8,069,440	4,639,865	(3,429,575)
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	49,000	49,000	48,629	(371)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	8,254,870	8,118,440	4,688,494	(3,429,946)
Revenues over (under) expenditures	(3,723,432)	(3,574,834)	1,016,181	4,591,015
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(3,723,432)	(3,574,834)	1,016,181	4,591,015
Fund balance, beginning of year	2,377,071	2,377,071	2,377,071	-
Fund balance (deficit), end of year	\$ (1,346,361)	\$ (1,197,763)	\$ 3,393,252	\$ 4,591,015

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Community Development Block Grant Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	5,270,090	10,539,668	4,222,426	(6,317,242)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	158,585	166,993	306,287	139,294
Interest income (loss) and rents	-	-	122,190	122,190
Other	-	-	-	-
Total revenue	5,428,675	10,706,661	4,650,903	(6,055,758)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	5,398,184	10,676,170	4,540,185	(6,135,985)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,398,184	10,676,170	4,540,185	(6,135,985)
Revenues over (under) expenditures	30,491	30,491	110,718	80,227
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(30,491)	(30,491)	(30,491)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(30,491)	(30,491)	(30,491)	-
Net change in fund balances	-	-	80,227	80,227
Fund balance, beginning of year	1,306,490	1,306,490	1,306,490	-
Fund balance, end of year	\$ 1,306,490	\$ 1,306,490	\$ 1,386,717	\$ 80,227

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Drug Enforcement Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	509,211	7,092	1,010	(6,082)
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	789,400	789,400	725,993	(63,407)
Interest income (loss) and rents	-	16	48,692	48,676
Other	-	-	22,847	22,847
Total revenue	1,298,611	796,508	798,542	2,034
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	1,538,519	1,611,855	1,347,971	(263,884)
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	113,000	55,896	7,835	(48,061)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,651,519	1,667,751	1,355,806	(311,945)
Revenues over (under) expenditures	(352,908)	(871,243)	(557,264)	313,979
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	3,325	3,325
Total other financing sources (uses)	-	-	3,325	3,325
Net change in fund balances	(352,908)	(871,243)	(553,939)	317,304
Fund balance, beginning of year	2,014,765	2,014,765	2,014,765	-
Fund balance, end of year	\$ 1,661,857	\$ 1,143,522	\$ 1,460,826	\$ 317,304

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Nutrition Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,039,820	2,214,242	2,230,462	16,220
State grants and contracts	959,448	1,068,276	1,066,846	(1,430)
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	420,000	420,000	413,820	(6,180)
Interest income (loss) and rents	-	-	(1,527)	(1,527)
Other	45,600	45,600	65,528	19,928
Total revenue	3,464,868	3,748,118	3,775,129	27,011
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	4,354,868	4,638,118	4,191,914	(446,204)
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,354,868	4,638,118	4,191,914	(446,204)
Revenues over (under) expenditures	(890,000)	(890,000)	(416,785)	473,215
Other financing sources (uses)				
Transfers in	1,722,117	890,000	640,000	(250,000)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,722,117	890,000	640,000	(250,000)
Net change in fund balances	832,117	-	223,215	223,215
Fund balance, beginning of year	89,989	89,989	89,989	-
Fund balance, end of year	\$ 922,106	\$ 89,989	\$ 313,204	\$ 223,215

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Veteran's Trust Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	30,000	30,000	30,000	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	9,191	9,191
Other	-	-	-	-
Total revenue	30,000	30,000	39,191	9,191
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	30,000	30,000	33,901	3,901
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	30,000	30,000	33,901	3,901
Revenues over (under) expenditures	-	-	5,290	5,290
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	5,290	5,290
Fund balance, beginning of year	323,020	323,020	323,020	-
Fund balance, end of year	\$ 323,020	\$ 323,020	\$ 328,310	\$ 5,290

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Community Corrections Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over Under
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	2,518,445	2,851,968	2,530,170	(321,798)
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	-	-
Other	-	-	-	-
Total revenue	<u>2,518,445</u>	<u>2,851,968</u>	<u>2,530,170</u>	<u>(321,798)</u>
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	2,518,445	3,366,634	3,145,993	(220,641)
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,518,445</u>	<u>3,366,634</u>	<u>3,145,993</u>	<u>(220,641)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(514,666)</u>	<u>(615,823)</u>	<u>(101,157)</u>
Other financing sources (uses)				
Transfers in	-	619,370	619,370	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>619,370</u>	<u>619,370</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>104,704</u>	<u>3,547</u>	<u>(101,157)</u>
Fund balance (deficit), beginning of year	<u>(104,704)</u>	<u>(104,704)</u>	<u>(104,704)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (104,704)</u>	<u>\$ -</u>	<u>\$ (101,157)</u>	<u>\$ (101,157)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Victim Witness Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	912,300	939,669	1,045,531	105,862
State grants and contracts	836,025	1,264,070	715,287	(548,783)
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	-	-
Other	-	-	-	-
Total revenue	1,748,325	2,203,739	1,760,818	(442,921)
Expenditures				
Current operations:				
Judicial	2,442,581	2,577,565	2,132,977	(444,588)
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,442,581	2,577,565	2,132,977	(444,588)
Revenues over (under) expenditures	(694,256)	(373,826)	(372,159)	1,667
Other financing sources (uses)				
Transfers in	694,256	373,826	379,227	5,401
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	694,256	373,826	379,227	5,401
Net change in fund balances	-	-	7,068	7,068
Fund balance, beginning of year	3,408	3,408	3,408	-
Fund balance, end of year	\$ 3,408	\$ 3,408	\$ 10,476	\$ 7,068

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Soldiers' Relief Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ 1,418,056	\$ 1,418,056	\$ 1,354,058	\$ (63,998)
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	39,810	39,810
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	7,276	7,276
Other	-	-	-	-
Total revenue	<u>1,418,056</u>	<u>1,418,056</u>	<u>1,401,144</u>	<u>(16,912)</u>
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	1,824,056	1,824,056	1,449,010	(375,046)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	4,000	4,000	-	(4,000)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,828,056</u>	<u>1,828,056</u>	<u>1,449,010</u>	<u>(379,046)</u>
Revenues over (under) expenditures	<u>(410,000)</u>	<u>(410,000)</u>	<u>(47,866)</u>	<u>362,134</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(410,000)</u>	<u>(410,000)</u>	<u>(47,866)</u>	<u>362,134</u>
Fund balance, beginning of year	<u>1,864,598</u>	<u>1,864,598</u>	<u>1,864,598</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,454,598</u>	<u>\$ 1,454,598</u>	<u>\$ 1,816,732</u>	<u>\$ 362,134</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Community and Economic Development For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,856,430	7,910,192	812,404	(7,097,788)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	120,502	120,502
Interest income (loss) and rents	-	-	12,498	12,498
Other	-	-	-	-
Total revenue	2,856,430	7,910,192	945,404	(6,964,788)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	2,704,319	7,758,081	1,030,442	(6,727,639)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,704,319	7,758,081	1,030,442	(6,727,639)
Revenues over (under) expenditures	152,111	152,111	(85,038)	(237,149)
Other financing sources (uses)				
Transfers in	873,668	-	1,862	1,862
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	873,668	-	1,862	1,862
Net change in fund balances	1,025,779	152,111	(83,176)	(235,287)
Fund balance, beginning of year	214,689	214,689	214,689	-
Fund balance, end of year	\$ 1,240,468	\$ 366,800	\$ 131,513	\$ (235,287)

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds DUWA Collection For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
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 (deficit), beginning of year	-	-	-	-
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Economic Development Corporation Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	286,000	286,000	381,057	95,057
State sources	-	-	-	-
Charges for services	7,499,551	7,499,551	7,354,757	(144,794)
Interest income (loss) and rents	4,400	4,400	(2,297)	(6,697)
Other	-	-	94,968	94,968
Total revenue	7,789,951	7,789,951	7,828,485	38,534
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	6,132,341	6,132,341	7,093,832	961,491
Capital outlay	1,104,099	1,104,099	92,728	(1,011,371)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	7,236,440	7,236,440	7,186,560	(49,880)
Revenues over (under) expenditures	553,511	553,511	641,925	88,414
Other financing sources (uses)				
Transfers in	-	-	530,000	530,000
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	530,000	530,000
Net change in fund balances	553,511	553,511	1,171,925	618,414
Fund balance (deficit), beginning of year	(1,254,112)	(1,254,112)	(1,254,112)	-
Fund balance (deficit), end of year	\$ (700,601)	\$ (700,601)	\$ (82,187)	\$ 618,414

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Stadium and Land Development Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	10,201,100	10,201,100	11,248,778	1,047,678
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	5,300	5,300	11,316	6,016
Other	-	-	-	-
Total revenue	<u>10,206,400</u>	<u>10,206,400</u>	<u>11,260,094</u>	<u>1,053,694</u>
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	195,860	195,860	174,701	(21,159)
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>195,860</u>	<u>195,860</u>	<u>174,701</u>	<u>(21,159)</u>
Revenues over (under) expenditures	<u>10,010,540</u>	<u>10,010,540</u>	<u>11,085,393</u>	<u>1,074,853</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(10,010,540)	(10,010,540)	(11,085,393)	1,074,853
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(10,010,540)</u>	<u>(10,010,540)</u>	<u>(11,085,393)</u>	<u>(1,074,853)</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>130,553</u>	<u>130,553</u>	<u>130,553</u>	-
Fund balance, end of year	<u>\$ 130,553</u>	<u>\$ 130,553</u>	<u>\$ 130,553</u>	<u>\$ -</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Environmental Programs Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	2,272,075	2,272,075	3,581,394	1,309,319
Interest income (loss) and rents	75,000	75,000	320,413	245,413
Other	-	-	-	-
Total revenue	<u>2,347,075</u>	<u>2,347,075</u>	<u>3,901,807</u>	<u>1,554,732</u>
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	2,306,075	2,306,075	1,797,266	(508,809)
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	41,000	41,000	7,729	(33,271)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,347,075</u>	<u>2,347,075</u>	<u>1,804,995</u>	<u>(542,080)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,096,812</u>	<u>2,096,812</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>2,096,812</u>	<u>2,096,812</u>
Fund balance, beginning of year	<u>8,614,348</u>	<u>8,614,348</u>	<u>8,614,348</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,614,348</u>	<u>\$ 8,614,348</u>	<u>\$ 10,711,160</u>	<u>\$ 2,096,812</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Health and Family Services Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	30,000	46,362	16,362
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	-	-
Other	-	-	-	-
Total revenue	<u>-</u>	<u>30,000</u>	<u>46,362</u>	<u>16,362</u>
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	30,000	75,272	45,272
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>30,000</u>	<u>75,272</u>	<u>45,272</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(28,910)</u>	<u>(28,910)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(28,910)</u>	<u>(28,910)</u>
Fund balance, beginning of year	<u>474,205</u>	<u>474,205</u>	<u>474,205</u>	<u>-</u>
Fund balance, end of year	<u>\$ 474,205</u>	<u>\$ 474,205</u>	<u>\$ 445,295</u>	<u>\$ (28,910)</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Michigan Indigent Defense Commission Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	17,274,964	9,899,949	(7,375,015)
Local grants and contracts	-	-	-	-
Charges for services	-	25,000	-	(25,000)
Interest income (loss) and rents	-	-	181,321	181,321
Other	-	-	-	-
Total revenue	-	17,299,964	10,081,270	(7,218,694)
Expenditures				
Current operations:				
Judicial	-	24,747,298	10,047,431	(14,699,867)
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	33,839	33,839
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	24,747,298	10,081,270	(14,666,028)
Revenues over (under) expenditures	-	(7,447,334)	-	7,447,334
Other financing sources (uses)				
Transfers in	-	7,447,334	7,447,334	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	7,447,334	7,447,334	-
Net change in fund balances	-	-	7,447,334	7,447,334
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 7,447,334	\$ 7,447,334

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds General Debt Service Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	3,680,000	3,680,000	3,250,000	(430,000)
Interest	4,393,059	4,393,059	4,269,320	(123,739)
Total expenditures	8,073,059	8,073,059	7,519,320	(553,739)
Revenues over (under) expenditures	(8,073,059)	(8,073,059)	(7,519,320)	553,739
Other financing sources (uses)				
Transfers in	8,603,059	8,603,059	8,079,321	(523,738)
Transfers out	-	(530,000)	(530,000)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	8,603,059	8,073,059	7,549,321	(523,738)
Net change in fund balances	530,000	-	30,001	30,001
Fund balance, beginning of year	1,971,975	1,971,975	1,971,975	-
Fund balance, end of year	<u>\$ 2,501,975</u>	<u>\$ 1,971,975</u>	<u>\$ 2,001,976</u>	<u>\$ 30,001</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Building Authority Debt Service Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	7,663,071	7,663,071	7,577,753	(85,318)
Other	-	-	-	-
Total revenue	<u>7,663,071</u>	<u>7,663,071</u>	<u>7,577,753</u>	<u>(85,318)</u>
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	8,015,000	8,015,000	7,475,000	(540,000)
Interest	18,741,201	18,741,201	18,720,200	(21,001)
Total expenditures	<u>26,756,201</u>	<u>26,756,201</u>	<u>26,195,200</u>	<u>(561,001)</u>
Revenues over (under) expenditures	<u>(19,093,130)</u>	<u>(19,093,130)</u>	<u>(18,617,447)</u>	<u>475,683</u>
Other financing sources (uses)				
Transfers in	19,093,130	19,093,130	18,620,204	(472,926)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>19,093,130</u>	<u>19,093,130</u>	<u>18,620,204</u>	<u>(472,926)</u>
Net change in fund balances	-	-	2,757	2,757
Fund balance, beginning of year	<u>8,185,809</u>	<u>8,185,809</u>	<u>8,185,809</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 8,185,809</u>	<u>\$ 8,185,809</u>	<u>\$ 8,188,566</u>	<u>\$ 2,757</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Stadium Authority Debt Service Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	238,914	238,914
Other	-	-	-	-
Total revenue	-	-	238,914	238,914
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	4,425,000	4,425,000	4,425,000	-
Interest	1,834,975	1,834,975	1,833,126	(1,849)
Total expenditures	6,259,975	6,259,975	6,258,126	(1,849)
Revenues over (under) expenditures	(6,259,975)	(6,259,975)	(6,019,212)	240,763
Other financing sources (uses)				
Transfers in	10,010,540	10,010,540	11,085,394	1,074,854
Transfers out	-	(5,500,385)	(5,930,179)	429,794
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	10,010,540	4,510,155	5,155,215	645,060
Net change in fund balances	3,750,565	(1,749,820)	(863,997)	885,823
Fund balance, beginning of year	12,942,042	12,942,042	12,942,042	-
Fund balance (deficit), end of year	\$ 16,692,607	\$ 11,192,222	\$ 12,078,045	\$ 885,823

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Criminal Justice Center Debt Service Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	146,392	146,392
Other	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>146,392</u>	<u>146,392</u>
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	14,500,000	9,626,179	9,626,179	-
Total expenditures	<u>14,500,000</u>	<u>9,626,179</u>	<u>9,626,179</u>	<u>-</u>
Revenues over (under) expenditures	<u>(14,500,000)</u>	<u>(9,626,179)</u>	<u>(9,479,787)</u>	<u>146,392</u>
Other financing sources (uses)				
Transfers in	14,500,000	9,626,179	9,553,199	(72,980)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>14,500,000</u>	<u>9,626,179</u>	<u>9,553,199</u>	<u>(72,980)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>73,412</u>	<u>73,412</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,412</u>	<u>\$ 73,412</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Downriver Communities Debt Service Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	9,174,805	9,174,805
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	-	-	(5)	(5)
Other	-	-	19,036	19,036
Total revenue	-	-	9,193,836	9,193,836
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	8,168,673	8,168,673
Interest	-	-	784,478	784,478
Total expenditures	-	-	8,953,151	8,953,151
Revenues over (under) expenditures	-	-	240,685	240,685
Other financing sources (uses)				
Transfers in	-	-	6,803	6,803
Transfers out	-	-	(10,066)	10,066
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	(3,263)	(3,263)
Net change in fund balances	-	-	237,422	237,422
Fund balance, beginning of year	1,591,897	1,591,897	1,591,897	-
Fund balance, end of year	<u>\$ 1,591,897</u>	<u>\$ 1,591,897</u>	<u>\$ 1,829,319</u>	<u>\$ 237,422</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule Nonmajor Governmental Funds Other Capital Projects Fund For the Year Ended September 30, 2019

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest income (loss) and rents	300	300	434,518	434,218
Other	-	-	-	-
Total revenue	300	300	434,518	434,218
Expenditures				
Current operations:				
Judicial	-	-	350,169	350,169
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	723,079	723,079	1,093,750	370,671
Capital outlay	6,173,210	6,473,210	2,574,956	(3,898,254)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,896,289	7,196,289	4,018,875	(3,177,414)
Revenues over (under) expenditures	(6,895,989)	(7,195,989)	(3,584,357)	3,611,632
Other financing sources (uses)				
Transfers in	5,212,100	5,212,100	5,000,000	(212,100)
Transfers out	(212,100)	(5,212,100)	(5,000,000)	(212,100)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	5,000,000	-	-	-
Net change in fund balances	(1,895,989)	(7,195,989)	(3,584,357)	3,611,632
Fund balance, beginning of year	13,933,320	13,933,320	13,933,320	-
Fund balance, end of year	\$ 12,037,331	\$ 6,737,331	\$ 10,348,963	\$ 3,611,632

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

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 System - 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. The system was sold to the Southeast Macomb Sanitary District (SEMSD) on September 27, 2018.

Downriver Sewage Disposal System (DSDS) - This fund is used to record the pending fiscal activities with operation and maintenance of the DSDS treatment facilities after the sale of DSDS on September 27, 2018.

CSO Basins - This fund is used to account for activities related to the construction of combined sewer overflow (CSO) basins in the cities of River Rouge, Inkster, Redford, and Dearborn Heights to reduce wet weather overflow to the rivers and increase the flow to the sewage treatment plants.

Jail Commissary - This fund is used to account for the revenues and expenditures associated with the operation of the commissary at the County's jails.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

September 30, 2019

	Northeast Sewage Disposal System	Downriver Sewage Disposal System	CSO Basins	Jail Commissary	Totals
Assets					
Current assets:					
Equity in pooled cash and investments	-	285,994	-	\$ 3,723,169	\$ 4,009,163
Other cash and investments	-	-	-	44,158	44,158
Accounts receivable	-	-	3,267,677	237,433	3,505,110
Due from other governments	-	96,319	-	-	96,319
Prepayments and deposits	-	-	63,038	-	63,038
Total current assets	-	382,313	3,330,715	4,004,760	7,717,788
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and investments	-	-	2,682,403	-	2,682,403
Bond principal due from municipalities	-	-	2,353,364	-	2,353,364
Capital assets not being depreciated	-	-	-	-	-
Total noncurrent assets	-	-	5,035,767	-	5,035,767
Total assets	-	382,313	8,366,482	4,004,760	12,753,555
Liabilities					
Current liabilities:					
Accounts and contracts payable	-	96,095	12,070	71,799	179,964
Due to other funds	-	-	-	-	-
Accrued wages and benefits	-	-	-	14,310	14,310
Due to other governments	-	286,218	523,653	-	809,871
Interfund payable	-	-	2,422,688	-	2,422,688
Compensated absences, current	-	-	-	69,143	69,143
Other liabilities	-	-	15,242	44,158	59,400
Bonds payable due in less than one year	-	-	145,000	-	145,000
Total current liabilities	-	382,313	3,118,653	199,410	3,700,376
Noncurrent liabilities:					
Bonds and notes payable due in more than one year	-	-	2,208,364	-	2,208,364
Total noncurrent liabilities	-	-	2,208,364	-	2,208,364
Total liabilities	-	382,313	5,327,017	199,410	5,908,740
Net position					
Net investment in capital assets	-	-	-	-	-
Restricted for bond programs	-	-	5,035,767	-	5,035,767
Unrestricted (deficit)	-	-	(1,996,302)	3,805,350	1,809,048
Total net position	\$ -	\$ -	\$ 3,039,465	\$ 3,805,350	\$ 6,844,815

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds For the Year Ended September 30, 2019

	Northeast Sewage Disposal System	Downriver Sewage Disposal System	CSO Basins	Jail Commissary	Totals
Operating revenue					
Sewage disposal charges	\$ -	\$ -	\$ 36,900	\$ -	\$ 36,900
Other charges for services	-	-	1,944,650	2,729,378	4,674,028
Total operating revenue	-	-	1,981,550	2,729,378	4,710,928
Operating expenses					
Personnel	-	-	-	628,007	628,007
Fringe benefits	-	-	-	196,639	196,639
Pension and retirement benefits	-	-	-	187,267	187,267
Materials and supplies	-	-	63,335	39,100	102,435
Contractual services	-	-	1,327,658	160,109	1,487,767
Travel	-	-	-	223	223
Miscellaneous operating	-	-	258,200	8,925	267,125
Rentals	-	-	-	-	-
Other charges	-	-	-	36,121	36,121
Depreciation and amortization	-	-	-	-	-
Total operating expenses	-	-	1,649,193	1,256,391	2,905,584
Operating income (loss)	-	-	332,357	1,472,987	1,805,344
Nonoperating revenues (expenses)					
Investment earnings (loss)	-	-	14,274	118,283	132,557
Collections from participating local units	-	-	64,319	-	64,319
Gain (Loss) from sale of capital assets	-	-	(2,359,130)	-	(2,359,130)
Interest (expense)	-	-	(62,336)	-	(62,336)
Total nonoperating revenues (expenses)	-	-	(2,342,873)	118,283	(2,224,590)
Income (loss) before transfers	-	-	(2,010,516)	1,591,270	(419,246)
Transfers out	-	-	-	(802,623)	(802,623)
Change in net position	-	-	(2,010,516)	788,647	(1,221,869)
Net position, beginning of year	-	-	5,049,981	3,016,703	8,066,684
Net position, end of year	\$ -	\$ -	\$ 3,039,465	\$ 3,805,350	\$ 6,844,815

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Year Ended September 30, 2019

	Northeast Sewage Disposal System	Downriver Sewage Disposal System	CSO Basins	Jail Commissary	Totals
Cash flows from operating activities					
Receipts from customers	\$ -		\$ 659,992	\$ 3,396,715	\$ 4,056,707
Payments to employees	-		-	(1,007,645)	(1,007,645)
Payments to suppliers	(275,589)	(2,142,458)	(2,020,157)	(306,516)	(4,744,720)
Net cash provided by (used in) operating activities	<u>(275,589)</u>	<u>(2,142,458)</u>	<u>(1,360,165)</u>	<u>2,082,554</u>	<u>(1,695,658)</u>
Cash flows from non-capital financing activities					
Transfers out to other funds	-		-	(802,623)	(802,623)
Loans received from other funds	-	-	1,403,981	-	1,403,981
Net cash provided by (used in) non-capital and related financing activities	<u>-</u>	<u>-</u>	<u>1,403,981</u>	<u>(802,623)</u>	<u>601,358</u>
Cash flows from capital and related financing activities					
Repayment of long-term debt	-		(138,017)	-	(138,017)
Bond principal received from municipalities	-		128,016	-	128,016
Interest received from participating local units	-		64,319	-	64,319
Interest paid	-		(62,336)	-	(62,336)
Purchase of capital assets	-	-	(163,757)		(163,757)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(171,775)</u>	<u>-</u>	<u>(171,775)</u>
Cash flows from investing activities:					
Investment earnings (loss)	-	-	14,274	118,283	132,557
Change in cash and cash equivalents	<u>(275,589)</u>	<u>(2,142,458)</u>	<u>(113,685)</u>	<u>1,398,214</u>	<u>(1,133,518)</u>
Cash and cash equivalents, beginning of year	<u>275,589</u>	<u>2,428,452</u>	<u>2,796,088</u>	<u>2,369,113</u>	<u>7,869,242</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 285,994</u>	<u>\$ 2,682,403</u>	<u>\$ 3,767,327</u>	<u>\$ 6,735,724</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ -		\$ 332,357	\$ 1,472,987	\$ 1,805,344
Adjustments to reconcile operating income (loss) to net cash used by operating activities:					
Depreciation	-		-	-	-
Changes in current assets, current liabilities and deferrals:					
Accounts receivable	-		-	667,337	667,337
Due from other governments	-		(1,321,558)	-	(1,321,558)
Prepayments and deposits	(275,589)		74,477	-	(201,112)
Accounts and contracts payable	-	(2,142,458)	(445,441)	(18,496)	(2,606,395)
Accrued wages	-		-	6,419	6,419
Compensated absences	-		-	(2,151)	(2,151)
Other liabilities	-	-	-	(43,542)	(43,542)
Net cash provided by (used in) operating activities	<u>\$ (275,589)</u>	<u>\$ (2,142,458)</u>	<u>\$ (1,360,165)</u>	<u>\$ 2,082,554</u>	<u>\$ (1,695,658)</u>
Cash and cash equivalents at year end consist of:					
Equity in pooled cash and investments	\$ -	285,994	\$ -	\$ 3,723,169	\$ 4,009,163
Other cash and investments	-		-	44,158	44,158
Restricted assets - Equity in pooled cash and equivalents	-	-	2,682,403	-	2,682,403
Total cash and investments	<u>\$ -</u>	<u>\$ 285,994</u>	<u>\$ 2,682,403</u>	<u>\$ 3,767,327</u>	<u>\$ 6,735,724</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

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 bases.

Central Services - This fund is used to distribute the County's costs of internal services provided by the Department of Technology and the Building and Grounds Division of the Department of Public Services.

Environment - This fund is used to distribute costs to the various sewage districts, drains, and other Department of Public Services - Environment activities.

Long-Term Disability - This fund is used to accumulate and disburse monies related to long-term disability claims.

General Health - This fund is used to accumulate and disburse monies related to employee health benefits.

Workers' Compensation Self Insurance - This fund is used to accumulate and disburse monies related to workers' compensation claims.

General Liability - This fund is used to accumulate and disburse monies related to property insurance costs.

Building and Grounds Maintenance - This fund is used to account for the maintenance of all County General Fund buildings.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position (Deficit)

Internal Service Funds

September 30, 2019

	Central Services	Environment	Long-term Disability	General Health
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 6,288,533	\$ 453,205	\$ 877,380	\$ 33,659,960
Other cash and investments	950	1,000	-	100
Receivables:				
Accounts	-	20,814	-	-
Due from other governments	95,455	-	-	-
Prepayments and deposits	-	-	-	280,114
Total current assets	6,384,938	475,019	877,380	33,940,174
Noncurrent assets:				
Capital assets not being depreciated	-	23,678	-	-
Capital assets being depreciated, net	43,045	7,548	-	-
Total noncurrent assets	43,045	31,226	-	-
Total assets	6,427,983	506,245	877,380	33,940,174
Deferred outflows of resources				
Deferred pension amounts	271,100	67,846	-	-
Deferred OPEB amounts	20,000	4,000	-	-
Total deferred outflows of resources	291,100	71,846	-	-
Liabilities				
Current liabilities:				
Accounts and contracts payable	1,296,945	7,616	-	1,608,032
Due to other funds	-	-	-	-
Accrued wages and benefits	135,050	45,458	33,450	2,820
Compensated absences	404,360	81,223	-	-
Claims payable, current	-	-	261,739	765,326
Other liabilities	805,200	8,703	-	29,726,861
Total current liabilities	2,641,555	143,000	295,189	32,103,039
Noncurrent liabilities:				
Net OPEB liability	3,538,547	837,583	-	-
Net pension liability	11,365,220	2,913,574	-	-
Total noncurrent liabilities	14,903,767	3,751,157	-	-
Total liabilities	17,545,322	3,894,157	295,189	32,103,039
Deferred inflows of resources				
Deferred pension amounts	177,710	45,113	-	-
Net position				
Net investment in capital assets	43,045	31,226	-	-
Unrestricted (deficit)	(11,046,994)	(3,392,405)	582,191	1,837,135
Total net position (Deficit)	\$ (11,003,949)	\$ (3,361,179)	\$ 582,191	\$ 1,837,135

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position (Deficit)

Internal Service Funds

September 30, 2019

	Workers' Compensation Self Insurance	General Liability	Building and Grounds Maintenance	Totals
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 6,911,525	\$ 3,432,195	\$ 1,997,267	\$ 53,620,065
Other cash and investments	-	-	1,000	3,050
Receivables:				
Accounts	-	-	-	20,814
Due from other governments	-	-	-	95,455
Prepayments and deposits	-	1,500,596	-	1,780,710
Total current assets	6,911,525	4,932,791	1,998,267	55,520,094
Noncurrent assets:				
Capital assets not being depreciated	-	-	-	23,678
Capital assets being depreciated, net	-	-	885,331	935,924
Total noncurrent assets	-	-	885,331	959,602
Total assets	6,911,525	4,932,791	2,883,598	56,479,696
Deferred outflows of resources				
Deferred pension amounts	-	-	363,779	702,725
Deferred OPEB amounts	-	-	19,000	43,000
Total deferred outflows of resources	-	-	382,779	745,725
Liabilities				
Current liabilities:				
Accounts and contracts payable	130,372	21,623	84,478	3,149,066
Due to other funds	-	-	-	-
Accrued wages and benefits	-	-	160,634	377,412
Compensated absences	-	-	487,683	973,266
Claims payable, current	5,335,126	-	-	6,362,191
Other liabilities	-	-	509,475	31,050,239
Total current liabilities	5,465,498	21,623	1,242,270	41,912,174
Noncurrent liabilities:				
Net OPEB liability	-	-	3,581,805	7,957,935
Net pension liability	-	-	15,706,100	29,984,894
Total noncurrent liabilities	-	-	19,287,905	37,942,829
Total liabilities	5,465,498	21,623	20,530,175	79,855,003
Deferred inflows of resources				
Deferred pension amounts	-	-	242,712	465,535
Net position				
Net investment in capital assets	-	-	885,331	959,602
Unrestricted (deficit)	1,446,027	4,911,168	(18,391,841)	(24,054,719)
Total net position (Deficit)	\$ 1,446,027	\$ 4,911,168	\$ (17,506,510)	\$ (23,095,117)

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended September 30, 2019

	Central Services	Environment	Long-term Disability	General Health
Operating revenue				
Charges for services	\$ 15,782,654	\$ 2,714,230	\$ 1,569,764	\$ 47,922,423
Rentals and expense recoveries	-	5,856	-	-
Other revenue	-	4,643	-	-
Total operating revenue	<u>15,782,654</u>	<u>2,724,729</u>	<u>1,569,764</u>	<u>47,922,423</u>
Operating expenses				
Personnel	3,606,083	1,373,062	-	-
Fringe benefits	2,621,042	474,636	-	-
Pension	9,499,642	305,444	-	-
Materials and supplies	5,539	31,929	-	-
Contractual services	7,641,562	1,189,764	23,956	418,867
Insurance benefits	-	-	793,827	49,355,472
Travel	29,886	7,116	-	-
Miscellaneous operating	547,852	17,377	-	-
Rentals	1,425,519	29,976	-	-
Other charges	-	-	-	180,684
Depreciation and amortization	15,117	17,181	-	-
Total operating expenses	<u>25,392,242</u>	<u>3,446,485</u>	<u>817,783</u>	<u>49,955,023</u>
Operating income (loss)	<u>(9,609,588)</u>	<u>(721,756)</u>	<u>751,981</u>	<u>(2,032,600)</u>
Non-operating revenues (expenses)				
Investment earnings (loss)	-	18,976	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>18,976</u>	<u>-</u>	<u>-</u>
Operating income (loss) before transfers	(9,609,588)	(702,780)	751,981	(2,032,600)
Transfers in	-	413	-	-
Transfers out	<u>(235,761)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(9,845,349)	(702,367)	751,981	(2,032,600)
Net position (deficit), beginning of year	<u>(1,158,600)</u>	<u>(2,658,812)</u>	<u>(169,790)</u>	<u>3,869,735</u>
Net position (deficit), end of year	<u>\$ (11,003,949)</u>	<u>\$ (3,361,179)</u>	<u>\$ 582,191</u>	<u>\$ 1,837,135</u>

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended September 30, 2019

	Workers' Compensation Self Insurance	General Liability	Building and Grounds Maintenance	Totals
Operating revenue				
Charges for services	\$ 1,500,691	\$ 1,939,954	\$ 13,681,306	\$ 85,111,022
Rentals and expense recoveries	-	-	-	5,856
Other revenue	-	-	-	4,643
Total operating revenue	<u>1,500,691</u>	<u>1,939,954</u>	<u>13,681,306</u>	<u>85,121,521</u>
Operating expenses				
Personnel	-	-	4,570,009	9,549,154
Fringe benefits	-	-	1,783,786	4,879,464
Pension	-	-	2,936,256	12,741,342
Materials and supplies	-	-	801,692	839,160
Contractual services	215,741	73,003	1,313,548	10,876,441
Insurance benefits	3,023,677	1,994,602	-	55,167,578
Travel	-	-	41,206	78,208
Miscellaneous operating	-	-	3,670,270	4,235,499
Rentals	-	-	342,209	1,797,704
Other charges	-	-	-	180,684
Depreciation and amortization	-	-	148,354	180,652
Total operating expenses	<u>3,239,418</u>	<u>2,067,605</u>	<u>15,607,330</u>	<u>100,525,886</u>
Operating income (loss)	<u>(1,738,727)</u>	<u>(127,651)</u>	<u>(1,926,024)</u>	<u>(15,404,365)</u>
Non-operating revenues (expenses)				
Investment earnings (loss)	-	-	(135,945)	(116,969)
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(135,945)</u>	<u>(116,969)</u>
Operating income (loss) before transfers	<u>(1,738,727)</u>	<u>(127,651)</u>	<u>(2,061,969)</u>	<u>(15,521,334)</u>
Transfers in	-	-	-	413
Transfers out	<u>-</u>	<u>-</u>	<u>(30,085)</u>	<u>(265,846)</u>
Change in net position	<u>(1,738,727)</u>	<u>(127,651)</u>	<u>(2,092,054)</u>	<u>(15,786,767)</u>
Net position (deficit), beginning of year, as restated	<u>3,184,754</u>	<u>5,038,819</u>	<u>(15,414,456)</u>	<u>(7,308,350)</u>
Net position (deficit), end of year	<u>\$ 1,446,027</u>	<u>\$ 4,911,168</u>	<u>\$ (17,506,510)</u>	<u>\$ (23,095,117)</u>

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2019

	Central Services	Environment	Long-term Disability	General Health
Cash flows from operating activities				
Receipts for interfund services provided	\$ 15,782,654	\$ 2,703,915	\$ 1,569,764	\$ 47,922,423
Payments to employees	(5,719,786)	(2,060,811)	(834,119)	(24,071,155)
Payments to suppliers	(8,847,475)	(1,270,888)	(30,656)	(599,551)
Net cash provided by (used in) operating activities	1,215,393	(627,784)	704,989	23,251,717
Cash flows from noncapital financing activities				
Transfers in	-	413	-	-
Transfers out	(235,761)	-	-	-
Net cash provided by (used in) noncapital and related financing activities	(235,761)	413	-	-
Cash flows from investing activities				
Investment earnings (loss)	-	18,976	-	-
Change in cash and cash equivalents	979,632	(608,395)	704,989	23,251,717
Cash and cash equivalents, beginning of year	5,309,851	1,062,600	172,391	10,408,343
Cash and cash equivalents, end of year	<u>\$ 6,289,483</u>	<u>\$ 454,205</u>	<u>\$ 877,380</u>	<u>\$ 33,660,060</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (9,609,588)	\$ (721,756)	\$ 751,981	\$ (2,032,600)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	15,117	17,181	-	-
Changes in current assets, current liabilities and deferrals:				
Accounts receivable	-	(20,814)	-	-
Prepayments and deposits	-	-	-	20,151
Deferred pension amounts (outflows)	(126,203)	99,587	-	-
Accounts and contracts payable	219,809	708	(6,700)	(2,858,675)
Due to other funds	-	-	-	-
Accrued wages	73,444	18,988	829	(87)
Compensated absences	89,000	(15,740)	-	-
Other liabilities	583,074	4,566	(41,121)	28,122,928
Net other postemployment benefits	1,459,000	189,000	-	-
Net pension liability	8,431,462	(143,117)	-	-
Deferred pension amounts (inflows)	80,278	(56,387)	-	-
Net cash provided by (used in) operating activities	\$ 1,215,393	\$ (627,784)	\$ 704,989	\$ 23,251,717
Cash and cash equivalents at year end consist of:				
Equity in pooled cash and investments	\$ 6,288,533	\$ 453,205	\$ 877,380	\$ 33,659,960
Other cash and investments	950	1,000	-	100
Total cash and investments	\$ 6,289,483	\$ 454,205	\$ 877,380	\$ 33,660,060

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2019

	Workers' Compensation Self Insurance	General Liability	Building and Grounds Maintenance	Totals
Cash flows from operating activities				
Receipts for interfund services provided	\$ 1,500,691	\$ 1,939,954	\$ 13,681,306	\$ 85,100,707
Payments to employees	(2,092,921)	(2,278,053)	(7,150,473)	(44,207,318)
Payments to suppliers	(207,586)	(73,003)	(6,271,631)	(17,300,790)
Net cash provided by (used in) operating activities	<u>(799,816)</u>	<u>(411,102)</u>	<u>259,202</u>	<u>23,592,599</u>
Cash flows from noncapital financing activities				
Transfers in	-	-	-	413
Transfers out	-	-	(30,085)	(265,846)
Net cash provided by (used in) noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>(30,085)</u>	<u>(265,433)</u>
Cash flows from investing activities				
Investment earnings (loss)	-	-	(135,945)	(116,969)
Change in cash and cash equivalents	(799,816)	(411,102)	93,172	23,210,197
Cash and cash equivalents, beginning of year	7,711,341	3,843,297	1,905,095	30,412,918
Cash and cash equivalents, end of year	<u>\$ 6,911,525</u>	<u>\$ 3,432,195</u>	<u>\$ 1,998,267</u>	<u>\$ 53,623,115</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (1,738,727)	\$ (127,651)	\$ (1,926,024)	\$ (15,404,365)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	148,354	180,652
Changes in current assets, current liabilities and deferrals:				
Accounts receivable	-	-	-	(20,814)
Prepayments and deposits	-	(283,451)	-	(263,300)
Deferred pension amounts (outflows)	-	-	420,880	394,264
Accounts and contracts payable	8,155	-	(409,714)	(3,046,417)
Due to other funds	-	-	-	-
Accrued wages	-	-	55,086	148,260
Compensated absences	-	-	58,734	131,994
Other liabilities	930,756	-	307,008	29,907,211
Net other postemployment benefits	-	-	488,000	2,136,000
Net pension liability	-	-	1,350,600	9,638,945
Deferred pension amounts (inflows)	-	-	(233,722)	(209,831)
Net cash provided by (used in) operating activities	<u>\$ (799,816)</u>	<u>\$ (411,102)</u>	<u>\$ 259,202</u>	<u>\$ 23,592,599</u>
Cash and cash equivalents at year end consist of:				
Equity in pooled cash and investments	\$ 6,911,525	\$ 3,432,195	\$ 1,997,267	\$ 53,620,065
Other cash and investments	-	-	1,000	3,050
Total cash and investments	<u>\$ 6,911,525</u>	<u>\$ 3,432,195</u>	<u>\$ 1,998,267</u>	<u>\$ 53,623,115</u>

concluded.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

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 Retirement System - This fund accounts for the monies accumulated under the employee defined benefit pension plan.

Defined Contribution Plan - This fund accounts for monies accumulated under the employee defined contribution retirement plan.

Other Postemployment Benefits (OPEB) - This fund accounts for the monies accumulated for postemployment benefits other than pensions.

Qualified Excess Benefit Arrangement (QEBA) - This fund accounts for benefits paid to retirees in accordance with Internal Revenue Code Section 415(b) limits.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

FIDUCIARY FUNDS

FIDUCIARY FUNDS (continued) 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.

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.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefits Trust Funds

September 30, 2019

	Employees' Retirement System	Defined Contribution Plan	Other Post- employment Benefits	Qualified Excess Benefit Arrangement	Total
Assets					
Equity in pooled cash and investments	\$ 1,202,948	\$ -	\$ -	\$ 665	\$ 1,203,613
Receivables:					
Accounts	751,079	12,105	-	-	763,184
Accrued interest	789,184	-	-	-	789,184
Total receivables	1,540,263	12,105	-	-	1,552,368
Investments:					
Equity securities	544,378,416	290,266,465	-	-	834,644,881
Debt securities	151,035,915	141,316,840	-	-	292,352,755
Participant loans	-	16,482,126	-	-	16,482,126
Money market funds	29,322,427	-	-	-	29,322,427
Real estate investment trusts	178,446,688	-	-	-	178,446,688
Private equity investments	52,540,429	-	-	-	52,540,429
Hedge and structured debt funds	39,385,975	-	-	-	39,385,975
Interest in pooled investments	-	-	29,195,205	-	29,195,205
Total investments	995,109,850	448,065,431	29,195,205	-	1,472,370,486
Prepayments and deposits	21,762	-	-	-	21,762
Total assets	997,874,823	448,077,536	29,195,205	665	1,475,148,229
Liabilities					
Accounts and contracts payable	684,633	-	-	-	684,633
Accrued wages and benefits	146,843	-	-	-	146,843
Other liabilities	-	85,606	-	-	85,606
Due to other Wayne County component units and funds	-	-	-	-	-
Due to broker for securities purchased	951,783	-	-	-	951,783
Total liabilities	1,783,259	85,606	-	-	1,868,865
Net position					
Restricted for pension and other employee benefits	\$ 996,091,564	\$ 447,991,930	\$ 29,195,205	\$ 665	\$ 1,473,279,364

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefits Trust Funds For the Year Ended September 30, 2019

	Employees' Retirement System	Defined Contribution Plan	Other Post- employment Benefits	Qualified Excess Benefit Arrangement	Total
Additions					
Investment income:					
Net appreciation in fair market value	\$ 12,641,634	\$ 1,817,899	\$ 761,415	\$ -	\$ 15,220,948
Interest and dividends	24,301,276	6,928,922	-	-	31,230,198
Other investment income	408,312	483,569	-	-	891,881
Investment expenses	(2,920,188)	(207,370)	-	-	(3,127,558)
Net investment income	34,431,034	9,023,020	761,415	-	44,215,469
Contributions:					
Employer	79,800,443	11,718,696	231,150	22,613	91,772,902
Employee	11,122,528	6,708,348	-	-	17,830,876
Total contributions	90,922,971	18,427,044	231,150	22,613	109,603,778
Total additions	125,354,005	27,450,064	992,565	22,613	153,819,247
Deductions					
Participant benefits	135,314,829	28,267,108	-	22,700	163,604,637
Administrative expenses	2,518,758	531,045	68,780	4,051	3,122,634
Total deductions	137,833,587	28,798,153	68,780	26,751	166,727,271
Change in net position	(12,479,582)	(1,348,089)	923,785	(4,138)	(12,908,024)
Net position - restricted for pension and and employee benefits, beginning of year	1,008,571,146	449,340,019	28,271,420	4,803	1,486,187,388
Net position - restricted for pension and other employee benefits, end of year	<u>\$ 996,091,564</u>	<u>\$ 447,991,930</u>	<u>\$ 29,195,205</u>	<u>\$ 665</u>	<u>\$ 1,473,279,364</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
As of September 30, 2019

	Trust and Agency	Undistrib- uted Tax	Library Penal Fines	Office of the County Clerk	Retainages	Total Agency Funds
Assets						
Equity in pooled cash and investments	\$ 41,490,053	\$ 232,861,069	\$ 871,450	\$ 14,679,575	\$ 1,250,808	\$ 291,152,955
Other cash and investments	1,519,346	-	-	-	3,413,408	4,932,754
Total assets	<u>\$ 43,009,399</u>	<u>\$ 232,861,069</u>	<u>\$ 871,450</u>	<u>\$ 14,679,575</u>	<u>\$ 4,664,216</u>	<u>\$ 296,085,709</u>
Liabilities						
Undistributed receipts	\$ 23,825,838	\$ 48,092,823	\$ 28,663	\$ 764,308	\$ 4,664,216	\$ 77,375,848
Due to other governmental units	170,493	-	-	-	-	170,493
Undistributed taxes	100	184,768,246	-	-	-	184,768,346
Other liabilities	19,012,968	-	842,787	13,915,267	-	33,771,022
Total liabilities	<u>\$ 43,009,399</u>	<u>\$ 232,861,069</u>	<u>\$ 871,450</u>	<u>\$ 14,679,575</u>	<u>\$ 4,664,216</u>	<u>\$ 296,085,709</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities Agency Funds For the Year Ended September 30, 2019

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
Trust and Agency				
Assets				
Equity in pooled cash and investments	\$ 44,519,188	\$ 39,191,586	\$ 42,220,721	\$ 41,490,053
Other cash and investments	1,597,969	2,109,818	2,188,441	1,519,346
Total assets	<u>\$ 46,117,157</u>	<u>\$ 41,301,404</u>	<u>\$ 44,409,162</u>	<u>\$ 43,009,399</u>
Liabilities				
Undistributed receipts	\$ 29,891,317	\$ 34,320,528	\$ 40,386,007	\$ 23,825,838
Due to other governmental units	69,754	20,569,096	20,468,357	170,493
Undistributed taxes	100	-	-	100
Other liabilities	16,155,986	20,960,397	18,103,415	19,012,968
Total liabilities	<u>\$ 46,117,157</u>	<u>\$ 75,850,021</u>	<u>\$ 78,957,779</u>	<u>\$ 43,009,399</u>
Undistributed Tax				
Assets				
Equity in pooled cash and investments	<u>\$ 244,704,647</u>	<u>\$ 1,116,625,760</u>	<u>\$ 1,128,469,338</u>	<u>\$ 232,861,069</u>
Liabilities				
Undistributed receipts	\$ 40,931,069	\$ 334,697,452	\$ 327,535,698	\$ 48,092,823
Undistributed taxes	203,773,578	878,588,709	897,594,041	184,768,246
Total liabilities	<u>\$ 244,704,647</u>	<u>\$ 1,213,286,161</u>	<u>\$ 1,225,129,739</u>	<u>\$ 232,861,069</u>
Library Penal Fines				
Assets				
Equity in pooled cash and investments	<u>\$ 686,636</u>	<u>\$ 2,151,216</u>	<u>\$ 1,966,402</u>	<u>\$ 871,450</u>
Liabilities				
Undistributed receipts	\$ -	\$ 28,663	\$ -	\$ 28,663
Other liabilities	686,636	2,151,216	1,995,065	842,787
Total liabilities	<u>\$ 686,636</u>	<u>\$ 2,179,879</u>	<u>\$ 1,995,065</u>	<u>\$ 871,450</u>

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Year Ended September 30, 2019

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
Office of the County Clerk				
Assets				
Equity in pooled cash and investments	\$ 11,834,184	\$ 52,983,600	\$ 50,138,209	\$ 14,679,575
Liabilities				
Undistributed receipts	\$ 563,944	\$ 34,921,789	\$ 34,721,425	\$ 764,308
Due to other governmental units	-	11,218,766	\$ 11,218,766	-
Other liabilities	11,270,240	22,881,707	20,236,680	13,915,267
Total liabilities	\$ 11,834,184	\$ 69,022,262	\$ 66,176,871	\$ 14,679,575
Retainages				
Assets				
Equity in pooled cash and investments	\$ 1,221,390	\$ 553,675	\$ 524,257	\$ 1,250,808
Other cash and investments	2,700,451	839,909	126,952	3,413,408
Due from other governmental units	-	533,353	533,353	-
Total assets	\$ 3,921,841	\$ 1,926,937	\$ 1,184,562	\$ 4,664,216
Liabilities				
Undistributed receipts	\$ 3,921,841	\$ 1,624,128	\$ 881,753	\$ 4,664,216
Totals - all agency funds				
Assets				
Equity in pooled cash and investments	\$ 302,966,045	\$ 1,211,505,837	\$ 1,223,318,927	\$ 291,152,955
Other cash and investments	4,298,420	2,949,727	2,315,393	4,932,754
Total assets	\$ 307,264,465	\$ 1,214,455,564	\$ 1,225,634,320	\$ 296,085,709
Liabilities				
Undistributed receipts	\$ 75,308,171	\$ 405,592,560	\$ 403,524,883	\$ 77,375,848
Due to other governmental units	69,754	20,569,096	20,468,357	170,493
Undistributed taxes	203,773,678	878,588,709	897,594,041	184,768,346
Other liabilities	28,112,862	45,993,320	40,335,160	33,771,022
Total liabilities	\$ 307,264,465	\$ 1,350,743,685	\$ 1,361,922,441	\$ 296,085,709

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

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.

Wayne County-Detroit CDE, Inc. (CDE) - This CDE is an IRS Section 501(c)(3) Michigan corporation and 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.

Greater Wayne County Economic Development Corporation (GWEDC) - This 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 six of the ten board members. The entity is primarily funded by contributions from the County.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position Nonmajor Discretely Presented Component Units September 30, 2019

	CDE	GWCEDC	Total
Assets			
Equity in pooled cash and investments	\$ -	\$ -	\$ -
Other cash and investments	2,784,122	34,648	2,818,770
Receivables -			
Due in one year	2,863	-	2,863
Due from other governments	93,859	-	93,859
Other assets	1,163	5,102	6,265
Total assets	2,882,007	39,750	2,921,757
Liabilities			
Accounts payable and accrued expenses	62,527	-	62,527
Due to other governments	11,300	-	11,300
Unearned revenue	-	-	-
Total liabilities	73,827	-	73,827
Net position			
Restricted for economic development	-	39,750	39,750
Unrestricted	2,808,180	-	2,808,180
Total net position	\$ 2,808,180	\$ 39,750	\$ 2,847,930

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Activities Nonmajor Discretely Presented Component Units For the Year Ended September 30, 2019

	CDE	GWCEDC	Total
Expenses	\$ 404,579	\$ 10,944	\$ 415,523
Program revenues			
Charges for services	-	-	-
Operating grants and contributions	-	-	-
Total program revenues	-	-	-
Net (expense) / program revenue	(404,579)	(10,944)	(415,523)
General revenues			
Investment earnings	-	1,086	1,086
Other revenue	400,890	-	400,890
Total general revenues	400,890	1,086	401,976
Change in net position	(3,689)	(9,858)	(13,547)
Net position, beginning of year	2,811,869	49,608	2,861,477
Net position, end of year	\$ 2,808,180	\$ 39,750	\$ 2,847,930

CHARTER COUNTY OF WAYNE, MICHIGAN

Drains Component Unit Governmental Funds Balance Sheet and Statement of Net Position September 30, 2019

	Governmental Funds					Statement of
	Chapter 8	Chapter 20	Chapter 21	Total	Adjustments	Net Position
Assets						
Equity in pooled cash and investments	\$ 573,772	\$ 13,349,089	\$ 2,549,502	\$ 16,472,363	\$ -	\$ 16,472,363
Other cash and investments	-	100	-	100	-	100
Receivables - due in one year	52,757	69,843	-	122,600	-	122,600
Due from other governments	175,122	83,931	951,107	1,210,160	-	1,210,160
Restricted asset - bond principal due from municipalities	3,262,250	4,614,976	24,477,519	32,354,745	-	32,354,745
Capital assets being depreciated, net	-	-	-	-	21,906,166	21,906,166
Total assets	<u>\$ 4,063,901</u>	<u>\$ 18,117,939</u>	<u>\$ 27,978,128</u>	<u>\$ 50,159,968</u>	<u>21,906,166</u>	<u>72,066,134</u>
Deferred outflow of resources related to pension	\$ -	-	\$ -	\$ -	5,806	5,806
Liabilities						
Accounts payable and accrued expenses	\$ 588,945	\$ 157,783	\$ 5,642,502	\$ 6,389,230	-	6,389,230
Accrued interest payable	-	-	-	-	-	-
Long-term liabilities:						
Due in one year	-	-	-	-	2,495,030	2,495,030
Due in more than year	-	-	-	-	29,882,678	29,882,678
Net other postemployment benefit liability	-	-	-	-	83,660	83,660
Net pension liability	-	-	-	-	270,570	270,570
Total liabilities	<u>588,945</u>	<u>157,783</u>	<u>5,642,502</u>	<u>6,389,230</u>	<u>32,731,938</u>	<u>39,121,168</u>
Deferred inflow of resources						
Deferred pension amounts	-	-	-	-	17,108	17,108
Unavailable - Property taxes special assessment	3,262,250	4,614,976	24,477,519	32,354,745	(32,354,745)	-
Total deferred inflow of resources	<u>3,262,250</u>	<u>4,614,976</u>	<u>24,477,519</u>	<u>32,354,745</u>	<u>(32,337,637)</u>	<u>17,108</u>
Fund balances						
Unassigned	<u>212,706</u>	<u>13,345,180</u>	<u>(2,141,893)</u>	<u>11,415,993</u>		
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 4,063,901</u>	<u>\$ 18,117,939</u>	<u>\$ 27,978,128</u>	<u>\$ 50,159,968</u>		
Net position						
Net investment in capital assets					14,028,899	14,028,899
Restricted for debt					7,877,226	7,877,226
Unrestricted					11,027,539	11,027,539
Total net position					<u>\$ 32,933,664</u>	<u>\$ 32,933,664</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Drains Component Unit

Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities
For the Year Ended September 30, 2019

	Governmental Funds					Statement of
	Chapter 8	Chapter 20	Chapter 21	Total	Adjustments	Activities
Revenues						
Property taxes	\$ 415,119	\$ 2,351,504	\$ 2,515,530	\$ 5,282,153	\$ (985,753)	\$ 4,296,400
State grants and contracts	617,521	-	-	617,521	5,183,603	5,801,124
Local grants and contracts	143,354	345,491	1,331,783	1,820,628	-	1,820,628
Charges for services	174,072	162,841	22,150	359,063	-	359,063
Operating grants and contributions	71,574	-	-	71,574	-	71,574
Investment earnings	32,071	351,468	97,469	481,008	-	481,008
Other revenue	538,000	140,447	-	678,447	-	678,447
Total revenues	1,991,711	3,351,751	3,966,932	9,310,394	4,197,850	13,508,244
Expenditures / expenses						
Public works	2,174,817	1,884,529	13,523,593	17,582,939	2,690,959	20,273,898
Capital outlay	-	2,800	-	2,800	(2,800)	-
Debt service:						
Principal	557,050	523,076	-	1,080,126	(1,080,126)	-
Interest and fiscal charges	183,441	156,451	552,492	892,384	-	892,384
Total expenditures / expenses	2,915,308	2,566,856	14,076,085	19,558,249	1,608,033	21,166,282
Revenues over (under) expenditures / expenses	(923,597)	784,895	(10,109,153)	(10,247,855)	2,589,817	(7,658,038)
Other financing sources						
Debt issuance	-	-	5,183,603	5,183,603	(5,183,603)	-
Change in fund balance/net position	(923,597)	784,895	(4,925,550)	(5,064,252)	(2,593,786)	(7,658,038)
Fund balance/Net position, beginning of year	1,136,303	12,560,285	2,783,657	16,480,245	24,111,457	40,591,702
Fund balance/Net position, end of year	\$ 212,706	\$ 13,345,180	\$ (2,141,893)	\$ 11,415,993	\$ 21,517,671	\$ 32,933,664

CHARTER COUNTY OF WAYNE, MICHIGAN

Brownfield Redevelopment Authority Governmental Fund Balance Sheet and Statement of Net Position September 30, 2019

	BRA (modified accrual)	Adjustments	Statement of Net Position
Assets			
Equity in pooled cash and investments	\$ 981,629	\$ -	\$ 981,629
Accounts receivable	10,526	-	10,526
Due from other governments	6,920	-	6,920
Total assets	<u>\$ 999,075</u>	<u>-</u>	<u>999,075</u>
Liabilities			
Accounts payable and accrued expenses	\$ 8,515	-	8,515
Due to other governments	87,412	-	87,412
Unearned revenue	665,354	-	665,354
Total liabilities	<u>761,281</u>	<u>-</u>	<u>761,281</u>
Fund balance			
Unassigned	<u>237,794</u>	<u>(237,794)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 999,075</u>		
Net position			
Unrestricted		<u>\$ 237,794</u>	<u>\$ 237,794</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Brownfield Redevelopment Authority Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities For the Year Ended September 30, 2019

	BRA (modified accrual)	Adjustments	Statement of Activities
Revenues			
Federal grants	\$ 61,632	\$ -	\$ 61,632
Local grants and contracts	-	-	-
Other revenue	3,268,409	-	3,268,409
Investment earnings	26,960	-	26,960
Total revenues	3,357,001	-	3,357,001
Expenditures / expenses			
Community development	3,364,486	-	3,364,486
Change in fund balance/net position	(7,485)	-	(7,485)
Fund balance/net position, beginning of year	245,279	-	245,279
Fund balance/net position, end of year	<u>\$ 237,794</u>	<u>\$ -</u>	<u>\$ 237,794</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

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 level 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 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.

Continuing Disclosure Updating - Certain county debt obligations have required continuing disclosures not otherwise provided within the county's schedules or published documents.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

FINANCIAL TRENDS

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 1

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2019	2018 [3]	2017	2016	2015 [2]
Governmental activities					
Net investment in capital assets	\$ 705,198	\$ 669,286	\$ 709,205	\$ 708,607	\$ 690,899
Restricted	411,447	315,711	271,942	180,428	108,583
Unrestricted (deficit)	(428,688)	(444,055)	(640,787)	(622,820)	(733,082)
Total	\$ 687,957	\$ 540,942	\$ 340,360	\$ 266,215	\$ 66,400
Business-type activities					
Net investment in capital assets	\$ 72,914	\$ 74,243	\$ 172,024	\$ 171,751	\$ 170,342
Restricted	5,036	4,768	58,063	70,482	103,318
Unrestricted	4,529	9,674	40,209	38,629	9,080
Total	\$ 82,479	\$ 88,685	\$ 270,296	\$ 280,862	\$ 282,740
Primary government					
Net investment in capital assets	\$ 778,112	\$ 743,529	\$ 881,229	\$ 880,358	\$ 861,241
Restricted	416,483	320,479	330,005	250,910	211,901
Unrestricted (deficit)	(424,159)	(434,381)	(600,578)	(584,191)	(724,002)
Total	\$ 770,436	\$ 629,627	\$ 610,656	\$ 547,077	\$ 349,140

Source: Statement of Net Position

[1] During fiscal year 2014, the County implemented GASB 65. Prior year balances have not been restated for the changes.

[2] During fiscal year 2015, the County implemented GASB 68. Prior year balances have not been restated for the changes.

[3] During fiscal year 2018, the County implemented GASB 75. Prior year balances have not been restated for the changes.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 1

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2014 [1]	2013	2012	2011	2010
Governmental activities					
Net investment in capital assets	\$ 921,798	\$ 926,220	\$ 908,967	\$ 929,079	\$ 950,521
Restricted	154,895	255,153	243,298	331,022	257,459
Unrestricted (deficit)	(373,082)	(380,524)	(223,423)	(278,629)	(149,046)
Total	\$ 703,611	\$ 800,849	\$ 928,842	\$ 981,472	\$ 1,058,934
Business-type activities					
Net investment in capital assets	\$ 173,826	\$ 171,861	\$ 172,080	\$ 168,370	\$ 167,770
Restricted	-	119,229	137,351	152,559	172,408
Unrestricted	127,099	25,355	14,956	11,036	6,509
Total	\$ 300,925	\$ 316,445	\$ 324,387	\$ 331,965	\$ 346,687
Primary government					
Net investment in capital assets	\$ 1,095,624	\$ 1,098,081	\$ 1,081,047	\$ 1,097,449	\$ 1,118,291
Restricted	154,895	374,382	380,649	483,581	429,867
Unrestricted (deficit)	(245,983)	(355,169)	(208,467)	(267,593)	(142,537)
Total	\$ 1,004,536	\$ 1,117,294	\$ 1,253,229	\$ 1,313,437	\$ 1,405,621

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 2

Changes in Net Position
Last ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2019	2018	2017	2016	2015
Primary government expenses					
Governmental activities:					
Legislative	\$ 6,798	\$ 5,890	\$ 6,284	\$ 5,089	\$ 7,011
Judicial	135,971	132,301	132,397	130,288	136,610
General government	161,656	178,675	150,960	137,638	210,737
Public safety	129,867	110,732	127,819	70,331	133,013
Public works	310	356	977	379	557
Highways, streets and bridges	126,300	112,796	126,827	108,750	109,789
Health and welfare	193,668	182,795	192,176	205,290	223,047
Recreation and cultural	12,580	11,727	10,329	25,172	23,597
Community and economic development	10,106	17,888	14,776	7,795	11,281
Interest on long-term debt	42,053	36,013	35,710	39,350	38,137
Total governmental activities, net expenses	819,309	789,173	798,255	730,082	893,779
Business-type activities:					
Downriver sewage disposal system	-	81,200	33,914	28,412	33,774
Rouge Valley sewage disposal system	58,663	59,189	59,679	57,251	55,826
Northeast sewage disposal system	-	31,073	26,109	25,186	25,227
CSO Basins	4,071	1,378	1,670	1,620	2,266
Jail commissary	1,256	1,087	2,709	2,811	2,233
Parking lots	-	685	-	-	2
Wetlands mitigation	-	155	-	-	-
Copy center	-	-	-	-	-
Total business-type activities expenses	63,990	174,767	124,081	115,280	119,328
Total primary government expenses	883,299	963,940	922,336	845,362	1,013,107
Program revenues					
Governmental activities:					
Charges for services:					
Legislative	1,461	1,559	1,898	2,020	2,089
Judicial	9,560	9,755	9,246	8,023	7,566
General government	92,090	109,995	89,102	120,595	121,697
Public safety	31,574	31,688	31,443	34,320	34,648
Public works	-	-	-	-	-
Highways, streets and bridges	3,912	3,875	6,069	22,158	6,349
Health and welfare	18,864	16,257	16,634	16,752	18,243
Recreation and cultural	1,548	1,815	1,706	11,261	10,937
Community and economic development	7,782	7,528	7,773	719	682
Operating grants and contributions	313,457	288,558	268,616	301,970	296,803
Capital grants and contributions	16,725	14,313	15,063	17,251	22,011
Total governmental activities program revenues	496,973	485,343	447,550	535,069	521,025

Source: Statement of Activities

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 2

Changes in Net Position
Last ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2014	2013	2012	2011	2010
Primary government expenses					
Governmental activities:					
Legislative	\$ 8,352	\$ 8,618	\$ 8,627	\$ 9,707	\$ 9,736
Judicial	145,953	145,929	120,446	123,555	126,507
General government	219,643	167,181	161,836	168,753	133,484
Public safety	165,098	174,936	167,463	171,762	165,646
Public works	394	5,825	5,830	5,896	6,021
Highways, streets and bridges	119,945	110,561	109,914	115,882	129,005
Health and welfare	259,610	916,074	939,228	930,262	944,892
Recreation and cultural	28,703	24,791	19,631	21,198	23,005
Community and economic development	19,844	18,375	27,899	25,578	27,105
Interest on long-term debt	40,045	40,446	46,268	40,864	21,610
Total governmental activities, net expenses	1,007,587	1,612,736	1,607,142	1,613,457	1,587,011
Business-type activities:					
Downriver sewage disposal system	34,903	34,941	33,740	34,134	34,019
Rouge Valley sewage disposal system	56,284	50,263	51,163	47,657	39,422
Northeast sewage disposal system	22,471	20,301	21,533	21,814	16,606
CSO Basins	2,688	4,284	2,538	2,588	3,170
Jail commissary	2,127	2,710	2,783	2,510	2,224
Parking lots	15	9	13	15	71
Wetlands mitigation	1	-	-	-	-
Copy center	-	178	-	(20)	660
Total business-type activities expenses	118,489	112,686	111,770	108,698	96,172
Total primary government expenses	1,126,076	1,725,422	1,718,912	1,722,155	1,683,183
Program revenues					
Governmental activities:					
Charges for services:					
Legislative	2,046	2,021	2,149	2,243	2,251
Judicial	7,727	8,716	20,825	20,350	19,250
General government	128,426	97,331	100,891	128,693	93,650
Public safety	34,293	39,416	39,633	36,136	34,554
Public works	-	5,487	5,256	5,190	5,234
Highways, streets and bridges	5,534	3,512	2,605	5,278	900
Health and welfare	19,826	28,199	34,315	33,781	33,543
Recreation and cultural	10,666	10,002	1,638	2,672	1,344
Community and economic development	828	1,796	312	465	582
Operating grants and contributions	328,505	979,813	925,077	934,242	926,294
Capital grants and contributions	18,982	17,242	14,499	20,935	20,762
Total governmental activities program revenues	556,833	1,193,535	1,147,200	1,189,985	1,138,364

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 2

Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2019	2018	2017	2016	2015
Business-type activities:					
Charges for services:					
Downriver sewage disposal system	\$ -	\$ 21,757	\$ 23,336	\$ 24,045	\$ 21,475
Rouge Valley sewage disposal system	53,338	51,038	55,932	57,554	54,873
Northeast sewage disposal system	-	26,049	26,049	25,833	24,768
CSO Basins	1,982	1,791	1,513	1,379	1,681
Jail commissary	2,729	2,303	3,306	3,533	3,319
Parking lots	-	-	-	-	-
Wetlands Mitigation	-	2	-	-	-
Copy center	-	-	-	-	-
Operating grants and contributions	330	2,091	3,540	2,294	3,414
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	58,379	105,031	113,676	114,638	109,530
Total primary government revenues	555,352	590,374	561,226	649,707	109,530
Net revenue (expense)					
Governmental activities	(322,335)	(303,829)	(350,702)	(195,013)	(372,754)
Business-type activities	(5,612)	(69,735)	(10,404)	(642)	(9,798)
Total primary government net revenue (expense)	(327,947)	(373,564)	(361,106)	(195,655)	(382,552)
General revenues and other changes in net position					
Governmental activities:					
Property taxes	312,377	303,549	297,504	296,556	337,224
State sales tax	55,629	55,570	55,260	54,854	54,712
Excise tax	11,249	10,989	10,302	9,968	8,832
Airport parking taxes	23,775	22,385	20,989	19,822	17,310
State sources	13,738	9,873	16,644	11,782	-
Investment earnings	30,339	18,681	13,083	39,077	38,882
Other revenue	21,441	18,099	10,073	32,388	24,312
Contributed assets	-	-	-	-	-
Gain on reduction in note payable	-	-	-	-	-
Gain on sale of capital assets	-	-	267	157	108
Transfers	803	193	725	1,102	-
Chargeback recovery	-	-	-	-	-
Special item	-	-	-	-	-
Total governmental activities	469,351	439,339	424,847	465,706	481,380
Business-type activities:					
Investment earnings	209	828	526	498	481
Other revenue	-	-	2	7	1
Transfers of capital assets	-	-	-	-	-
Contributed assets	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	35	-	-
Transfers in (out)	(803)	(194)	(726)	(1,103)	-
Special item	-	(103,512)	-	-	-
Total business-type activities	(594)	(102,878)	(163)	(598)	482
Total primary government	468,757	336,461	424,684	465,108	481,862
Change in net position					
Governmental activities	147,016	135,510	74,145	270,693	108,626
Business-type activities	(6,206)	(172,614)	(10,568)	(1,240)	(9,316)
Total primary government	\$ 140,810	\$ (37,104)	\$ 63,577	\$ 269,453	\$ 99,310

Source: Statement of Activities

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 2

Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2014	2013	2012	2011	2010
Business-type activities:					
Charges for services:					
Downriver sewage disposal system	\$ 21,723	\$ 19,967	\$ 20,536	\$ 19,266	\$ 18,217
Rouge Valley sewage disposal system	52,423	52,291	53,602	44,883	37,520
Northeast sewage disposal system	22,851	22,168	21,084	20,002	16,728
CSO Basins	2,003	1,792	996	1,125	1,706
Jail commissary	3,443	3,013	3,007	2,806	2,392
Parking lots	65	63	66	25	64
Wetlands Mitigation	-	-	-	-	-
Copy center	-	-	-	1	219
Operating grants and contributions	2,732	4,670	8,934	5,330	13,154
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	105,240	103,964	108,225	93,438	90,000
Total primary government revenues	662,073	1,297,499	1,255,425	1,283,423	1,228,364
Net revenue (expense)					
Governmental activities	(450,754)	(419,201)	(459,942)	(423,472)	(448,647)
Business-type activities	(13,249)	(8,723)	(7,971)	(15,260)	(6,172)
Total primary government net revenue (expense)	(464,003)	(427,924)	(467,913)	(438,732)	(454,819)
General revenues and other changes in net position					
Governmental activities:					
Property taxes	302,278	285,192	296,441	323,986	349,385
State sales tax	44,821	43,120	42,877	55,052	43,966
Excise tax	8,607	7,745	7,449	7,112	6,522
Airport parking taxes	14,775	5,800	13,085	9,203	9,333
State sources	-	-	-	-	-
Investment earnings	30,421	29,128	27,670	21,175	20,875
Other revenue	23,592	17,959	19,989	13,036	9,969
Contributed assets	-	-	-	-	-
Gain on reduction in note payable	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	4,206	(564)	(199)	-	(100)
Chargeback recovery	-	-	-	5,387	-
Special item	(69,898)	(88,087)	-	(65,326)	-
Total governmental activities	358,802	300,293	407,312	369,625	439,950
Business-type activities:					
Investment earnings	359	217	195	428	305
Other revenue	2	-	-	-	-
Transfers of capital assets	-	-	(1)	-	-
Contributed assets	-	-	-	-	-
Gain on sale of capital assets	2,145	-	-	-	-
Transfers in (out)	(4,206)	564	199	-	100
Special item	-	-	-	108	-
Total business-type activities	(1,700)	781	393	428	405
Total primary government	357,102	301,074	407,705	370,053	440,355
Change in net position					
Governmental activities	(91,952)	(118,908)	(56,174)	(53,847)	(8,697)
Business-type activities	(14,949)	(7,942)	(5,722)	(14,722)	(5,767)
Total primary government	\$ (106,901)	\$ (126,850)	\$ (61,896)	\$ (68,569)	\$ (14,464)

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 3

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)
(in thousands)

	2019	2018	2017	2016	2015
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	7,779	2,803	9,063	1,767	902
Restricted	10,843	12,360	15,958	9,969	8,628
Committed	16,257	-	-	-	-
Assigned	11,977	11,977	36,006	14,384	9,404
Unassigned (deficit)	135,749	146,641	111,255	81,929	35,692
Unreserved (deficit)	-	-	-	-	-
Total general fund	<u>\$ 182,605</u>	<u>\$ 173,781</u>	<u>\$ 172,282</u>	<u>\$ 108,049</u>	<u>\$ 54,626</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	12,438	9,885	11,596	10,023	10,500
Restricted	568,198	551,591	194,506	120,159	106,977
Committed	-	-	-	-	-
Assigned	42,716	14,614	10,800	61,450	54,387
Unassigned (deficit)	(4,357)	(2,368)	(11,203)	(9,059)	(9,649)
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 618,995</u>	<u>\$ 573,722</u>	<u>\$ 205,699</u>	<u>\$ 182,573</u>	<u>\$ 162,215</u>

(a) - In fiscal year 2011, the County adopted GASB 54 which changed the fund balance classification. Prior balances have not been restated to reflect GASB 54.

Source: Balance Sheet - Governmental Funds

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

(in thousands)

	2014	2013	2012	2011 (a)	2010
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 89,513
Nonspendable	1,687	1,734	1,732	33,184	-
Restricted	7,324	9,183	9,160	9,888	-
Committed	-	-	3,000	3,000	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(82,804)	(156,483)	(148,925)	(127,953)	-
Unreserved (deficit)	-	-	-	-	(116,029)
Total general fund	<u>\$ (73,793)</u>	<u>\$ (145,566)</u>	<u>\$ (135,033)</u>	<u>\$ (81,881)</u>	<u>\$ (26,516)</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 93,540
Nonspendable	8,491	37,500	34,883	33,045	-
Restricted	98,223	161,435	220,292	294,318	-
Committed	-	-	-	6,232	-
Assigned	51,328	51,100	51,010	21,062	-
Unassigned (deficit)	(10,755)	(17,886)	(16,616)	(18,722)	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	14,000
Total all other governmental funds	<u>\$ 147,287</u>	<u>\$ 232,149</u>	<u>\$ 289,569</u>	<u>\$ 335,935</u>	<u>\$ 107,540</u>

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)

	2019	2018	2017	2016	2015
Revenues					
Taxes	\$ 390,465	\$ 377,554	\$ 363,653	\$ 366,890	\$ 395,970
Licenses and permits	880	1,027	950	1,063	720
Federal grants	51,382	58,971	53,185	66,221	73,440
State grants and contracts	228,881	211,955	194,248	205,025	198,125
Local grants and contracts	24,313	19,573	26,912	23,634	25,110
State sources	13,738	9,873	16,644	11,782	-
Charges for services	132,076	165,572	160,756	188,712	166,114
Investment earnings	28,285	17,740	12,712	38,570	38,419
Other	20,967	17,520	13,409	26,089	20,478
Total revenues	890,987	879,785	842,469	927,986	918,376
Expenditures					
Legislative	7,614	7,474	6,914	8,198	8,527
Judicial	109,004	144,192	137,963	144,793	142,372
General government	135,982	154,201	128,350	179,084	213,007
Public safety	143,429	146,026	139,844	151,101	162,887
Public works	352	388	1,007	408	592
Highways, streets and bridges	111,841	90,732	85,358	101,448	86,281
Health and welfare	206,114	199,072	203,416	233,351	238,225
Recreation and cultural	12,610	12,959	11,868	23,199	24,191
Community and economic development	14,159	13,901	15,884	8,738	12,871
Capital outlay	59,652	61,537	18,571	18,446	17,910
Debt service:					
Principal	23,319	19,375	16,235	22,128	24,007
Interest	35,233	28,845	26,909	28,073	29,291
Other	-	-	-	-	-
Total expenditures	859,309	878,702	792,319	918,967	960,161
Revenues over (under) expenditures	31,678	1,083	50,150	9,019	(41,785)
Other financing sources (uses)					
Transfers in	235,804	252,839	162,958	162,265	276,950
Transfers out	(214,392)	(225,135)	(126,124)	(97,845)	(94,964)
Chargeback recovery	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Bond issuance	-	288,625	-	-	-
Bond premium	-	28,929	-	-	-
Bond discount	-	-	-	-	-
Proceeds from sale of capital assets	1,004	23,181	376	343	3,144
Total other financing sources (uses)	22,416	368,439	37,210	64,763	185,130
Net change before special item	54,094	369,522	87,360	73,782	143,345
Special item	-	-	-	-	-
Net change in fund balances	\$ 54,094	\$ 369,522	\$ 87,360	\$ 73,782	\$ 143,345
Debt service as a percentage of noncapital expenditures	7.3%	5.8%	5.9%	5.6%	5.7%

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

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)

	2014	2013	2012	2011	2010
Revenues					
Taxes	\$ 362,485	\$ 335,922	\$ 351,205	\$ 383,851	\$ 403,582
Licenses and permits	705	758	657	602	587
Federal grants	93,005	94,137	85,549	107,288	90,395
State grants and contracts	209,844	833,150	817,220	822,212	819,310
Local grants and contracts	27,466	36,895	21,422	16,336	14,634
State sources	-	-	-	-	-
Charges for services	169,449	164,955	164,108	155,087	115,724
Investment earnings	29,723	28,526	27,079	20,540	19,754
Other	22,584	16,928	18,923	8,665	8,870
Total revenues	915,261	1,511,271	1,486,163	1,514,581	1,472,856
Expenditures					
Legislative	8,417	8,768	8,792	8,805	8,865
Judicial	141,044	140,274	99,522	102,776	107,464
General government	169,934	139,384	132,803	137,061	114,967
Public safety	159,140	167,986	158,761	142,316	145,476
Public works	432	379	660	708	786
Highways, streets and bridges	82,409	71,895	68,575	64,029	73,583
Health and welfare	263,463	931,114	944,966	937,002	946,259
Recreation and cultural	24,475	24,268	25,994	22,336	23,907
Community and economic development	32,616	21,748	29,354	3,384	5,856
Capital outlay	22,218	69,507	67,091	44,233	54,267
Debt service:					
Principal	22,437	28,430	24,770	21,305	19,208
Interest	30,933	28,058	28,058	21,564	13,365
Other	-	-	-	959	494
Total expenditures	957,518	1,631,811	1,589,346	1,506,478	1,514,497
Revenues over (under) expenditures	(42,257)	(120,540)	(103,183)	8,103	(41,641)
Other financing sources (uses)					
Transfers in	76,996	183,583	150,718	145,088	141,747
Transfers out	20,521	(133,187)	(132,779)	(130,428)	(138,747)
Chargeback recovery	-	-	-	4,783	-
Payment to refunded bond escrow agent	-	-	-	-	-
Bond issuance	-	-	16,036	210,026	39,840
Bond premium	-	-	55	-	46
Bond discount	-	-	-	-	(187)
Proceeds from sale of capital assets	380	1	80	2,132	25
Total other financing sources (uses)	97,897	50,397	34,110	231,601	42,724
Net change before special item	55,640	(70,143)	(69,073)	239,704	1,083
Special item	(68,729)	-	(30,444)	(43,057)	-
Net change in fund balances	<u>\$ (70,143)</u>	<u>\$ (70,143)</u>	<u>\$ (99,517)</u>	<u>\$ 196,647</u>	<u>\$ 1,083</u>
Debt service as a percentage of noncapital expenditures	<u>5.7%</u>	<u>3.6%</u>	<u>3.5%</u>	<u>2.9%</u>	<u>2.2%</u>

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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

REVENUE CAPACITY

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

Table 5

Year	Residential Property	Commercial Property	Industrial Property	Developmental Property (4)	Agricultural Property
2010	29,572,602,004	7,895,948,318	3,826,614,479	8,416,870	17,491,534
2011	27,509,235,231	7,811,532,677	3,392,393,971	6,768,953	17,926,585
2012	25,916,204,229	7,419,783,282	2,981,495,811	18,770,783	19,878,809
2013	25,509,633,413	7,084,252,055	2,869,041,087	18,426,262	19,669,958
2014	24,981,468,204	6,975,057,439	2,776,390,599	10,451,319	18,746,129
2015	25,225,794,264	7,025,577,805	2,738,963,909	11,181,311	18,951,519
2016	25,119,428,233	7,053,737,824	2,736,671,675	11,342,641	18,792,716
2017	25,400,147,360	7,366,193,682	2,582,890,963	9,809,025	18,403,588
2018	26,376,158,885	7,420,810,874	2,793,168,529	9,017,273	18,495,524
2019	27,591,135,850	7,673,254,883	2,920,411,975	-	19,737,947

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

(2) Beginning in fiscal year 1996, the ad valorem millage is based on the Taxable Value rather than the State Equalized Valuation.

(3) The County assesses property annually. Estimated actual value is the State Equalized Valuation multiplied by two.

(4) In 2019, the city of Romulus properties previously classed as developmental property was re-zoned to commercial improved and vacant property. That is why there is no amount reported for FY 2019 for Developmental under Taxable Value.

Source: Wayne County Assessment and Equalization Division

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 5

Taxable Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (Unaudited)

Year	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
2010	5,261,408,874	46,582,482,079	7.8220	101,296,707,068	45.99%
2011	4,867,569,724	43,605,427,141	7.8220	92,828,383,320	46.97%
2012	5,067,481,829	41,423,614,743	7.8220	87,115,013,336	47.55%
2013	5,438,055,570	40,939,078,345	7.8220	85,751,843,028	47.74%
2014	5,281,572,162	40,043,685,852	7.8220	85,003,495,792	47.11%
2015	5,225,624,195	40,246,093,003	7.8220	88,861,857,900	45.29%
2016	4,222,101,302	39,162,074,391	7.8220	89,768,476,752	43.63%
2017	4,083,948,403	39,461,393,021	7.8220	93,342,164,146	42.28%
2018	4,149,932,912	40,767,583,997	7.8220	97,002,694,146	42.03%
2019	4,298,687,944	42,503,228,599	7.8220	108,823,336,988	39.06%

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 6

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

	2019	2018	2017	2016	2015
County direct rates					
General	6.6012	6.6012	6.6012	6.6012	6.6012
Soldiers Relief	0.0368	0.0368	0.0368	0.0368	0.0368
Parks	0.2459	0.2459	0.2459	0.2459	0.2459
Jail	0.9381	0.9381	0.9381	0.9381	0.9381
Judgment	-	-	-	-	0.9761
Total direct rate	7.8220	7.8220	7.8220	7.8220	8.7981
Overlapping rates					
Huron-Clinton Metro Authority	0.2117	0.2129	0.2140	0.2146	0.2146
Wayne County Transit Authority	0.9991	1.0000	1.0000	1.0000	1.0000
^ Wayne County Zoological Authority	0.1000	0.1000	0.1000	0.1000	0.1000
Cities (34)					
Low	13.3510	12.9327	13.8993	13.5579	13.5579
High	55.4095	58.4173	55.9325	46.8758	46.8758
Village (0)	-	-	-	-	-
Townships (9)					
Low	2.9110	2.8160	1.3660	1.3660	1.3660
High	15.9563	18.3458	17.4258	17.6558	17.6558
School Districts (39)					
Low	17.9046	17.9046	18.0000	18.0000	18.0000
High	33.7138	32.8500	32.8500	36.0000	32.8500
Intermediate School Districts (4)					
Monroe	4.7541	4.7541	4.7541	3.7675	3.7675
Oakland	3.2539	3.2813	3.3079	3.3633	3.3633
Washtenaw	5.3285	5.3641	5.4109	3.9745	3.9694
Wayne	5.4643	5.4643	5.4643	3.4643	3.4643
Community Colleges (3)					
Henry Ford	4.0000	4.0000	4.0000	4.1800	4.1800
Schoolcraft	2.2700	1.7662	1.7766	1.7967	1.7967
Wayne County	3.2408	3.2408	3.2408	3.2408	3.2408
DDAs (5)					
Detroit	0.9887	0.9887	0.9887	0.9887	0.9887
Hamtramck	1.8251	1.8251	1.8251	1.8251	1.8251
Northville	1.8158	1.8158	1.8158	1.8255	1.8255
Livonia(Plymouth Road)	2.0000	2.0000	2.0000	2.0000	2.0000
Library (8)					
Bacon Memorial (Wyandotte)	1.5335	1.5362	1.5300	1.5362	1.5362
Belleville	1.4355	1.4355	1.4500	0.7000	0.7000
Canton	1.4851	1.5006	1.5139	1.5437	1.5437
Grosse Pointe	2.1707	2.1925	2.2186	2.0712	2.0712
Inkster	1.9992	2.0000	2.0000	2.0000	2.0000
Northville	1.1077	1.1224	1.1337	1.1530	1.1530
Plymouth	1.4535	1.4615	1.4656	1.4656	1.4656
Redford	2.3020	2.3233	2.3233	2.3233	2.3233

Source: Wayne County Assessment and Equalization Division

^ 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 6

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

	2014	2013	2012	2011	2010
County direct rates					
General	6.6012	6.6012	6.6012	6.6012	6.6012
Soldiers Relief	0.0368	0.0368	0.0368	0.0368	0.0368
Parks	0.2459	0.2459	0.2459	0.2459	0.2459
Jail	0.9381	0.9381	0.9381	0.9381	0.9381
Judgment	-	-	-	-	-
Total direct rate	7.8220	7.8220	7.8220	7.8220	7.8220
Overlapping rates					
Huron-Clinton Metro Authority	0.2146	0.2146	0.2146	0.2146	0.2146
Wayne County Transit Authority	1.0000	0.5900	0.5900	0.5900	0.5900
^ Wayne County Zoological Authority	0.1000	0.1000	0.1000	0.1000	0.1000
Cities (34)					
Low	13.0780	13.0780	13.9613	12.1537	11.4365
High	53.1063	49.2758	50.1355	48.7258	42.9414
Village (0)	-	-	-	-	-
Townships (9)					
Low	1.3660	4.0000	4.0000	2.3660	4.0000
High	17.6558	24.4058	24.8019	17.3979	17.7079
School Districts (39)					
Low	18.0000	18.0000	18.0000	18.0000	18.0000
High	36.0000	34.1645	36.8556	33.5000	33.5000
Intermediate School Districts (4)					
Monroe	4.7541	3.7675	3.7675	3.7675	4.7541
Oakland	3.3690	3.3690	3.3690	3.3690	3.3690
Washtenaw	3.9745	3.9745	3.9745	3.9745	3.9745
Wayne	3.4643	2.3465	3.4643	3.4643	3.4643
Community Colleges (3)					
Henry Ford	4.1800	4.0000	3.0000	3.0000	3.0000
Schoolcraft	1.7967	1.7967	1.7967	1.7967	1.7967
Wayne County	3.2408	3.2408	3.2408	2.2408	2.2408
DDAs (5)					
Detroit	0.9887	0.9887	0.9887	0.9887	0.9887
Hamtramck	1.8251	1.8251	1.8251	1.8251	1.8251
Northville	1.8255	1.8255	1.8255	1.8255	1.8360
Livonia(Plymouth Road)	2.0000	-	-	-	-
Library (8)					
Bacon Memorial (Wyandotte)	1.5362	1.5362	1.5362	1.5362	1.5362
Belleville	0.7000	0.7000	0.7000	0.7000	0.7000
Canton	1.5437	1.5437	1.5437	1.5437	1.5437
Grosse Pointe	2.0512	2.0412	2.0012	1.5412	1.5412
Inkster	2.0000	2.0000	-	-	-
Northville	1.1556	1.1573	1.1573	1.1573	1.1573
Plymouth	1.4656	1.4656	1.4656	1.4656	1.4656
Redford	2.3233	0.9233	0.9233	0.9233	0.9233

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 7

Principal Property Taxpayers
Fiscal Year 2019 and Nine Years Ago
(Unaudited)

Company	Line of Business	2019			2010		
		(2)	Percentage		(2)	Percentage	
		Total	Assessment	Rank	Total	Assessment	Rank
* Detroit Edison Company	Utility	\$ 1,447,299,095	1	2.66%	\$ 841,147,625	2	1.66%
Ford Motor Company	Automotive	822,168,712	2	1.51%	1,242,282,731	1	2.45%
Vanguard Health Systems-Hospitals	Health	394,546,080	3	0.73%			
Detroit Entertainment, LLC	Gaming, Lodging & Restaurants	321,894,500	4	0.59%			
Riverfront Holdings, LLC	Real estate investment	297,596,300	5	0.55%	219,490,731	7	0.43%
Marathon Petroleum Company	Automotive	205,596,460	6	0.38%			
Greektown Casino, LLC	Casino	164,558,300	7	0.30%			
International Transmission Company	Utility	163,779,470	8	0.30%			
AK Steel Corporation	Steel	105,865,800	9	0.19%	282,560,433	4	0.56%
Comcast Cablevision	Telecommunications	91,738,790	10	0.17%			
General Motors Corp.	Automotive				416,412,948	3	0.82%
MGM Grand Detroit LLC	Casino				260,210,114	5	
United States Steel	Steel				237,995,142	6	0.47%
Auto Alliance Int'l Inc	Automotive				208,600,769	8	0.41%
Severstal Steel Company	Steel				158,559,407	9	0.31%
American Axle & Mfg.	Automotive				143,123,806	10	0.28%
Total		\$ 4,015,043,507		7.38%	\$ 4,010,383,706		7.92%
Total State Equalized Value (S.E.V.) (1)		\$ 54,411,668,494			\$ 50,648,353,534		

(1) The State Equalized Value (SEV) for the County's fiscal year 2019, which commenced on October 1, 2018 was determined as of December 31, 2017. SEV for fiscal year 2010 was determined as of December 31, 2008.

(2) Total assessments do not include abated properties.

* In January 2013, Detroit Edison Company became part of DTE Energy. However, it still appears as the taxpayer of record.

Source: Wayne County Assessment and Equalization Division.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 8

Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collection	Percent of Tax Levy Collected Before Delinquent	Reimbursed From Delinquent Tax Fund (1)	Total Tax Collection **	Ratio of Total Collection to Levy	Delinquent Personal Taxes
2010	338,946,739	301,284,991	88.89	30,932,123	332,217,114	98.01	2,654,434
2011	314,997,058	279,156,448	88.62	29,541,295	308,697,743	98.00	2,033,445
2012	303,818,274	273,465,358	90.01	27,615,625	301,080,983	99.10	1,538,688
2013	289,693,733	261,845,471	90.39	25,044,384	286,889,855	99.03	1,430,688
2014	283,890,275	259,145,768	91.28	20,988,645	280,134,413	98.68	1,257,516
2015	282,747,915	260,897,906	92.27	16,950,776	277,848,682	98.27	1,300,931
2016	278,516,501	259,210,212	93.07	15,925,406	275,135,618	98.79	964,783
2017	278,352,902	237,078,000	85.17	5,027,927	242,105,927	86.98	263,135
2018	277,365,842	257,514,103	92.84	4,258,728	261,772,831	94.38	368,708
2019	289,685,073	234,940,054	81.10	4,368,390	239,308,444	82.61	246,674 *

Source: Wayne County Treasurer's Office

(1) Reimbursement from delinquent tax fund includes Current tax year recovery amounts beginning with the 2009 Tax Year.

* The July 1, 2019 levy becomes delinquent on March 1, 2020.

** Starting in 2014, businesses with personal property having a true cash value of less than \$80,000 in a particular assessing jurisdiction could claim a personal property exemption. In 2016, a phase out of the personal property tax on Eligible Manufacturing Personal Property (EMPP) for personal property placed into service after December 31, 2012 began. Going forward, any EMPP in place for at least 10 years also will be exempt. As a result, in each tax year after 2016 a new vintage year of EMPP will become exempt until all EMPP is exempt by 2023.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

DEBT CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 9

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)
(in thousands except Total Debt Per Capita)

Fiscal year	Governmental Activities				
	General Obligation Bonds	Revenue Bonds	Delinquent Tax Notes Payable	Capital Leases	Downriver Communities Bonds
2010	199,188	-	131,060	6,098	-
2011	389,924	-	355,355	3,545	-
2012	367,675	14,983	315,802	5,156	-
2013	346,055	72,965	255,287	3,328	-
2014	*	329,833	74,187	302,713	2,253
2015		310,631	70,178	290,264	1,128
2016		292,575	61,800	285,045	-
2017		280,745	57,395	234,457	-
2018		585,721	52,720	174,697	-
2019	**	544,205	48,035	174,368	-

Source: Wayne County Department of Management and Budget.

* In FYE 9/30/2014, the County implemented GASB Statement No. 65, where deferred loss on refunding is reported as deferred outflow and no longer reported as part of long-term debt.

The GO bonds and Downriver Communities bonds are shown net of
** related premiums, discounts and adjustments.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 9

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

(in thousands except Total Debt Per Capita)

Business-Type Activities

Fiscal year	Sewer Bonds	Revenue Bonds	Total Primary Government	Total Personal Income	Percentage of Personal Income	Total Debt Per Capita
2010	161,783	33,714	531,843	73,675,241	0.72%	276.14
2011	152,302	35,229	936,355	40,280,421	2.32%	514.20
2012	137,727	40,060	881,403	39,559,500	2.23%	492.95
2013	108,173	55,916	841,724	39,606,938	2.13%	472.01
2014	90,333	62,825	862,144	39,265,092	2.20%	489.82
2015	71,819	72,097	816,117	39,151,410	2.08%	463.67
2016	56,141	76,041	771,602	40,174,870	1.92%	439.66
2017	41,583	80,739	694,919	40,055,233	1.73%	397.24
2018	2,516	10,564	849,728	43,497,605	1.95%	485.39
2019	2,353	9,899	793,862	40,118,223	1.98%	453.09

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
2010	1,897,499	50,989,562,702	360,971,000	0.708%	190.24
2011	1,797,901	46,582,482,079	542,226,000	1.164%	301.59
2012	1,787,920	43,605,427,141	505,402,000	1.159%	282.68
2013	1,783,293	41,423,614,743	454,228,000	1.097%	254.71
2014	1,760,135	40,939,078,345	420,166,000	1.026%	238.71
2015	1,755,039	40,259,646,616	382,450,000	0.950%	217.92
2016	1,754,591	40,277,599,494	348,716,000	0.866%	198.74
2017	1,749,366	39,162,074,391	322,328,000	0.823%	184.25
2018	1,750,618	39,461,393,021	248,266,000	0.629%	141.82
2019	1,752,117	40,767,583,997	224,276,000	0.550%	128.00

Source: SEMCOG and Wayne County Department of Management and Budget.

* Taxable value is as of December valuation for that fiscal year. For example, fiscal year 2019 taxable value shown above is as of December 31, 2018.

CHARTER COUNTY OF WAYNE, MICHIGAN
Direct and Overlapping Governmental Activities Debt
September 30, 2019
(Unaudited)

Table 11

	Net Debt Outstanding		
Direct debt			
<u>Primary Government</u>			
General obligation bonds	\$	559,206,278	
Revenue Bonds		48,035,000	
Delinquent tax notes		174,368,000	
Deferred Amounts:			
For issuance premiums		31,891,571	
For issuance discounts		(147,376)	
Total direct debt		813,353,473	
	<u>Net Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Debt</u>
Overlapping debt			
Cities and townships	\$ 3,599,627,380	99.94%	\$ 3,597,599,425
School districts	3,605,538,870	94.34%	3,401,502,964
Community colleges	28,160,000	92.33%	26,000,128
Libraries	24,345,000	99.59%	24,245,000
Total overlapping debt	<u>\$ 7,257,671,250</u>		<u>7,049,347,517</u>
Total direct and overlapping debt			<u><u>\$ 7,862,700,990</u></u>

Overlapping Debt - The issuer's proportionate share of the debt of other local governmental units that overlap with it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is generally apportioned based upon relative assessed values of property.

Source: Wayne County Department of Management and Budget, Financial Reporting Division
and Municipal Advisory Council of Michigan.

CHARTER COUNTY OF WAYNE, MICHIGANTable 12

Legal Debt Margin Information
 Last Ten Fiscal Years
 (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
2010	50,648,353,534	5,064,835,353	718,669,000	4,346,166,353	1.42%
2011	46,414,191,660	4,641,419,166	1,118,181,000	3,523,238,166	2.41%
2012	43,557,506,668	4,641,419,166	1,136,559,130	3,504,860,036	2.61%
2013	42,875,921,514	4,355,750,667	1,004,645,000	3,351,105,667	2.34%
2014	42,501,747,896	4,250,174,790	995,725,000	3,254,449,790	2.34%
2015	44,430,928,950	4,443,092,895	906,009,000	3,537,083,895	2.04%
2016	44,884,066,562	4,488,406,656	768,345,213	3,720,061,443	1.71%
2017	46,671,082,073	4,667,108,207	694,566,496	3,972,541,711	1.49%
2018	48,501,347,073	4,850,134,707	832,718,133	4,017,416,574	1.72%
2019	54,411,668,494	5,441,166,849	812,605,299	4,628,561,550	1.49%

Source: Wayne County Department of Management and Budget.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Table 13

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)
(in thousands)

Fiscal year	Sewer Revenue Bonds					
	[1]	[2]	Net	Debt Service		Coverage
	Gross Revenues	Operating Expenses	Revenue (Expense)	Principal	Interest	
2010	34,945	32,115	2,830	1,000	864	1.52
2011	84,903	82,681	2,222	1,925	1,090	0.74
2012	95,815	85,877	9,939	1,960	1,210	3.14
2013	94,426	83,695	10,731	2,485	1,845	2.48
2014	96,999	92,085	4,914	2,905	1,486	1.12
2015	101,116	94,195	6,921	2,580	1,726	1.61
2016	107,438	94,093	13,345	3,570	1,758	2.50
2017	106,957	98,585	8,372	3,910	1,494	1.55
2018 [3]	98,845	168,589	(69,744)	75,755	2,874	(0.89)
2019	53,338	55,629	(2,291)	670	257	(2.47)

[1] Gross revenues are calculated based on total operating revenues.

[2] Operating expenses are calculated based on total operating expenses less non-cash items (i.e. depreciation).

[3] In FY 2018, the County sold both the Downriver Sewer System and the Northeast Sewage System.

Source: Department of Public Service.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 13

Pledged-Revenue Coverage
 Last Ten Fiscal Years
 (Unaudited)
 (in thousands)

<u>Special Assessment Bonds</u>				
<u>Fiscal year</u>	<u>Special Assessment</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2010	2,049	1,905	144	1.00
2011	2,325	2,100	225	1.00
2012	2,292	2,120	172	1.00
2013	298	180	118	1.00
2014	1,256	774	482	1.00
2015	1,512	1,011	501	1.00
2016	1,504	1,026	478	1.00
2017	1,452	1,045	462	1.00
2018	1,875	1,060	570	1.15
2019	2,029	1,080	828	1.06

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

DEMOGRAPHIC AND ECONOMIC INFORMATION

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 14

Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)

Year	Population				Per Capita Personal Income			Michigan Median Age	Wayne County Average Unemployment Rate
	Michigan	Change From Prior Period	Wayne County	Change From Prior Period	U.S.	Michigan	Wayne County		
2009	9,901,591	-0.46%	1,837,536	-1.48%	38,637	33,221	34,199	39	16.1%
2010	9,883,640	-0.18%	1,820,584	-0.92%	40,277	35,199	32,296	39	14.8%
2011	9,876,801	-0.07%	1,802,096	-1.02%	42,453	37,343	34,363	39	13.5%
2012	9,886,879	0.10%	1,792,365	-0.54%	44,266	38,652	34,876	39	11.7%
2013	9,900,506	0.14%	1,775,273	-0.95%	44,438	39,197	35,332	40	11.6%
2014	9,916,306	0.16%	1,764,804	-0.59%	46,049	40,740	36,844	39	10.0%
2015	9,922,576	0.06%	1,759,335	-0.31%	48,112	42,812	38,512	40	7.3%
2016	9,928,300	0.06%	1,749,366	-0.57%	49,246	44,253	40,110	40	7.6%
2017	9,962,311	0.34%	1,753,616	0.24%	50,392	45,255	41,704	43	5.4%
2018	9,995,915	0.34%	1,753,893	0.02%	54,446	48,423	42,942	40	5.2%

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

Fiscal year 2019 statistics are not available

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 15

Principal Employers Current Year and Nine Years Ago (Unaudited)

	2018 *			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Ford Motor Company	41,020	1	5.45%	33,000	1	4.53%
Rock Ventures	17,887	2	2.38%			
Henry Ford Health System	16,213	3	2.15%	11,767	4	1.61%
City of Detroit	9,749	4	1.29%	12,472	3	1.71%
Beaumont Health	8,905	5	1.18%			
Detroit Medical Center	8,683	6	1.15%	10,502	5	1.44%
U.S. Government	8,291	7	1.10%	8,564	6	1.18%
General Motors Corp	6,323	8	0.84%			0.00%
Wayne State University	5,913	9	0.79%	5,152	10	0.71%
Detroit Public Schools	5,850	10	0.78%	13,039	2	1.79%
U.S. Postal Service				6,655	7	0.91%
State of Michigan				6,320	8	0.87%
Oakwood Healthcare Inc.				5,833	9	0.80%
Total	<u>128,834</u>		<u>17.11%</u>	<u>113,304</u>		<u>15.55%</u>
Total for county	<u>752,926</u>			<u>728,832</u>		

* The information for 2019 will not be available until 2020. As such, the information in this table will be reported on a one year lag.

Source: Michigan Labor Market Information: Labor & Economic Growth , Crain's Detroit Business: Book of Lists January 2010 and December 2019 Edition (Employee totals are based on full-time equivalents.)

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

OPERATING INFORMATION

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

Function/Program	Wayne County Employees									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Legislative										
Board of Commissioners	38	38	36	35	36	36	36	36	36	42
Auditor General's Office	8	9	7	7	9	11	11	11	12	15
Judicial (1)										
All court and court related activities	619	646	658	673	702	725	732	689	696	650
General government										
Treasurer's Office	64	61	57	55	64	68	72	68	72	69
Tax Assessment	9	7	10	14	6	3	7	23	32	37
Tax Billings/collections	17	18	17	17	13	14	12	4	4	5
Budgeting	7	5	6	5	6	4	3	6	10	9
Purchasing	7	8	8	10	11	11	13	14	15	18
Central Accounting	11	9	12	13	14	21	27	25	29	36
Central Administration	29	27	25	24	31	57	68	41	55	52
Other Financial Administration	103	100	99	78	73	57	55	77	85	94
Data Processing	47	26	23	26	24	27	26	29	32	34
Building Maintenance	-	-	-	6	55	53	70	78	88	87
County Clerk	251	263	255	256	262	266	240	247	256	264
Retirement	18	17	21	19	15	21	-	-	-	-
Register of Deeds	57	55	49	47	56	62	60	55	65	78
Prosecuting Attorney	287	283	265	260	255	260	281	291	284	244
Corporation Counsel	40	41	45	42	45	45	48	51	53	68
Public safety										
Homeland Security	4	4	4	4	4	1	4	4	5	5
Sheriff's Department										
Arresting Powers	240	223	226	239	265	250	206	229	235	194
Civilian	12	26	28	13	48	37	56	60	58	50
Jails & Detention Facilities	627	606	607	654	593	664	961	932	962	1,057
Public works										
Public works	20	22	22	27	39	42	78	92	107	80
Sewage Disposal	33	66	69	72	86	84	59	59	66	70
Highways, streets and bridges										
Administration	87	91	97	96	40	15	14	15	20	16
Engineering	76	75	76	67	76	72	79	80	87	91
Maintenance	299	293	280	288	301	325	327	322	329	351
Health and welfare	157	110	100	183	228	382	276	283	358	462
Recreation and cultural										
Parks	63	61	62	54	64	60	60	61	60	65
Libraries			-	-	6	20	20	20	24	33
Community and economic development	155	178	177	171	207	214	65	69	75	33
Total	<u>3,385</u>	<u>3,368</u>	<u>3,341</u>	<u>3,455</u>	<u>3,634</u>	<u>3,907</u>	<u>3,966</u>	<u>3,971</u>	<u>4,210</u>	<u>4,309</u>

(1) Number of full-time active employees as of March 2019. Excludes Probate and Third Circuit Court Judges, as they are considered employees of the State of Michigan.

Source: Wayne County Department of Management & Budget

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 17

Operating Indicators by Function Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2019	2018	2017	2016	2015
<u>Function/Program</u>					
Police					
Physical arrests	659	979	1,224	2,035	1,809
Bookings	659	979	1,224	2,035	1,809
Parking violations	52	1,635	1,759	575	29
Traffic violations	5,338	4,415	5,987	11,963	19,532
Incidents	1,001	1,919	1,298	1,774	1,639
Crash reports	114	148	143	155	151
Culture and recreation					
Rounds of golf - Warren Valley	* 0	34,085	36,059	41,489	41,352
Picnic permits	891	956	1,024	990	959
Aquatic center attendance	32,891	32,646	27,614	37,481	26,506
Nankin mills center - (program attendance)	7,826	7,996	14,378	10,265	13,463
Crosswinds marsh (program attendance)	3,378	3,800	5,443	4,888	4,815
Highways, streets and bridges					
Street resurfacing asphalt (tons)	15,426	96,493	53,463	46,554	57,935
Street resurfacing (miles)	50	14	8	7	11
Snow removing salt (tons)	92,900	128,568	64,636	67,228	77,953
Ditching program (linear feet)	21,594	23,116	33,415	22,212	33,920
Ditching program (miles)	4	4	6	4	6
Emergency road repairs (tons)	11,143	11,483	5,487	2,876	6,679
Forestry section					
Tree removal	1,260	1,599	175	3,923	1,788
Tree planting and trimming	625	336	5,494	638	647

Source: Various county departments

* During the fiscal year 2018, the County sold the golf course thus no activity going forward

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 17

Operating Indicators by Function Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2014	2013	2012	2011	2010
<u>Function/Program</u>					
Police					
Physical arrests	1,327	2,062	2,696	1,415	961
Bookings	1,327	2,062	2,696	1,415	961
Parking violations	44	50	146	193	147
Traffic violations	22,203	18,487	33,103	23,083	23,730
Incidents	1,842	3,054	2,652	4,337	4,443
Crash reports	126	141	70	62	60
Culture and recreation					
Rounds of golf - Warren Valley	35,997	40,469	37,409	31,658	44,463
Picnic permits	949	899	909	944	952
Aquatic center attendance	20,366	18,525	21,465	40,502	56,516
Nankin mills center - (program attendance)	9,154	9,384	8,628	8,502	12,760
Crosswinds marsh (program attendance)	3,997	1,832	3,053	2,819	4,559
Highways, streets and bridges					
Street resurfacing asphalt (tons)	84,600	11,287	84,235	48,305	11,942
Street resurfacing (miles)	20	12	9	29	26
Snow removing salt (tons)	109,766	68,139	39,997	94,966	52,570
Ditching program (linear feet)	24,787	46,972	44,175	21,163	48,291
Ditching program (miles)	5	9	8	4	9
Emergency road repairs (tons)	8,283	4,153	3,506	4,389	3,155
Forestry section					
Tree removal	6,439	9,528	6,745	9,389	6,839
Tree planting and trimming	2,635	2,745	1,881	2,093	1,746

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 18

Capital Asset Statistics by Function Last Ten Fiscal years (Unaudited)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Function</u>										
Public safety										
Stations - road patrol	1	1	1	1	1	1	1	1	1	1
Police services automobiles	59	49	49	46	44	44	44	44	44	50
Marine safety (boats and vans)	15	15	15	15	16	16	18	18	20	20
Jail automobiles	31	28	28	28	18	18	20	18	23	23
Motorcycles	11	11	11	11	11	11	11	11	11	5
Culture and recreation										
Pavilions	22	22	22	22	22	22	22	22	20	16
Golf courses	1	1	2	2	2	2	2	2	2	2
Playscapes	20	20	20	20	20	20	20	20	19	16
Soccer fields	18	20	20	20	20	20	20	17	23	25
Picnic areas	4	4	4	4	4	4	4	4	5	7
Baseball diamonds	17	22	22	22	22	22	23	-	25	26
Highways, streets and bridges										
Traffic signal (maintained)	69	81	77	100	332	120	76	114	130	90
Traffic signs (installed)	3,152	4,095	3,895	3,489	2,918	2,625	2,653	1,979	2,028	2,244

Source: Various County departments



COMPREHENSIVE ANNUAL **FINANCIAL REPORT**

FOR THE YEAR ENDED
SEPTEMBER 30, 2019

CONTINUING DISCLOSURE UPDATES

CHARTER COUNTY OF WAYNE, MICHIGAN

Table CDU-1

County Labor Contracts (Unaudited)

Labor Force

As of February 28, 2020, the County has 2,726 full and part-time union affiliated employees represented by 22 Local unions covered under 16 different bargaining unit contracts ("Agreements"). County-associated bargaining units and the corresponding number of represented employees per unit as of February 28, 2020 are summarized below:

County Labor Contracts Bargaining Group	Number of Employees	Expiration Date of Contract
AFSCME Non-Supervisory (Locals 25, 101, 409 and 1659)	979	September 30, 2019
AFSCME Supervisory (Locals 1862, 2057 and 2926)	147	September 30, 2019
Police Officers Association of Michigan (POAM)	628	September 30, 2020
AFSCME Sergeants and Lieutenants (Local 3317)	104	N/A
Government Administrators Association (GAA)	255	September 30, 2019
GAA Professional Nurses Council - Units I & II	21	September 30, 2019
Government Bar Association (GBA)	158	September 30, 2019
Michigan Building & Construction Trades Council	41	September 30, 2021
International Union of Operating Engineers (I.U.O.E. Local 324)	12	September 30, 2022
Dietitians & Nutritionists Association	7	September 30, 2021
AFSCME Hearing & Vision Techs Association (Part-Time) (Local 25)	18	September 30, 2020
AFSCME 3rd Circuit Court (Locals 1905, 3309)	228	September 30, 2021
AFSCME Probate Court (Local 1659)	37	August 31, 2020
Judicial Attorneys Association	17	September 30, 2020
GAA Probate Court	10	September 30, 2019
GAA Circuit Court	64	September 30, 2020
Total Represented Employees	2,726	

Source: Department of Personnel/Human Resources.

CHARTER COUNTY OF WAYNE, MICHIGAN

Table CDU-2

Limited Tax General Obligation Debt (Including Secondary Tax Pledge) Principal Due by Fiscal Year (Unaudited)

Fiscal Year	Building Authority	Capital Improvement Bonds	Delinquent Tax Notes	Stadium Authority	Drainage District Bonds and Notes	Sewer Disposal Bonds	Total
2020	4,520,000	2,675,000	35,667,600	4,400,000	2,183,376	6,626,237	56,072,213
2021	4,750,000	2,805,000	85,154,000	4,375,000	2,233,400	1,320,000	100,637,400
2022	4,990,000	2,945,000	53,546,400	4,350,000	2,293,400	1,050,000	69,174,800
2023	5,245,000	8,405,000		4,320,000	2,322,000	1,100,000	21,392,000
2024	5,510,000	8,825,000		4,295,000	2,140,000	1,150,000	21,920,000
2025	5,790,000	8,800,000		4,260,000	1,875,000	1,205,000	21,930,000
2026	6,085,000	9,160,000		8,425,000	1,920,000	1,265,000	26,855,000
2027	6,395,000	9,620,000			1,965,000	1,320,000	19,300,000
2028	6,750,000	10,105,000			2,020,000	1,385,000	20,260,000
2029	7,120,000	10,605,000			2,075,000	180,000	19,980,000
2030	7,510,000	11,150,000			2,120,000	180,000	20,960,000
2031	7,925,000	11,715,000			1,940,000	185,000	21,765,000
2032	8,360,000	12,325,000			1,985,000	192,351	22,862,351
2033	8,820,000	12,955,000			1,955,000	130,000	23,860,000
2034	9,305,000	13,630,000			1,112,519	66,013	24,113,532
2035	9,815,000	14,325,000					24,140,000
2036	10,355,000	15,070,000					25,425,000
2037	10,925,000	15,855,000					26,780,000
2038	11,525,000	16,675,000					28,200,000
2039	12,160,000	13,220,000					25,380,000
2040	12,830,000	13,900,000					26,730,000
2041	13,535,000	12,780,000					26,315,000
2042		13,420,000					13,420,000
2043		14,090,000					14,090,000
2044		14,795,000					14,795,000
2045		15,535,000					15,535,000
2046		16,155,000					16,155,000
2047		16,800,000					16,800,000
2048		17,475,000					17,475,000
2049		18,170,000					18,170,000
TOTAL	\$ 180,220,000	\$ 363,985,000	\$ 174,368,000	\$ 34,425,000	\$ 30,139,695	\$ 17,354,601	\$ 800,492,296

Source: Department of Management & Budget

CHARTER COUNTY OF WAYNE, MICHIGANTable CDU-3

Rate of Principal Retirement of
Tax Pledge Debt
(Unaudited)

Years Ending September 30	Principal Retired	Principal Retired as a Percentage of Total Principal
2020-2024	\$269,196,454	33.6%
2020-2029	377,521,454	47.2%
2020-2034	491,082,337	61.4%
2020-2039	621,007,337	77.6%
2020-2044	716,357,337	89.5%
2020-2049	800,492,337	100.0%

Source: Department of Management & Budget

CHARTER COUNTY OF WAYNE, MICHIGAN

Table CDU-4

Debt Ratios For the Year Ended September 30, 2019 (Unaudited)

Total Direct Debt	\$ 813,353,473
Overlapping Debt	\$ 7,049,347,517
Total direct and overlapping debt	\$ 7,862,700,990
2010 U.S. Census reported County population	1,820,584
2019 Taxable Value (TV)	\$ 42,503,228,599
2019 State Equalized Value (SEV)	\$ 54,411,668,494
2019 True Cash Value (TCV)	\$ 108,823,336,988
Per Capita 2019 TV	\$ 23,345.93
Per Capita 2019 SEV	\$ 29,886.93
Per Capita 2019 TCV	\$ 59,773.86
Per Capita Net Direct Debt	\$ 446.75
Per Capita Net Direct and Overlapping Debt	\$ 4,318.78
Percent of Net Direct Debt of 2019 TV	1.91%
Percent of Net Direct and Overlapping Debt of 2019 TV	18.50%

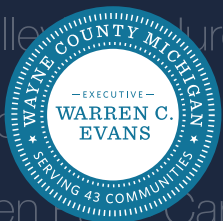
Source: Wayne County Department of Management and Budget, Municipal Advisory Council of Michigan, EMMA website via emma.msrb.org, and US Census Bureau (2010 Census Data)

(TV) Taxable Value
(SEV) State Equalized Value
(TCV) True Cash Value

Taylor • Grosse Pointe Shores • Brownstown Charter Township • Grosse Pointe Farms
Ecorse • Westland • Grosse Pointe Woods • Northville • Dearborn • Sumpter Township
Woodhaven • Romulus • Highland Park • Plymouth Charter Township • Harper Woods
Hamtramck • Garden City • Van Buren Charter Township • Rockwood • Lincoln Park
Northville Charter Township • Dearborn Heights • Grosse Pointe Park • Wayne • Trenton
Belleville • Huron Charter Township • Redford Charter Township • Livonia • Melvindale
Grosse Pointe • Detroit • Inkster • Flat Rock • Wyandotte • Grosse Ile Township • Gibraltar
Allen Park • Canton Charter Township • Riverview • Plymouth • Southgate • River Rouge
Taylor • Gros
Ecorse • We
Woodhaven
Hamtramck
Northville Ch

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Belleville • Huron Charter Township • Redford Charter Township • Livonia • Melvindale
Grosse Pointe • Detroit • Inkster • Flat Rock • Wyandotte • Grosse Ile Township • Gibraltar
Allen Park • Canton Charter Township • Riverview • Plymouth • Southgate • River Rouge
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