



Comprehensive Annual Financial Report  
Year Ended December 31, 2008

*Working together  
for a brighter future*

*Enhancing lives*

*Leadership*

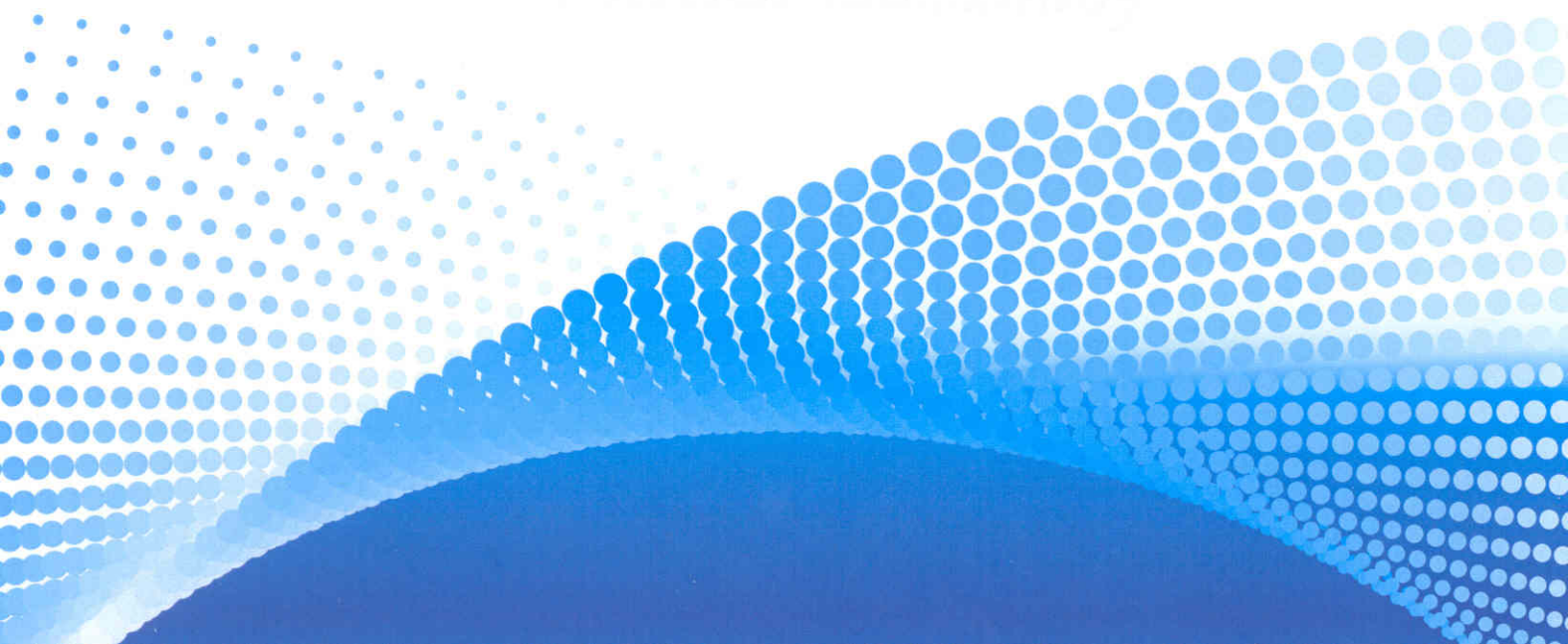
*Regionalism*

*Growth*

*Responsibility*

*Wellness*

*Fiscal stability*



**WASHTENAW COUNTY, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2008**

**Prepared by the Finance Department**

**WASHTENAW COUNTY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2008**

**BOARD OF COMMISSIONERS**

Jeff Irwin, Chair

Barbara Levin Bergman

Jessica Ping

Mandy Grewal

Wes Prater  
(sworn in 12-3-08)

Leah Gunn

Karen Lovejoy Roe

Kristin Judge  
(sworn in 12-3-08)

Ken Schwartz

Mark Ouimet

Rolland Sizemore Jr.

Ronnie Peterson

Conan Smith

**COUNTY ADMINISTRATOR**

Robert E. Guenzel

**FINANCE DIRECTOR**

Peter Ballios

**INDEPENDENT AUDITORS**

Rehmann Robson

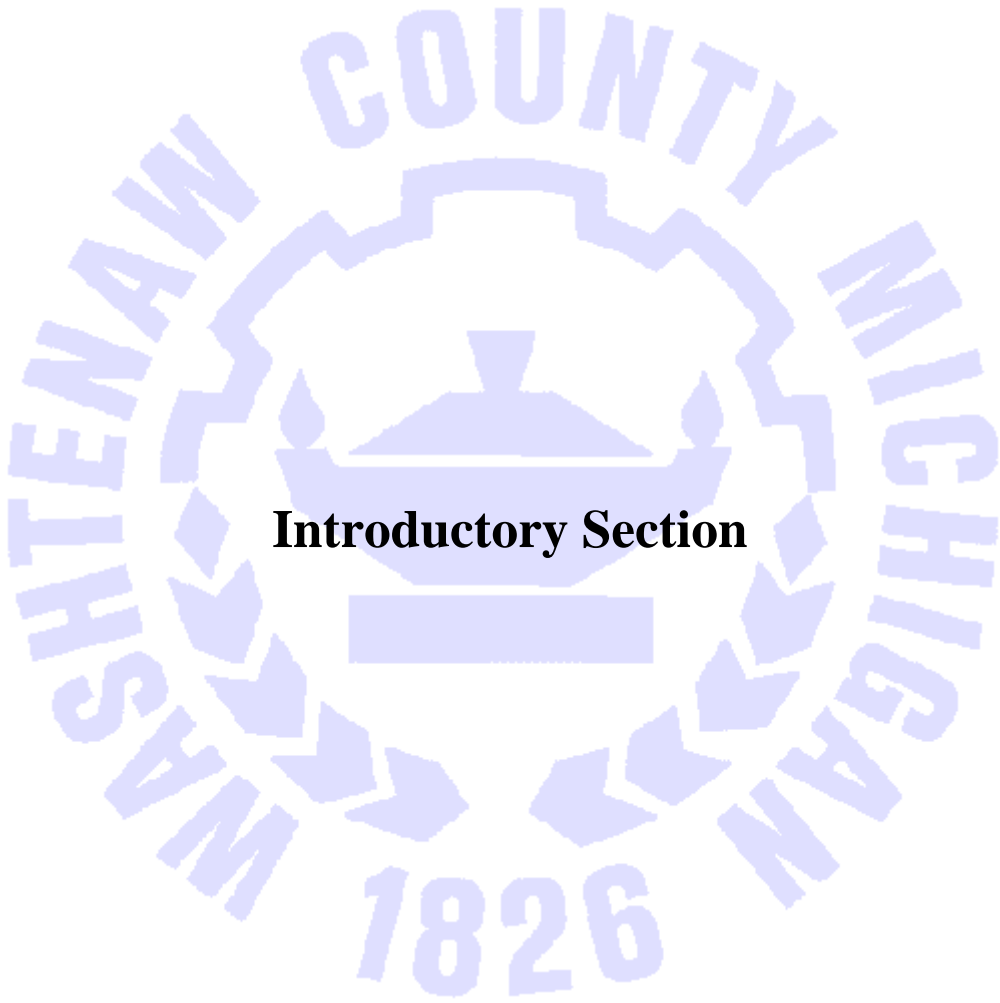
**WASHTENAW COUNTY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED DECEMBER 31, 2008**

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**Introductory Section**



## COUNTY ADMINISTRATOR

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March 20, 2009

**To the Board of Commissioners and the Citizens of  
Washtenaw County:**



The Comprehensive Annual Financial Report (CAFR) of Washtenaw County for the year ended December 31, 2008, is submitted herewith. It was prepared by staff in the Finance Department with assistance from the accounting personnel in the Treasurer's Office, Drain Commissioner's Office, Public Works, Road Commission, Community Support and Treatment Services, Public Health, and other County departments. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2008.

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

Rehmann Robson, Certified Public Accountants, have issued an unqualified ("clean") opinion on Washtenaw County's financial statements for the year ended December 31, 2008. The independent auditor's 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

Washtenaw County, incorporated in 1827, is located in the southeast region of Michigan's Lower Peninsula, approximately 40 miles west of Detroit. The County encompasses 28 cities, villages and townships, settings range from urban to rural and small town to suburban. It is the sixth largest county in the State of Michigan, with an estimated 2008 population of 352,755. Sixty-four percent of the County's population resides in four main areas. Its major cities are Ann Arbor and Ypsilanti, with estimated populations of 114,740 and 20,832, respectively. The County's two largest townships are Ypsilanti and Pittsfield, with estimated populations of 53,720 and 35,458, respectively. It covers an area of approximately 710 square miles. The County seat is located in the City of Ann Arbor. Washtenaw County is empowered to levy a property tax, the primary source of funding, on both real and personal property located within its boundaries.

The governmental structure of Washtenaw County is based upon the State Constitution and the general laws of the State of Michigan. The County's legislative body, and its administrative body for many functions, is the County Board of Commissioners. The Board consists of eleven commissioners elected by direct vote from single-member districts every two years. In addition to the Board of Commissioners, there are fifteen elected officials serving the County in judicial, administrative, or staff officer roles. An organization chart depicting the County structure is shown on the page following this letter.

Washtenaw County provides a full range of services in the following community of interest areas: public safety and justice, economic development, emergency preparedness and response, land use and environment, homelessness and housing, health, children's well-being, civic infrastructure, support services, and other customer specific services (for the blind and physically disabled and veterans). The County is responsible for the management and financing of these operations. Other services are provided through legally separate entities. The Washtenaw County Building Authority, although legally separate, functions as a department because its sole purpose is to finance and construct the County's public buildings, and therefore has been included as an integral part of the County's financial statements. Washtenaw County is also financially accountable for five legally separate component units: Department of Public Works Projects, Drain Commissioner, Hazardous Material Response Team Authority, Brownfield Redevelopment Authority and Road Commission, all of which are reported separately within the County's financial statements. Additional information on all of these legally separate entities can be found in the notes to the financial statements (See Note I.A.).

The Board of Commissioners is required to adopt a final operating budget prior to the beginning of each fiscal year. This annual budget serves as the foundation for Washtenaw County's financial planning and control. The budget is approved and budgetary control is exercised at the department level. Expenditures may not exceed budgeted appropriations at the department level. Departments are authorized to make budget adjustments up to \$10,000 within established categories of their budget. The County Administrator is authorized to make budget adjustments within and between categories of budgets up to \$100,000 or 10% of the budget, whichever is less. Budget adjustments greater than this amount must be approved by the Board of Commissioners.



## **Local Economy**

Washtenaw County's vibrant economy is centered on eight business sectors. Major industries located within the government's boundaries or in close proximity include alternative energies, automotive research and development, engineering and production, homeland security and defense, imaging and vision, information technologies, life sciences, and printing and online information. In addition, many high quality educational institutions, most notably the University of Michigan and Eastern Michigan University, and healthcare facilities are located within our borders. The County also is a significant economic presence thanks to the vast array of services provided by 1,350 employees. The innovative-based economy in the County is thriving.

Because of its location in a region with a varied economic base, unemployment has been consistently below the state average, currently at 8.4 percent, and is in line with the national average, currently at 5.8 percent. During the last decade, the unemployment rate has increased from a decade low of 1.6 percent (1999). Although Washtenaw County has one of the healthiest economies in the state, manufacturing layoffs and job losses in trade, transportation, and utilities, as well as pharmaceutical research and development affected the local unemployment rate. Since 2000, the unemployment rate steadily rose to a decade high and current rate of 5.8 percent (2008).

Unemployment is expected to remain at or slightly above the national average, but below the state average. As the State of Michigan's economic crisis adjusts to the challenges of a rapidly globalizing world, community and business leaders have come together like never before to respond. Economic development officials implemented an aggressive strategy for business growth and expansion within the region offering numerous programs and resources to match businesses with financing opportunities, incentives, location and site selection, networking and educational forums, and a talented workforce.

Not only are new businesses being recruited to the region, but existing businesses are being offered information and services to continue operating through the economic crisis. As existing businesses face the uncertainties and risks in the current recession, there is assistance available to face the challenges at hand. A number of Washtenaw County organizations (Ann Arbor SPARK, Michigan Economic Development Corporation, and Washtenaw County Employment Training and Community Services) have teamed up to provide programs that can help businesses develop, diversify, find efficiencies, locate financing, attract talent and pursue tax incentives. One of the most important things to be done to help the community is by helping employers thrive during tough economic times.

Between 2003 and 2007, the Washtenaw County labor force expanded moderately faster than the statewide trend, growing by 2.3 percent versus a 0.0 percent change in Michigan overall. It is estimated that the labor force in the local region will continue increasing over 2 percent annually for each of the next several years due to continued population growth and new entrants, high school and college graduates, into the work force. Above average employment growth rates in the region are projected among health care, professional, service, transportation, management and construction occupations. Sales and administrative support positions are expected to show moderate growth. Jobs in the County are expected to increase by 30,500 or 11.3 percent by 2014.

Business growth in Washtenaw County continues to increase with new investments: Atwell-Hicks plans to invest \$5 million to create alternative energy infrastructure; MyBuys, which makes personalized product recommendations for online retailers, plans to invest \$5.4 million to set up an office; NanoBio, a biopharmaceutical company that develops anti-infective products and vaccines has received over \$10 million in funding from a venture capital firm, Perseus; Toyota will invest an additional \$100 million, over the next four months, in its technical center to establish the Toyota Research Institute of North America; and various information technology and life sciences companies are investing over \$52 million and creating 845 new high-tech jobs (Accuri Cytometers, Arbor Photonics, Avidimer Therapeutics, Cielo MedSolutions, Compendia Bioscience, Meditrina Pharmaceuticals, Nanocerox, Nephron, NeuroNexus Technologies, Pixel Velocity and Solidica).

Washtenaw County has maintained strong population growth over the past two decades. This growth is expected to continue in the foreseeable future. Our 2000 Census population was 322,770. The estimated 2030 population is 448,020. The median age for the County is younger compared to the State of Michigan. In 2000, Washtenaw County had a median age of 32.9, while Michigan had a 35.5 median age. In 2010, the County is estimated to have a median age of 31.2, while Michigan is estimated to have a median age of 37.8. The low median age assures that the future will hold a broad pool from which employers can select skilled candidates for work in various business sectors.

Over 48% of our residents 25 years and older have completed four or more years of college. The median household income of our residents is over 24% higher than that of the State of Michigan and over 25% higher than the United States as a whole. Personal income figures for our citizens have risen significantly over the last decade, over 26% since 1999. This indicates a healthy local economy and a higher standard of living for our residents.

Washtenaw County's total equalized value of taxable property has increased by more than 88% over the last ten years. The equalized value of taxable property has realized an average 7.1% increase in growth per year for the period of 2003 through 2007. The County's total equalized value of taxable property for 2008 was approximately \$18.8 billion, a decrease over the prior year of \$565.9 million, or roughly 2.9%. Even though other statistics indicate a strong local economy, the economic base of the County has decreased for the first time in over a decade, and current information from the Washtenaw County Equalization Division projects that the 2009 total equalized value of taxable property will continue to decline even more, estimated to be up to a seven percent loss.

The County remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report.

Total governmental activities expenses have increased 48 percent over the past eight years. After an eight year low of \$128.1 million in 2001, total expenses increased an average of 5.4 percent per year through 2007, and reached an all time high of \$189.6 million, an increase of 2.5 percent over the prior year.

During the past eight years, the governmental expenses related to judicial, general government, public safety, health and social services have increased in amount, but have consistently remained within two percent of their category of total expenses (an eight-year average of 13.6 percent, 13.3 percent, 27.5 percent, 22.3 percent and 16.5 percent, respectively). Judicial expenses increased for trial court and prosecuting attorney operations and activities. General

government expenses increased for personal services. In the case of public safety, much of the increase reflects increased staffing levels and additional medical services, food and supplies being needed due to the elevated number of inmates. Increased costs for health and social services are products of continuing quality services and programs for at risk populations.

The growth in culture and recreation expenses over the past eight years reflects an increase in park recreational activities and programs, as well as major land acquisitions under the Natural Areas Preservation program and development of the 35-mile Border-to-Border Trail, a non-motorized multi-use trail connecting to Livingston County in the north and Wayne County in the southeast. Even though expenses have increased each year, the category has averaged 4.6 of total governmental expenses.

During the past eight years, the government's interest expenses have fluctuated in amount because of the required and scheduled payment amounts due on long-term debt each year. During 2008, the expense increased 14.5 percent over the prior year and the percent of total expenses (1.7 percent) peaked to the highest level since 2001. Prior to 2007, the percent of total expenses remained consistent at approximately 1.1 percent (seven-year average) of total expenses.

The remaining expenditure categories (legislative and public works activities) currently make up approximately \$1.4 million or .7 percent (eight year average of 1.1 percent) of total revenues. The consistency from year to year in these categories is a result of consistent operational expenses and minimal changes to the program areas.

Total governmental revenues have increased 44.4 percent over the past eight years. After a decade low of \$135.3 million in 2001, total revenues increased an average of 4.9 percent through 2006, slightly decreased (2.3 percent) during 2007, and reached an all time high of \$195.5 million (2008) an increase of 3.2 percent over the prior year.

Property tax revenue not only increased in amount (\$44.8 million) between 2001 and 2006, but also as a percentage of total revenue (a five year average of 41.8 percent), to approximately 49.2 percent of the revenue collected during 2006. During 2007, property taxes decreased by approximately \$8.7 million (9.2 percent) from 2006. This decrease was attributed to being the first year, in the past four years, that no shift in property tax collections occurred. During the prior three years (2004-2006), property tax collections shifted from a December to a July levy, an additional one-third of the levy was collected each year until the transition was complete. The accelerated revenue recognition pursuant to Public Act 357 of 2004, has and will continue to provide funding that serves as a substitute for state revenue sharing payments. During 2008, property taxes decreased by \$2.3 million (2.6 percent) over the prior year. This decline is relative to 2007 being the final year wherein the effects of the three year shift from a December 1 levy to a July 1 levy for the general operating millage of the County were felt.

Operating grants and contributions increased in amount (an eight year increase of 70.2 percent), but have consistently been approximately 32.1 (average) percent of total revenues between 2001 and 2007. During 2008, operating grants and contributions increased both in amount (\$8.1 million) and percent of total revenues (36.8 percent) as awards and additional resources have supplemented programs in health, social services and general government activities.

During the same eight-year period, charges for services increased in amount and decreased in the percent of total revenues between 2001 and 2008. In 2001, charges for services were \$27.7 million and 20.4 percent of total revenues. In 2008, charges for services were \$30.8 million and 15.8 percent of total revenues. To explain the increase in amount further, user fees and charges may fluctuate based on usage of a service and as fee increases and/or new fees are implemented, but are not intended to recoup the full costs of providing services. The reason for the decline as a percentage of total revenues is the relative increase in expenses related to services that are not supported by fees and charges (e.g. public safety); thus, as taxes have increased to support these services, so has the proportion of total revenue generated by taxes.

During the past eight years, the government's revenues related to investment income have increased in amount (an eight-year average increase of 2.0 percent). During 2007, investment income peaked at its highest levels, both in amount and percent (currently 3.5) of total revenues, since 2001. In 2008, both the amount and percentage of total revenues declined because of the economic realities of the current recession and stock market declines.

The remaining revenue categories (capital grants and contributions and unrestricted grants and contributions) currently make up approximately .8 percent (an eight year average of 2.9 percent) of total revenues at the end of 2008. Capital grants and contributions are primarily used for public safety activities for domestic preparedness and homeland security programs. Unrestricted grants and contributions are other revenues that are not restricted to specific programs and may be used for any purpose.

### **Long-Term Financial Planning**

Total fund balance in the general fund (8.7 percent of total general fund expenditures and transfers out) falls within policy guidelines set by the Board of Commissioners for budgetary and planning purposes. The Board has continued its commitment to plan future budgets to meet the goal of a reserve for subsequent years representing 8.0% of general fund expenditures and transfers out.

The County completes ten year projections during each budget cycle, and updates them frequently to ensure that the full impact of decisions are understood. The current projections are proving to be more challenging than ever before. The County is faced with significant variables in the future that are difficult to predict. In most instances, financial impact practices use assumptions of past practice as the best indication of the future. New economic realities have both intuition and leading indicators driving the projection assumptions.

The Board of Commissioners has committed to ensure the long-term fiscal stability of the County. The County has operated very deliberately over the past several years, making sound financial decisions to keep from having to react to a crisis situation. During the development of the 2008/09 budget, it was clear through a review of financial indicators that the County was in good financial condition presently although there were uncertain times ahead. The County has worked diligently over the years making long-term fiscal stability a top priority, which has resulted in higher bond ratings, reasonable levels of debt, reserves in line with policy and annual surpluses. However, the picture is mixed when looking forward, especially when estimating the impact the State and local economy will have on County revenues and the demand for services.

There are several issues impacting the County when considering property tax revenue collections. First, the County has operated in unprecedented times due to the Statewide shift in property tax collections from a December to July levy. Part of the growth in property tax revenue over the past few years was due to early collection of property taxes. The County realized a “windfall” in the years this was being shifted (2004-2006). The impact of this was a positive one at first, with the County realizing the increased taxable value a fiscal year early. The downside impacting the 2008/09 budget development was that the windfall would be over. Even though this was expected, the amount of revenue to be received would not be known until during the fiscal year for which it was to be recorded. Therefore, the County did not know the real revenue amount for 2008 (a July 1 levy) property taxes until April 2008. Using past levels as a guide proved to be invalid as well. The 2008 Equalization report demonstrated a 2.9% decline in taxable value, a decrease for the first time in over a decade. During the ten years (1998-2007) prior, the value of taxable property more than doubled. Next, the housing market continues to decline and it has become clear that for recently transferred properties where the SEV and taxable value become equal, the homeowners would actually have a reduced tax bill due to the declining market value. The County had prepared for a flat level of property tax revenue for 2008 and 2009.

After the first quarter of 2008, budget variables, including revenue assumptions for property taxes and anticipated savings from labor negotiations, changed resulting in a projected budget shortfall of \$8 to \$10 million in the 2008 fiscal year. The Strategic Oversight Committee, an advisory group comprised of department heads and staff, identified possible solutions to address the shortfall and suggested solutions that included a combination of one-time expenditure savings and use of non-general fund reserves, plus long-term structural changes which leverage new revenue sources and reduce annual expenditures. The budget amendments to bring the 2008 budget back into balance included: personnel cost adjustments of approximately \$1.9 million as a result of revised anticipated savings from labor negotiations and an estimated \$2.4 million from the implementation of a hiring freeze; new revenue sources including a transfer of at least \$1 million from the property foreclosure fund as allowed under the revised state law; increase in E911 revenues and the implementation of an integrated health waiver for new revenue; reduction in the level of general fund support to non-general fund departments through an adjustment to appropriations or cost allocation in the amount of \$1.4 million; reductions in the amount of \$.6 million in the expenditure budget for continuous improvement initiatives, pay for performances for non-union employees, travel/conferences and capital equipment appropriation; cancellation of annual county-wide events with a focus on identifying more cost effective options for employee recognition and appreciation; redirecting the cash from the revenue sharing reserve fund into the general fund as allowed by law which will also increase interest earnings; and finally the use of non-general fund balances and reduced planned contribution to fund balance.

The County was forced to adjust the current budget (2009) when faced with revenues that fell short of projections last year. Last April (2008), the County had estimated a \$13 million shortfall for 2009, and identified and implemented \$10 million in reductions. By the fall, that shortfall was estimated to be closer to \$15 million, and the County worked to find additional cuts. Budget balancing solutions used to date: hiring freeze and long-term personnel reductions, use of non-general fund reserves, transfer of the Library for the Blind and Physically Disabled, reduction of non-mandated program levels, support services reductions, reduced benefit levels for new employees, reduced pay for performance, decreased staff in services affected by housing market, alignment of Department of Public Works, Soil Erosion and Water Management

Departments, lump sum reductions in the courts and Sheriff Department, Veterans' millage, reduced support to non-general fund departments and reduced County fleet allocations. Final revenue figures for 2009 won't be known until next month (April), and that might force the County to make even further cuts this year.

While the County has realized the fiscal indicators are uncertain moving forward, the Board of Commissioners know the County has to respond to the growing needs of the citizens and keep the organization moving in a strategic direction for the future. The Financial State of the County report communicated sharply lower revenues in the coming years; the County will be dealing with staggering budget deficits and must continue making some tough decisions about where to cut costs. The report was an initial step in working through the upcoming budget cycle, laying groundwork for decisions that the Board of Commissioners will ultimately need to make. A \$1.5 billion drop in equalized value of property this year and next will cause a plummet in tax revenues with dire consequences for County services. County budget staff has laid out best – and worse – case projections for property tax revenue; assuming that expenditures remain unchanged, the worst-case projections for 2010/11 would result in a \$28 million deficit. Under the best-case scenario for property tax revenues, the County would still face an \$18 million deficit.

Though the numbers are daunting, for 15 years Washtenaw County has set a goal to be a “world class” public service organization with a culture of continuous improvement. The County will continue to lean on its sound organizational and fiscal practices (guiding principles, focus on vision and strategic planning through the business improvement process, established communities of interest, increased bond rating to AA+, increased general fund reserve levels, and strategic budget management philosophy) as well as commit to different practices in these unprecedented times (creation of a Financial Advisory Team including the Civic Infrastructure Community of Interest - County Clerk, Treasurer and Equalization), implementation of structural expenditure solutions, hope for the best, but plan for the worst, and determine where to set the budget within various scenarios.

As recommended from national research leaders: do not look in the rear view mirror, projections and long-term forecasting must now use historical data cautiously, it's no longer an indication of the future and indicators should only be used to guide budget projections. The major budget principles that will be the focus this year for planning the future center around revenue growth and reform, reducing the cost of doing business, mandated versus non-mandated services, community collaboration, organization structure by core business and employee compensation and benefits. Therefore, as the County works through 2009 and begins the 2010/11 budget process as well as forecasts each decision five to ten years into the future, the long-term impact will be difficult to predict, but the mission for the process is to provide leadership to stabilize Washtenaw County communities and families in these trying economic times and to enhance our long-term prosperity through the strategic direction of County human and financial resources.

### **Relevant Financial Policies**

As a means to save state funding, legislation (Public Act 357 of 2004) was passed that shifted the timing of property tax payments to create a revenue stream that, for the next four years or so, will offset the reduction in state revenue sharing. The measure gradually moved up property tax collections from the winter to the summer over three years. Counties annually transfer from this pool the exact amount of funding that would have been available through state revenue sharing.

Each year the State publishes the allowable spending amount that can be transferred from the reserve fund. The allowable spending amount is calculated using the growth in the U.S. Consumer Price Index from the State's 2006 and 2007 fiscal years. The inflation rate used for fiscal year 2008 was 2.3%.

Many changes occurred when the State passed the law to shift the County's tax levy from December to July. One consequence was on the cash flow of the general fund, as the property tax revenue used to be received early in the year to sustain expenditures throughout the entire fiscal year. Now, costs begin to be incurred as of January 1<sup>st</sup>, however the property tax revenue (over 70% of the general fund) is not collected until the second half of the year. This potentially creates a negative cash balance in the general fund. The law allows for the use of the revenue sharing reserve fund cash to be moved into the general fund if such an issue arises. It is necessary for this to be the County's practice for 2009 and beyond until the revenue sharing reserve fund is depleted. Interest levels will stay above previous levels for the next few years, although on a declining basis as the level of cash declines through the use of the revenue sharing reserve fund. It is a significant long-term issue with a need to identify a permanent solution to the general fund cash flow shortage, as it is projected that the revenue sharing reserve fund will not be available after 2011.

### **Major Initiatives**

The decision making parameters of the biennial (2008-2009) budget development process started with a premise of a status quo budget. Adjustments were only made if the request identified outside funding or strongly demonstrated it was a critical investment into the future of the organization and community. During the fourth quarter 2008, the 2009 budget was adjusted to reflect changes that have occurred since the adoption of the original budget in November, 2007. A final balanced budget incorporating updated assumptions based on changing market indicators, as well as final cost saving recommendations was reaffirmed by the Board of Commissioners. The major influences on the fiscal environment of the County are:

- ❑ ***County Administration*** – Eliminate .5 FTE, a vacancy in the office allows for a restructuring of responsibilities. It is thought that retaining 1.5 FTE and the use of interns will be sufficient to handle all Administration and Board of Commissioner needs.
- ❑ ***Support Services Restructuring*** – A revised organization structure with position reductions in management and staff include projected savings of approximately \$2.4 million. One of the significant structural changes is the elimination of the director of support services strategic planning and budget position (1.0 FTE), resulting in the direct reporting to Administration. Program changes include the level of service reduction and required efficiencies between departments. Professional development will be combined with Human Resources to share resources and provide more assistance to the program. Planning services division of Planning and Environment will join Support Services and align community-wide and internal strategic planning efforts with organizational development. A decrease in service will result within the areas of regional master planning, open space systems, transit improvement and the community success initiative – although limited, collaborative and strategic efforts will continue. In addition, energy coordination responsibilities are being redistributed within remaining planning and infrastructure staff. Reductions in Facilities Management necessitate getting out of the

warehousing business for the organization and limiting office space reconfigurations and moves. The County's janitorial services will move in-house, for a two-year pilot, rather than contracting out as a means to improve services and gain economies of scale with other services. Information Technology reductions will require a focus on maintaining existing infrastructure with the need to be strategic on new enhancement projects to keep pace with critical technology changes.

- ❑ ***Library for the Blind and Physically Disabled (LBPD)*** – The Ann Arbor District Library has agreed to assume responsibility for the LBPD at no cost to the County. They have agreed to retain programming and services to all county-wide eligible residents, with an attempt to minimize the impact on current patrons. The County will retain the (Library) Learning Resource Center (LRC-previously the LLRC) as a meeting and professional development facility. However, the level of service provided in way of set-up and accommodations will be reduced as it is recommended that all LBPD and LRC positions be eliminated.
- ❑ ***Public Health*** – An extension of the Support Services/Planning and Environment restricting is a shift of direct Environmental Health oversight to the Public Health Officer, as outlined in state statute (Public Health Act 368 of 1978-Public Code MCLA 333.2433). At this time no change in physical location of Environmental Health will take place and the Western Service Center on Zeeb Road will continue to be the primary location for the County's environmental services. A current vacant position (1.0 FTE) will be eliminated.
- ❑ ***Public Safety and Justice*** – This is the largest portion of the general fund, and the area of least authority for County Administration and the Board of Commissioners. The County is the funding source and is entitled to establish resource allocations for all departments and agencies within this Community of Interest. Negotiations are currently under way with the Trial Court and Sheriff for lump sum budget reductions of \$250,000 and \$500,000, respectively. In addition, the Trial Court is implementing a new focus on revenue collections which is projected to bring in \$200,000 and a modification of the defined indigent status will result in approximately \$40,000 in savings. Position reductions are targeted in the Public Defender, Prosecuting Attorney and Emergency Management departments. These departments are identifying means to restructure operations to minimize the impact on direct services.
- ❑ ***Community Support & Treatment Services (CSTS) and Washtenaw County Health Organization Support (WCHO)*** – The County continues to realize increased Medicaid funding due to the revised capitation rate resulting in the ability to offset general fund supported services. It is estimated that the County can save \$960,000, contingent on attrition levels within CSTS. This may be a short-term solution to the budget deficit depending on the capitation rates in the future.
- ❑ ***Third Share Program*** – A small number of county-wide businesses use this program as a means to offer employees health care. It is thought that these individuals can be redirected into other programs allowing the discontinuation, saving the County approximately \$110,000.



- ❑ ***Veteran Services*** – By law, the County is authorized to levy a millage for services for honorably discharged indigent members of the armed forces and women’s auxiliaries of all wars or military expeditions in which the United States has participated, as well as indigent spouses, children and parents of such soldiers, but until this time has chosen to support these services through general fund dollars. A legal review was completed that concluded the Board of Commissioners (BOC) can levy a millage up to 1/10<sup>th</sup> of a mill depending on need and demonstration of expenditures directly related to providing relief and support to indigent veterans and their families. This option helps assure a sustained funding source in a time of increasing need for these citizens. The BOC establishment of 1/40<sup>th</sup> of a mill to meet the estimated current need, projected to be \$315,000 in 2009. The law stipulates that if a surplus remains at year end that the BOC will take that into consideration when setting the millage for the following fiscal year.
- ❑ ***Clerk/Register of Deeds*** – The Board of Commissioners established a policy in the 2002/03 biennial budget resolution linking volume of document processing with level of staffing in the Register of Deeds Office. Due to the housing market decline, the volume of processing has been greatly reduced over the past couple of years. This methodology indicates at least 4.0 FTE could be reduced in this office based on current need; 2.0 FTE will be eliminated during 2009 and an additional 2.0 FTE to be realized when attrition in the Clerk’s Office occurs.
- ❑ ***Equalization*** – Reductions include placing a vacant position on hold vacant status, and the elimination of part-time temporary support. The vacancy previously focused on personal property audits, trying to maximize the amount of personal property on the tax roll thereby generating revenue for the County. The Equalization Director will bring back a recommendation to the County Administrator on how to reorganize the department to effectuate personnel savings while maintaining the personal property audit program.
- ❑ ***Non-General Fund Appropriations*** – Appropriation reductions in the amount of \$160,000 are occurring for Community Development, Community Collaborative and Employment Training and Community Services support. Through collaboration and redirecting responsibilities among departments, it is not anticipated that these will have a significant impact on services.

Over the past six years the County has scaled back operations and administrative support in an attempt to preserve programs. Cost containment efforts have been realized where possible and continue to be the focus, but fiscal challenges will continue for many years to come. In the past, the organization sustained expenditure growth through five to six percent property tax revenue growth annually. As this is no longer projected to be the reality, the organization must respond with a reduction in expenditures. It continues to be the County’s desire to preserve programming resulting in the need to identify opportunities for strategic expenditure reductions. The County will continue to monitor key economic variables regularly and discuss ways to reduce the cost of doing business while attempting to preserve programming.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Washtenaw County, Michigan for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2007. This was the 18th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition to the Certificate of Achievement, the County also received the GFOA's Distinguished Budget Presentation Award for its budget for the biennium period beginning January 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged as a policy document, a financial plan, an operations guide, and a communication device.

Finally, Washtenaw County is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). The fiscal year 2007 PAFR was the County's second citation. Washtenaw County is one of two counties in the State of Michigan that holds all three of the GFOA awards simultaneously.

The preparation of this report on a timely basis was made possible by the dedicated service of Finance Department accounting staff and the accounting personnel from the Treasurer's Office, Drain Commissioner's Office, Public Works, Road Commission, Community Support and Treatment Services, Public Health and other County departments, as well as advice from Rehmann Robson. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report:

Dan Ackerman	Don Bilbey	Dick Eckoff	Kirsten Osborn
Roberta Allen	Florice Boelter	Tina Gavalier	Kirk Profit
Terry Ballantyne	Sue Bos	Janet Gilkey	Stefanie Thacker
Kelly Belknap	Peter Collinson	Marie Irwin	Xiaohong Wu

Credit also must be given to the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Washtenaw County's finances.

Sincerely,



Robert E. Guenzel  
County Administrator/Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washtenaw County  
Michigan

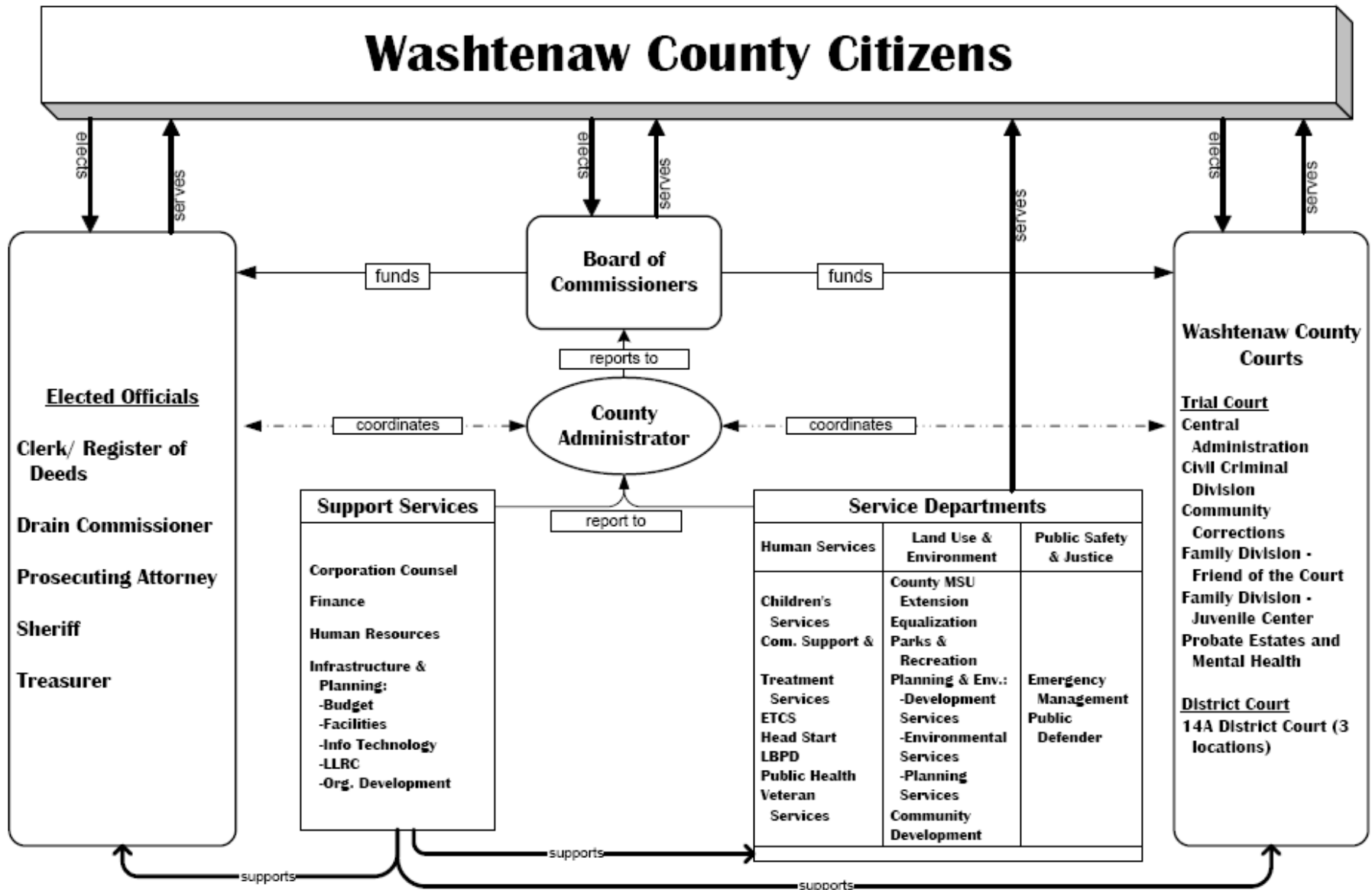
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

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



President

Executive Director



**WASHTENAW COUNTY**

**PRINCIPAL OFFICIALS**

**At December 31, 2008**

**Board of Commissioners**

Jeff Irwin, Chair

Barbara Levin Bergman  
Mandy Grewal  
Leah Gunn  
Kristin Judge (sworn in 12-3-08)  
Mark Ouimet  
Ronnie Peterson

Jessica Ping  
Wes Prater (sworn in 12-3-08)  
Karen Lovejoy Roe  
Ken Schwartz  
Rolland Sizemore Jr.  
Conan Smith

**District Court Judges**

Richard E. Conlin

J. Cedric Simpson

Kirk W. Tabbey

**Trial Court Judges**

Archie C. Brown  
Timothy P. Connors  
Nancy C. Francis  
Melinda Morris

Darlene A. O'Brien  
Donald E. Shelton  
David S. Swartz

**Clerk/Register of Deeds**

Lawrence Kestenbaum

**Drain Commissioner**

Janis A. Bobrin

**Prosecuting Attorney**

Brian Mackie

**Sheriff**

Daniel J. Minzey

**Treasurer**

Catherine McClary

**County Administrator**

Robert E. Guenzel



**Financial Section**

**INDEPENDENT AUDITORS' REPORT**

March 20, 2009

To the Board of Commissioners  
of Washtenaw County  
Ann Arbor, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **WASHTENAW COUNTY, MICHIGAN** as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Washtenaw County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Employment Training and Community Services Fund, which represents 0.3% of the assets and 11.6% of the revenues of the aggregate remaining fund information and 0.2% of the assets and 5.0% of the revenues of the governmental activities. Also, we did not audit the financial statements of the Washtenaw County Road Commission, which represents 76.5% of the assets and 94.6% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Employment Training and Community Services Fund and Washtenaw County Road Commission, is based solely on the reports 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Washtenaw County, Michigan*, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2009, on our consideration of *Washtenaw County, Michigan's* internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-16 and the employees' retirement system information on pages 95 and 96 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washtenaw County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based upon our audit and the reports of other auditors, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.





**Management's Discussion  
and Analysis**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Washtenaw County, Michigan 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 December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–xii of this report, and the accompanying basic financial statements.

### **Financial Highlights**

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$195,752,891 (*net assets*). Of this amount, \$76,631,355 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$4,896,147 during 2008. This increase is attributable to total revenues exceeding total expenses.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general, special revenue, debt service and capital projects funds) reported combined ending fund balances of \$139,602,168, an increase of \$2,986,963 in comparison with the prior year. Ninety-three percent of the ending fund balances are subject to the underlying limitations applicable to the particular special revenue, debt service and capital project funds. Approximately seven percent of this total amount, \$9,123,996, is *available for spending* at the government's discretion only (general fund *unreserved, undesignated fund balance*).
- The general fund had a surplus of \$530,950 for 2008. At the end of the year, total fund balance for the general fund was \$9,188,331, or approximately 8.7 percent of total general fund expenditures and transfers out.
- The County's investment in capital assets increased by \$18,472,756 during 2008.
- The County's total bonded debt, excluding delinquent tax notes, increased by \$26,245,000 during the current fiscal year.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole (government-wide financial statements) and present a longer-term view of the County's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. This is limited to schedules concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to certain employees.

### **Reporting the County as a Whole**

**The Statement of Net Assets and the Statement of Activities.** One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's *net assets* and changes in them. One can think of the County's net assets – the difference between assets and liabilities – as one way to measure the County's financial health, or *financial position*. Over time, *increases or decreases* in the County's net assets are one indicator of whether its *financial health* is improving or deteriorating. During 2008, the net assets of the County increased by \$4.9 million.

The Statement of Net Assets and the Statement of Activities, present information about the following:

**Governmental activities.** All of the County's basic services are considered to be governmental activities, including legislative, judicial, general government, public safety, public works, health, social services, culture and recreation, and interest on debt. Property taxes, intergovernmental revenue for operating grants and contributions, and charges for services finance most of these activities.

**Business-type activities.** Other functions of the County that are intended to recover all or a significant portion of their costs through user fees and charges are considered to be business-type activities. These include delinquent tax collections and property foreclosures.

**Component units.** The County includes four legally separate entities in its financial statements: the Washtenaw County Department of Public Works Projects, the Washtenaw County Drain Commissioner, the Washtenaw County Hazardous Materials Response Authority and the Washtenaw County Road Commission. Although legally separate, these "component units" are important because the County is financially accountable for them.

Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The Washtenaw County Building Authority, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 17-19 of this report.

## **Reporting the County's Most Significant Funds**

**Fund Financial Statements.** The fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The County's two primary kinds of funds – *governmental and proprietary* – use different accounting approaches.

**Governmental funds.** Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified accrual* basis of accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the County's general governmental operations and the basic services it provides.

Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, community support and treatment services, parks and recreation, revenue sharing reserve, enhanced emergency communication system millage, and county capital project funds, each of which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20-31 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for delinquent tax operations and property foreclosures. *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 support services provided to other departments, which includes phone services, fleet, facilities management, insurance, duplicating and copier replacement, mail services and payroll fringe benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *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 delinquent tax operations and other enterprise funds. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32-35 of this report.

### **Reporting the County's Fiduciary Responsibilities**

The County is the trustee, or *fiduciary*, for certain amounts held on behalf of others. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on pages 36-37 of this report.

### **Additional Information**

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-94 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to schedules concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to certain employees. Required supplementary information can be found on pages 95 and 96 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 97-131 of this report.

### **Financial Analysis of the County as a Whole**

The government-wide financial analysis focuses on the net assets and changes in net assets of the County's governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the County's assets exceeded its liabilities by \$195,752,891 at December 31, 2008.

## Washtenaw County's Net Assets

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 182,153,640	\$ 166,039,319	\$ 41,683,702	\$ 30,400,758	\$ 223,837,342	\$ 196,440,077
Capital assets	146,877,628	128,424,119	37,090	17,841	146,914,718	128,441,960
<b>Total assets</b>	329,031,268	294,463,438	41,720,792	30,418,599	370,752,060	324,882,037
Long-term liabilities	104,291,327	88,222,846	28,020,607	18,015,449	132,311,934	106,238,295
Other liabilities	41,969,260	27,012,690	717,975	774,308	42,687,235	27,786,998
<b>Total liabilities</b>	146,260,587	115,235,536	28,738,582	18,789,757	174,999,169	134,025,293
Net assets:						
Invested in capital assets, net of related debt	110,931,643	96,616,753	37,090	17,841	110,968,733	96,634,594
Restricted	8,152,803	11,110,530	-	-	8,152,803	11,110,530
Unrestricted	63,686,235	71,500,619	12,945,120	11,611,001	76,631,355	83,111,620
<b>Total net assets</b>	\$ 182,770,681	\$ 179,227,902	\$ 12,982,210	\$ 11,628,842	\$ 195,752,891	\$ 190,856,744

By far, the largest portion of the County's net assets, \$110,968,733 (56.7 percent), is its investment in capital assets (i.e., land, buildings, vehicles and equipment), net of 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.

An additional portion of the County's net assets, \$76,631,355 (39.1 percent), *unrestricted net assets*, may be used to meet the government's ongoing obligations to citizens and creditors. The remaining balance of \$8,152,803 (4.2 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County is able to report positive balances in all three categories (invested in capital assets-net of related debt, restricted and unrestricted) of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

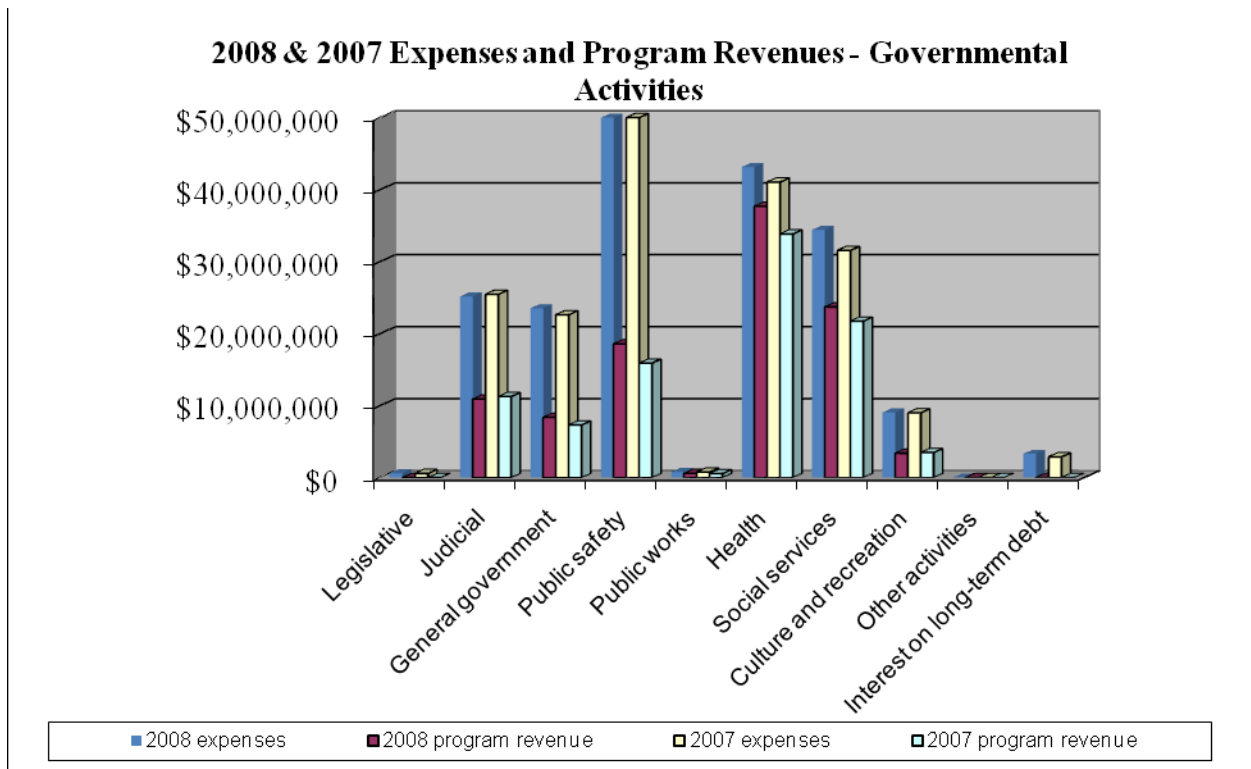
## Washtenaw County's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 30,802,011	\$ 29,858,941	\$ 5,616,984	\$ 4,185,414	\$ 36,418,995	\$ 34,044,355
Operating grants and contributions	71,866,285	63,759,215	-	-	71,866,285	63,759,215
Capital grants and contributions	562,620	428,017	-	-	562,620	428,017
General revenue:						
Property taxes	84,291,171	86,549,856	-	-	84,291,171	86,549,856
Grants and contributions not restricted to specific programs	1,050,991	544,946	-	-	1,050,991	544,946
Other	4,332,145	6,575,702	603,510	825,864	4,935,655	7,401,566
<b>Total revenue</b>	<b>192,905,223</b>	<b>187,716,677</b>	<b>6,220,494</b>	<b>5,011,278</b>	<b>199,125,717</b>	<b>192,727,955</b>
<b>Expenses</b>						
Legislative	606,763	576,094	-	-	606,763	576,094
Judicial	25,161,986	25,458,987	-	-	25,161,986	25,458,987
General government	23,391,700	22,617,109	-	-	23,391,700	22,617,109
Public safety	52,060,983	51,217,621	-	-	52,060,983	51,217,621
Public works	789,934	757,558	-	-	789,934	757,558
Health	43,139,351	41,041,193	-	-	43,139,351	41,041,193
Social services	34,412,727	31,556,019	-	-	34,412,727	31,556,019
Culture and recreation	9,057,274	8,995,250	-	-	9,057,274	8,995,250
Interest on long-term debt	3,295,572	2,878,426	-	-	3,295,572	2,878,426
Delinquent tax collections and related activities	-	-	1,612,267	1,793,495	1,612,267	1,793,495
<b>Total expenses</b>	<b>191,916,290</b>	<b>185,098,257</b>	<b>1,612,267</b>	<b>1,793,495</b>	<b>193,528,557</b>	<b>186,891,752</b>
Increase in net assets before transfers	988,933	2,618,420	4,608,227	3,217,783	5,597,160	5,836,203
<b>Transfers</b>	<b>2,553,846</b>	<b>1,622,955</b>	<b>(3,254,859)</b>	<b>(1,674,814)</b>	<b>(701,013)</b>	<b>(51,859)</b>
Increase in net assets	3,542,779	4,241,375	1,353,368	1,542,969	4,896,147	5,784,344
Net assets - beginning	179,227,902	174,986,527	11,628,842	10,085,873	190,856,744	185,072,400
<b>Net assets - ending</b>	<b>\$ 182,770,681</b>	<b>\$ 179,227,902</b>	<b>\$ 12,982,210</b>	<b>\$ 11,628,842</b>	<b>\$ 195,752,891</b>	<b>\$ 190,856,744</b>

The County's net assets increased by \$4.9 million during the current fiscal year; \$3.5 million increase for governmental activities and \$1.4 million increase for business-type activities.

**Governmental activities.** Overall, total revenues and transfers exceeded total expenses by over \$3.5 million, thereby accounting for 71.4 percent of the total growth in the net assets during 2008. Total revenues for governmental activities were \$5.2 million more than the prior year. Key elements of the increase are as follows:

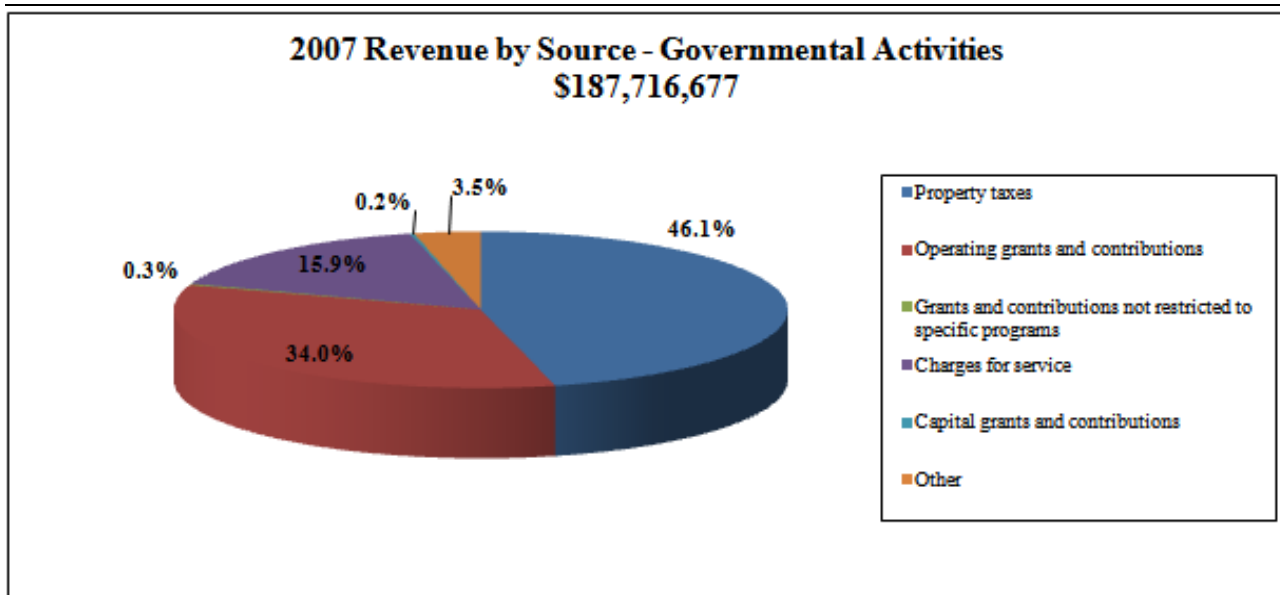
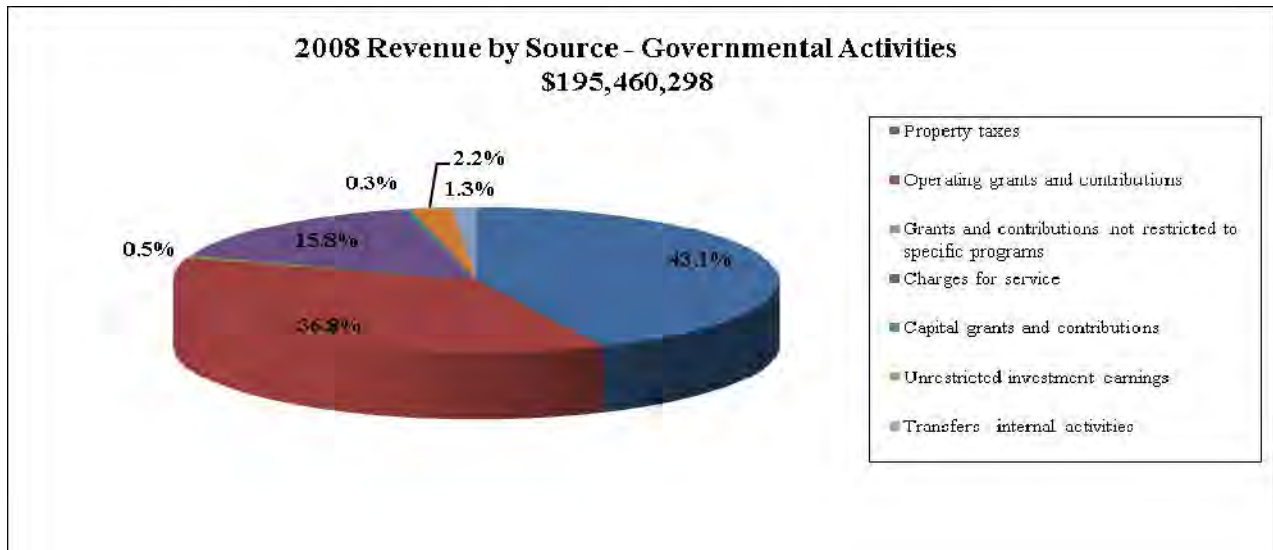
- Operating grants and contributions for governmental activities increased by \$8.1 million (12.7 percent) during the year. Grant awards and contributions furnished additional resources to supplement programs in the area of health, social services and general government activities.
- Charges for services increased by approximately \$0.9 million (3.2 percent) during the year. The public safety function provided the biggest increase to program revenue within this category because of the implementation of the revised methodology for police service contracts with local entities that recovers more of the actual costs than in the past.
- Other increases in revenues occurred totaling \$0.6 million for governmental activities. Grants and contributions not restricted to specific programs and capital grants and contributions for public safety increased by \$506,045 (31.5 percent) and \$134,603 (92.9 percent), respectively.
- Property taxes in 2008 decreased by approximately \$2.3 million (2.6 percent) compared to 2007. This decrease resulted from 2007 being the final year wherein the effects of the three year shift from a December 1 levy to a July 1 levy for the general operating millage of the County were felt.
- The other revenue category decreased by \$2.2 million (34.1 percent) due to a decline in unrestricted investment earnings.





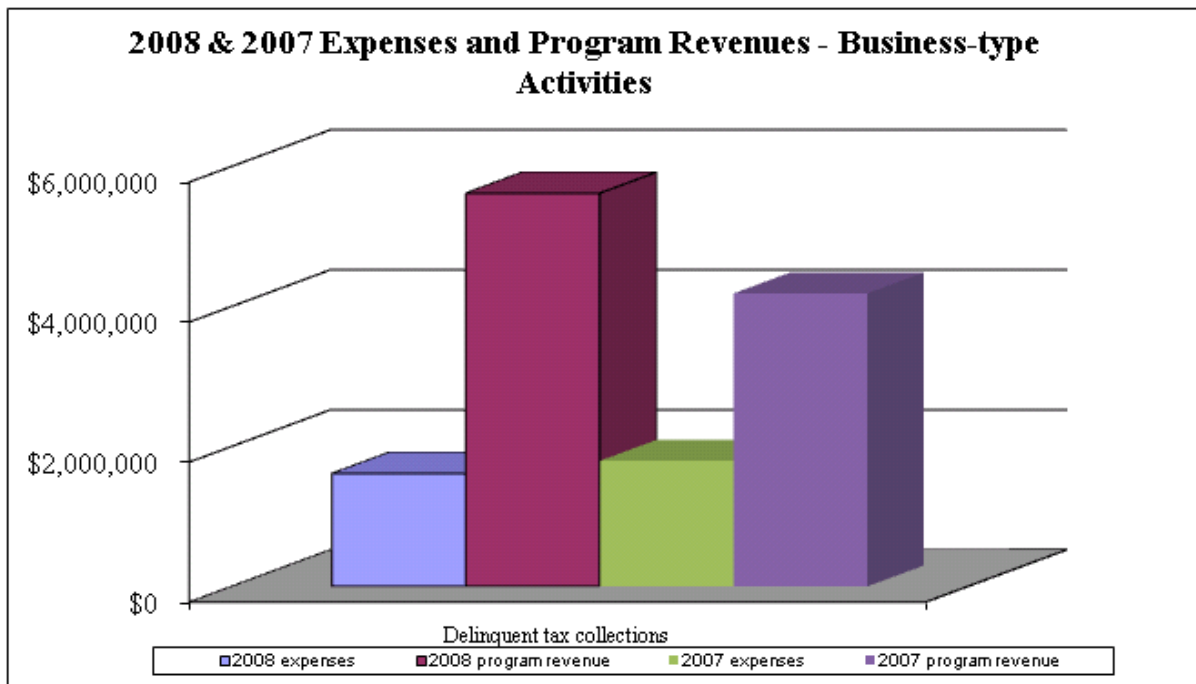
Overall, total expenses for governmental activities increased \$7.0 million during the year. The functional areas that comprise this increase are social services (\$2.9 million), health (\$2.1 million) and general government (\$0.9 million). Other increases occurred in the areas of public safety (\$843,362), interest on long-term debt (\$417,146), culture and recreation (\$62,024), public works (\$32,376) and legislative (\$30,669), but were offset by a decrease in the judicial (\$297,001) area.

Costs increased in social services area (9.1 percent) for children services, community development, employment training and community services, housing and homelessness, and workplace development initiatives. Cost increases in health activities (5.1 percent) for community support and treatment services for adult services, developmental disabilities, project outreach and youth and family services, public health functions for disease control and prevention, emergency preparedness, family health programs and medical examiner programs and general government (4.0 percent) activities. As stated above, other increases for public safety (1.7 percent) for Sheriff’s operations related to jail overcrowding, interest on long-term debt (14.5 percent), culture and recreation (.7 percent) for County park activities and operations, legislative for Board of Commissioner activities (5.3 percent), and public works functions (4.3 percent) were offset by a slight decrease for judicial functions (1.2 percent) for court activities and prosecuting attorney operations.



**Business-type activities.** Business-type activities increased the County’s net assets by approximately \$1.4 million. Key elements of the current year increase are as follows:

- Charges for services revenue for business-type activities increased \$1.4 million in comparison to the prior year due to higher delinquent tax and property foreclosure activity during 2008. Expenditures decreased by \$181,228 due to expenditure reductions for collection operations.
- The other revenue category decreased by \$222,354 (26.9 percent) during the year due to a decline in investment earnings.



**Financial Analysis of the County’s Funds**

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

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

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$139,602,168, an increase of \$2,986,963 in comparison with the prior year. Ninety-three percent of the ending fund balances are subject to the underlying limitations applicable to the particular special revenue, debt service and capital project funds. The other seven percent of this total amount, \$9,123,996, is *available for spending* at the government’s discretion only (general fund *unreserved, undesignated fund balance*). The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for community support and treatment services’ activities, land acquisition under the natural area preservation program, replacement of state revenue sharing, enhancements to emergency communication systems and for improvements to existing assets and new construction for capital projects, as well as for long-term advances and prepaid items.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$9,123,996, while total fund balance was \$9,188,331. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 8.7 percent of total general fund expenditures and transfers out. This level of fund balance in the general fund meets the Board of Commissioners formal adopted policy, as well as the Government Finance Officer's Association recommended practices. The fund balance of the general fund increased by \$530,950 during the current fiscal year because revenues and other sources were slightly higher than expenditures and other uses.

The financial position of the community support and treatment services fund decreased by \$700,001 during 2008. The planned use of fund balance was a result of the decision to reduce the level of general fund support to non-general fund departments. Total fund balance at the end of the year is \$346,465.

The parks and recreation fund had a total fund balance of \$23,581,261, which decreased \$1.1 million in the current year. This decrease was due to significant purchases of land related to the natural areas preservation program which is funded by a voter-approved millage. Fund balance will be used in subsequent years as the land acquisitions are completed.

The revenue sharing reserve fund had a total fund balance of \$30,595,294, a decrease of \$6.3 million during 2008. This fund is mandated by the State of Michigan and accounts for accelerated property tax collections that substitute state revenue sharing payments. Annual tax payments, each equal to 1/3 of the annual property tax levy, were placed in this fund over three years, 2004-2006. Beginning in 2004 the County started withdrawing monies from this fund equal to the fiscal 2004 state revenue sharing payments adjusted for inflation. The County will continue drawing down revenue sharing from the reserve fund using an inflationary factor over the prior year amount. This fund will decline just over \$6,000,000 per year in the future until the fund balance is exhausted.

The enhanced emergency communication system millage fund had a fund balance of \$1,560,322, an increase of \$709,408, at year end. This fund accounts for the resources, including a voter-approved millage beginning in 2007, accumulated and payments made for principal and interest on long-term general obligation debt that will finance acquisition, construction, renovation, maintenance and operation of an upgrade to the County's communication system.

The county capital projects fund accounts for renovations and modifications of existing facilities, new capital construction projects and the purchase of capital equipment. The county capital projects fund has a total fund balance of \$67,483,347. In addition, maintenance to existing facilities such as replacement of roof systems, carpeting, and other interior finishes are also funded by the county capital projects fund. The net increase in fund balance during the current year in the county capital projects fund was \$9,860,547 and is attributable to the issuance of capital improvement bonds in the amount of \$22.1 million to fund the construction of two buildings, a new district court in Saline and a new facility for the humane society.

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

Unrestricted net assets of the delinquent tax, other enterprise activities and internal service funds at the end of the year amounted to \$11,894,980, \$1,050,140 and \$2,173,288, respectively. The delinquent tax fund had an increase in net assets for the year of \$2,353,313, whereas the other enterprise activities had a decrease of \$999,945 and the internal service funds had an increase of \$947,934. Other factors concerning the finances of the delinquent tax fund have already been addressed in the discussion of the County's business-type activities.

## **General Fund Budgetary Highlights**

General fund revenues (including transfers in) decreased by \$0.8 million (.7%) from the original to the final budget. Taxes decreased by \$2.2 million to prepare for a flat level of revenue in property taxes over the prior year due to 2007 being the final year wherein the effects of the three year shift from a December 1 levy to a July 1 levy for the general operating millage of the County were felt. A corresponding adjustment was made to increase other financing sources for transfers in from the property foreclosure fund, as allowed under the revised state law, and from community support & treatment services and public health fund balances that were previously earmarked for a building renovation project that was reduced in scope. Charges for services were decreased by \$0.9 million for real estate transfers and fees and services in the clerk/register's office due to the housing market decline. There was also a budget increase of \$307,144 for emergency management performance reimbursements and for contributions from local entities in support of Medicaid ICA-based DSH payments to area hospitals. These funds are leveraged to increase indigent health care funding in the community. A corresponding adjustment was also made to transfers out for the Medicaid disproportionate share hospital (DSH) payments. Finally, other small increases and decreases in revenues also took place.

There was a corresponding \$0.8 million net decrease (.7%) between the original and final amended expenditure budget (including transfers out). The budget amount for public safety activities increased \$2.7 million for jail overcrowding (\$2.4 million), prosecuting attorney activities (\$0.3 million) for personnel services and a nominal increase occurred for emergency management activities. There was a net budget decrease of \$1.8 million for general government activities. Decreases in the amount of \$0.5 million were in the areas of planning (\$336,468), drain commissioner (\$88,650), treasurer's office (\$48,710) and information technology (\$33,189) primarily for personal services reductions. Increases in the amount of \$0.6 million were in the areas of clerk/register office (\$188,816), administration (\$183,996), finance (\$104,171), human resources (\$52,881) and equalization (\$44,180) primarily for personal services. The balance of the decrease was handled through an adjustment allocating costs to other non-general government departments. There was also a net budget increase of \$0.3 million for judicial activities for public defender (\$112,021), probate court-juvenile (\$90,162) and district court (\$87,261) primarily for personal services. To further explain the increases needed in the personal services area were a result of the original budget assuming a shift to the defined benefit retirement plan by the beginning of 2008, when actually the transition didn't start until the last quarter and will not be completed until after the first quarter of 2009. Therefore, a full year of anticipated savings was not realized and the final budgets were adjusted to reflect the full costs needed. Other small increases and decreases in expenditures also took place.

Also, there was a \$1.5 million decrease in the other financial uses budget for transfers out which partially offset the needed budget increases discussed above. The reduction in the level of general fund support to non-general fund departments through appropriation decreases were absorbed through position vacancies, revenue adjustments or other budget savings primarily in community support and treatment services, employment training and community services, environmental health, head start and public health. In addition, there was a \$0.7 million budget decrease in the other unallocated expenditure category because of operational cost containment efforts.

Overall, actual general fund revenues, including other financing sources, were more than the final budget. Actual general fund expenditures, including other financing uses, were less than the final budget. Actual revenues were higher than actual expenditures. This resulted in an increase in the actual fund balance of \$530,950, which was more than the final amended budget amount of \$250,000.

**Capital Asset and Debt Administration**

**Capital assets.** The County’s investment in capital assets for its governmental activities as of December 31, 2008, amounted to \$146,877,628 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment. The total increase in the County’s investment in capital assets for the current fiscal year was 14.4 percent. The County’s business-type activities have a nominal investment in capital assets in the amount of \$37,090 (net of accumulated depreciation) as of December 31, 2008.

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

- Parks and Recreation acquired land in the amount of \$6.8 million under the Natural Areas Preservation Program.
- Construction in progress at year end amounted to \$13.9 million. The County has active capital projects that include construction of two new district court buildings, enhancements to the emergency communications system, fiber network project, humane society building, and jail construction and improvements.
- Various building additions/improvements were completed during the year resulting in a net increase to capital assets of \$491,565.
- Other capital improvements, including landscaping and parking lot improvements, resulted in a net increase to capital assets of \$1.6 million.
- Machinery and equipment as of the close of the fiscal year had a balance of approximately \$5.0 million. The decrease of approximately \$1.0 million from the prior year is a result of a higher amount of asset retirements/disposals (primarily consisting of information and technology equipment, copiers and vehicles) than purchases.

**Washtenaw County’s Capital Assets**  
(net of depreciation)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 34,311,516	\$ 27,547,626	\$ -	\$ -	\$ 34,311,516	\$ 27,547,626
Construction in progress	13,915,765	3,293,607	-	-	13,915,765	3,293,607
Buildings	82,117,995	81,626,430	-	-	82,117,995	81,626,430
Improvements other than buildings	11,615,100	9,992,517	-	-	11,615,100	9,992,517
Machinery and equipment	4,917,252	5,963,941	37,090	17,841	4,954,342	5,981,782
<b>Total</b>	<u>\$ 146,877,628</u>	<u>\$ 128,424,121</u>	<u>\$ 37,090</u>	<u>\$ 17,841</u>	<u>\$ 146,914,718</u>	<u>\$ 128,441,962</u>

Additional information on the County’s capital assets can be found in note III.C on pages 63-66 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$118,115,000. This entire amount comprises debt backed by the full faith and credit of the County.

**Washtenaw County's Outstanding Debt**  
General Obligation

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 90,115,000	\$ 73,870,000	\$ -	\$ -	\$ 90,115,000	\$ 73,870,000
Delinquent tax notes	-	-	28,000,000	18,000,000	28,000,000	18,000,000
<b>Total</b>	<u>\$ 90,115,000</u>	<u>\$ 73,870,000</u>	<u>\$ 28,000,000</u>	<u>\$ 18,000,000</u>	<u>\$ 118,115,000</u>	<u>\$ 91,870,000</u>

The County's total debt increased by \$26,245,000 (29 percent) during the current fiscal year. The County retired debt of \$5,875,000 in general obligation bonds and \$18,000,000 in delinquent tax notes during 2008. The only new borrowing during the year was \$22,120,000 in general obligation bonds for governmental activities for capital improvement bonds and \$28,000,000 in delinquent tax notes for business-type activities. Debt service requirements for general obligation bonds of \$6,140,000 and interest of \$2,619,476 are payable during 2009. The principal payment for delinquent tax notes of \$28,000,000 and an interest payment of \$706,236 were due January 15, 2009.

The County has an "Aa2" rating for both general obligation bonds and tax notes from Moody's. The County has an "AA+" rating for both general obligation bonds and tax notes from Standard & Poor's. Finally, the County has a "F1+" rating for general obligation tax notes from Fitch.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$1,876,502,686 which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note III.G on pages 70-74 of this report.

**Economic Factors and Next Year's Budget and Rates**

The following factors were considered in preparing the County's budget for 2009 fiscal year:

- The Michigan economic downturn and stock market declines have a continuing impact on the County's fiscal operations. Stock market declines have increased the County's funding obligation for its defined benefit pension plans. This trend will continue, but beginning January 1, 2009, and as contracts are ratified by the County's union groups, all current and new employees will enter this retirement system that will provide "new" and ongoing funding that may lower the County's obligation into the future.

- The County completed labor negotiations with the various union groups and worked around the following parameters to negotiate a contract agreeable to all, as well as achieve long-term fiscal stability and ensuring that agreements balance. Negotiations focused on five and ten year financial projections, a move to a defined benefit pension program, cost savings through a number of alternative benefit options, and annual increases limited to zero to three percent.
- The unemployment rate for the County is currently 5.8%, just under a percent higher than a year ago. This compares favorably to the state's average unemployment rate of 8.4% and is in line with the national average rate of 5.8% for the first time in over a decade.
- Michigan has two constitutional laws that limit property tax growth to the rate of inflation or a maximum allowable increase in an assessment of 5.0%, whichever is smaller. For the 2009 budget the applicable inflation rate is 4.4%. Therefore, due to the laws that limit growth, the economy and housing market decline, property tax revenues are budgeted to decline by 1.5% in 2009.
- The State of Michigan has been dealing with projected budgetary shortfalls for the past five years and is projected to continue into the future. The State has passed legislation that provides a funding mechanism to serve as a substitute for state revenue sharing payments. Annually, the County may make use of amounts equal to 2006/07 State revenue sharing payments adjusted for inflation.
- The County has committed to maintaining a general fund balance that is at least 8.0% of operating expenditures.
- Financial trends in the region compare favorably to national indices. Analysis of revenue, expenditure, operating position, debt structure, unfunded liabilities, condition of capital plant, and community needs and resources indicators are examined across time to provide a framework for objective investigation.

### **Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Washtenaw County Finance Department, 220 North Main Street, P.O. Box 8645, Ann Arbor, Michigan 48107-8645.



**Basic Financial Statements**





**Government-wide Financial Statements**

**WASHTENAW COUNTY**  
**Statement of Net Assets**  
**December 31, 2008**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and pooled investments	\$ 147,297,138	\$ 18,791,943	\$ 166,089,081	\$ 19,775,911
Receivables, net	29,581,472	25,414,875	54,996,347	46,435,422
Internal balances	2,523,116	(2,523,116)	-	-
Prepaid items and other assets	2,751,914	-	2,751,914	1,512,916
Capital assets not being depreciated	48,227,281	-	48,227,281	27,025,230
Capital assets being depreciated, net	98,650,347	37,090	98,687,437	225,813,266
<b>Total assets</b>	<b>329,031,268</b>	<b>41,720,792</b>	<b>370,752,060</b>	<b>320,562,745</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	21,447,514	6,576	21,454,090	9,605,061
Accrued interest payable	787,770	711,399	1,499,169	327,364
Unearned revenue	14,997,517	-	14,997,517	-
Long-term liabilities:				
Due within one year	8,357,768	28,002,449	36,360,217	4,524,117
Due in more than one year	95,933,559	18,158	95,951,717	41,141,978
Other noncurrent liability - net other postemployment benefit liability	4,736,459	-	4,736,459	261,546
<b>Total liabilities</b>	<b>146,260,587</b>	<b>28,738,582</b>	<b>174,999,169</b>	<b>55,860,066</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	110,931,643	37,090	110,968,733	242,723,489
Restricted for:				
Debt service	1,574,673	-	1,574,673	478,273
Capital projects	6,311,162	-	6,311,162	9,213,076
Other purposes	266,968	-	266,968	-
Unrestricted	63,686,235	12,945,120	76,631,355	12,287,841
<b>Total net assets</b>	<b>\$ 182,770,681</b>	<b>\$ 12,982,210</b>	<b>\$ 195,752,891</b>	<b>\$ 264,702,679</b>

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Statement of Activities**  
**Year Ended December 31, 2008**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
Legislative	\$ 606,763	\$ -	\$ -	\$ -	\$ (606,763)
Judicial	25,161,986	4,094,645	6,822,618	-	(14,244,723)
General government	23,391,700	4,314,215	4,052,360	-	(15,025,125)
Public safety	52,060,983	14,734,612	3,283,173	562,620	(33,480,578)
Public works	789,934	-	585,032	-	(204,902)
Health	43,139,351	3,797,174	33,898,677	-	(5,443,500)
Social services	34,412,727	759,804	22,947,146	-	(10,705,777)
Culture and recreation	9,057,274	3,101,561	277,279	-	(5,678,434)
Interest on long-term debt	3,295,572	-	-	-	(3,295,572)
<b>Total governmental activities</b>	<b>191,916,290</b>	<b>30,802,011</b>	<b>71,866,285</b>	<b>562,620</b>	<b>(88,685,374)</b>
Business-type activities:					
Delinquent tax collection	1,159,047	5,216,222	-	-	4,057,175
Property foreclosure	442,955	382,509	-	-	(60,446)
Principal residence exemption	10,265	18,253	-	-	7,988
<b>Total business-type activities</b>	<b>1,612,267</b>	<b>5,616,984</b>	<b>-</b>	<b>-</b>	<b>4,004,717</b>
<b>Total primary government</b>	<b>\$ 193,528,557</b>	<b>\$ 36,418,995</b>	<b>\$ 71,866,285</b>	<b>\$ 562,620</b>	<b>\$ (84,680,657)</b>
<b>Component units</b>					
Department of Public Works Projects	\$ 2,074,873	\$ -	\$ -	\$ 1,745,235	\$ (329,638)
Drain Commissioner	1,612,037	158,605	-	1,337,598	(115,834)
Hazardous Materials Response Authority	80,545	39,238	20,000	-	(21,307)
Road Commission	29,192,352	-	64,195,449	-	35,003,097
<b>Total component units</b>	<b>\$ 32,959,807</b>	<b>\$ 197,843</b>	<b>\$ 64,215,449</b>	<b>\$ 3,082,833</b>	<b>\$ 34,536,318</b>

Continued...

**WASHTENAW COUNTY**  
**Statement of Activities (concluded)**  
**Year Ended December 31, 2008**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Changes in net assets</b>				
Net (expense) revenue	\$ (88,685,374)	\$ 4,004,717	\$ (84,680,657)	\$ 34,536,318
General revenues:				
Property taxes	84,291,171	-	84,291,171	-
Grants and contributions not restricted to specific programs	1,050,991	-	1,050,991	-
Unrestricted investment earnings	4,332,145	603,510	4,935,655	743,959
Transfers - internal activities	2,553,846	(3,254,859)	(701,013)	-
 Total general revenues and transfers	 92,228,153	 (2,651,349)	 89,576,804	 743,959
 Change in net assets	 3,542,779	 1,353,368	 4,896,147	 35,280,277
 Net assets, beginning of year	 179,227,902	 11,628,842	 190,856,744	 229,422,402
 <b>Net assets, end of year</b>	 \$ 182,770,681	 \$ 12,982,210	 \$ 195,752,891	 \$ 264,702,679

The accompanying notes are an integral part of these financial statements.



**Fund Financial Statements**

**WASHTENAW COUNTY**  
**Balance Sheet - Governmental Funds**  
**December 31, 2008**

	<u>General</u>	<u>Community Support &amp; Treatment Services</u>	<u>Parks and Recreation</u>	<u>Revenue Sharing Reserve</u>	<u>Enhanced Emergency Communication System Millage</u>
<b><u>ASSETS</u></b>					
<b>Assets</b>					
Cash and pooled investments	\$ 2,916,532	\$ 429,941	\$ 25,055,312	\$ 30,595,294	\$ 1,907,052
Receivables:					
Taxes - current	3,577,977	-	9,736,220	-	2,731,441
Taxes - delinquent	182,888	-	-	-	-
Accounts	701,663	1,217,201	-	-	-
Interfund receivable	-	-	-	-	-
Due from other funds	2,523,116	-	-	-	-
Due from other governments	1,601,082	52,774	-	-	-
Notes receivable	-	-	-	-	-
Advances to other funds	49,335	-	-	-	-
Prepaid items	15,000	17,924	-	-	-
	<u>\$ 11,567,593</u>	<u>\$ 1,717,840</u>	<u>\$ 34,791,532</u>	<u>\$ 30,595,294</u>	<u>\$ 4,638,493</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>Liabilities</b>					
Accounts payable	\$ 422,345	\$ 392,670	\$ 146,468	\$ -	\$ -
Retainages payable	-	-	-	-	-
Accrued liabilities	1,773,510	948,468	86,132	-	-
Due to other governments	-	28,609	-	-	-
Interfund payable	-	-	-	-	-
Deferred revenue	183,407	1,628	10,977,671	-	3,078,171
Advances from other governments	-	-	-	-	-
	<u>2,379,262</u>	<u>1,371,375</u>	<u>11,210,271</u>	<u>-</u>	<u>3,078,171</u>
<b>Fund balances</b>					
Reserved:					
Reserved for land acquisition	-	-	4,879,536	-	-
Reserved for long-term advances	49,335	-	-	-	-
Reserved for prepaid items	15,000	17,924	-	-	-
Unreserved:					
Undesignated	9,123,996	328,541	18,701,725	30,595,294	1,560,322
Undesignated, reported in nonmajor:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
	<u>9,188,331</u>	<u>346,465</u>	<u>23,581,261</u>	<u>30,595,294</u>	<u>1,560,322</u>
	<u>\$ 11,567,593</u>	<u>\$ 1,717,840</u>	<u>\$ 34,791,532</u>	<u>\$ 30,595,294</u>	<u>\$ 4,638,493</u>

The accompanying notes are an integral part of these financial statements.

<b>County Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 68,515,562	\$ 6,296,767	\$ 135,716,460
-	341,430	16,387,068
-	-	182,888
111,298	1,068,520	3,098,682
2,385,166	-	2,385,166
-	-	2,523,116
-	5,385,677	7,039,533
-	141,280	141,280
81,466	-	130,801
-	45,794	78,718
<u>\$ 71,093,492</u>	<u>\$ 13,279,468</u>	<u>\$ 167,683,712</u>
\$ 3,609,868	\$ 1,057,752	\$ 5,629,103
-	88,413	88,413
277	916,653	3,725,040
-	1,145,696	1,174,305
-	2,385,166	2,385,166
-	756,640	14,997,517
-	82,000	82,000
<u>3,610,145</u>	<u>6,432,320</u>	<u>28,081,544</u>
-	-	4,879,536
81,466	-	130,801
-	45,794	78,718
67,401,881	-	127,711,759
-	5,353,865	5,353,865
-	15,863	15,863
-	1,431,626	1,431,626
<u>67,483,347</u>	<u>6,847,148</u>	<u>139,602,168</u>
<u>\$ 71,093,492</u>	<u>\$ 13,279,468</u>	<u>\$ 167,683,712</u>

**WASHTENAW COUNTY**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**for Governmental Funds to Net Assets of**  
**Governmental Activities on the Statement of Net Assets**  
**December 31, 2008**

**Fund balances - total governmental funds** \$ 139,602,168

Amounts reported for *governmental activities* in the statement of net assets are different because:

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

Add - capital assets	191,011,451
Deduct - accumulated depreciation	(46,964,559)

Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.	2,219,231
--	-----------

Discounts and premiums on bonds are reported as other financing uses or sources in the governmental funds, whereas they are capitalized and amortized for net assets (and netted against bonds payable).

Add - bond discounts	55,594
Deduct - bond premiums	(463,175)

Deferred charges for bond issuance costs are currently expensed in the governmental funds, whereas they are capitalized and amortized for net assets.	1,381,801
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Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net assets (and netted against bonds payable).	916,986
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Internal service funds are used by management to charge the costs of certain activities such as insurance, worker's compensation, and building occupancy and maintenance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,004,024
--	-----------

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - bonds, notes and capital leases payable	(90,797,303)
Deduct - accrued interest on bonds payable	(787,770)
Deduct - other postemployment benefit obligation	(4,736,459)
Deduct - accrued compensated absences and other long-term liabilities	(13,671,308)
	(13,671,308)

**Net assets of governmental activities** \$ 182,770,681

The accompanying notes are an integral part of these financial statements.



**WASHTENAW COUNTY**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2008**

	<u>General</u>	<u>Community Support &amp; Treatment Services</u>	<u>Parks and Recreation</u>	<u>Revenue Sharing Reserve</u>	<u>Enhanced Emergency Communication System Millage</u>
<b>Revenues</b>					
Taxes	\$ 70,205,639	\$ -	\$ 10,740,529	\$ -	\$ 3,002,523
Licenses and permits	178,489	-	-	-	-
Intergovernmental	5,848,199	23,975,090	-	-	-
Charges for services	18,041,878	827,701	3,097,839	-	-
Fines and forfeits	1,045,732	-	-	-	-
Investment income (loss)	785,074	-	924,348	(14,858)	53,922
Other	1,467,791	495,141	152,353	-	-
Total revenues	<u>97,572,802</u>	<u>25,297,932</u>	<u>14,915,069</u>	<u>(14,858)</u>	<u>3,056,445</u>
<b>Expenditures</b>					
Current:					
Legislative	597,886	-	-	-	-
Judicial	17,246,115	-	-	-	-
General government	10,812,812	-	-	-	-
Public safety	45,051,719	-	-	-	-
Public works	-	-	-	-	-
Health	-	25,841,084	-	-	-
Social services	1,803,863	-	-	-	-
Culture and recreation	809,009	-	15,976,866	-	-
Other	6,293,261	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>82,614,665</u>	<u>25,841,084</u>	<u>15,976,866</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>14,958,137</u>	<u>(543,152)</u>	<u>(1,061,797)</u>	<u>(14,858)</u>	<u>3,056,445</u>
<b>Other financing sources (uses)</b>					
Issuance of bonds	-	-	-	-	-
Discount on bonds	-	-	-	-	-
Transfers in	8,678,199	543,151	-	-	-
Transfers out	(23,105,386)	(700,000)	-	(6,281,266)	(2,347,037)
Total other sources (uses)	<u>(14,427,187)</u>	<u>(156,849)</u>	<u>-</u>	<u>(6,281,266)</u>	<u>(2,347,037)</u>
Net change in fund balances	530,950	(700,001)	(1,061,797)	(6,296,124)	709,408
Fund balances -					
Beginning of year	<u>8,657,381</u>	<u>1,046,466</u>	<u>24,643,058</u>	<u>36,891,418</u>	<u>850,914</u>
<b>End of year</b>	<u>\$ 9,188,331</u>	<u>\$ 346,465</u>	<u>\$ 23,581,261</u>	<u>\$ 30,595,294</u>	<u>\$ 1,560,322</u>

The accompanying notes are an integral part of these financial statements.

<u>County Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 342,480	\$ 84,291,171
-	2,137,559	2,316,048
104,838	38,627,316	68,555,443
357,667	4,148,356	26,473,441
-	206,986	1,252,718
2,160,024	168,498	4,077,008
517,177	3,492,022	6,124,484
<u>3,139,706</u>	<u>49,123,217</u>	<u>193,090,313</u>
-	-	597,886
-	6,887,237	24,133,352
-	1,300,613	12,113,425
-	5,895,700	50,947,419
-	785,662	785,662
-	16,340,898	42,181,982
-	30,605,838	32,409,701
-	959,057	17,744,932
-	-	6,293,261
-	5,894,476	5,894,476
-	2,947,632	2,947,632
365,355	-	365,355
17,682,440	652,818	18,335,258
<u>18,047,795</u>	<u>72,269,931</u>	<u>214,750,341</u>
<u>(14,908,089)</u>	<u>(23,146,714)</u>	<u>(21,660,028)</u>
22,120,000	-	22,120,000
(22,855)	-	(22,855)
10,271,648	24,971,025	44,464,023
(7,600,157)	(1,880,331)	(41,914,177)
<u>24,768,636</u>	<u>23,090,694</u>	<u>24,646,991</u>
9,860,547	(56,020)	2,986,963
<u>57,622,800</u>	<u>6,903,168</u>	<u>136,615,205</u>
<u>\$ 67,483,347</u>	<u>\$ 6,847,148</u>	<u>\$ 139,602,168</u>

**WASHTENAW COUNTY**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Year Ended December 31, 2008**

**Net change in fund balances - total governmental funds** \$ 2,986,963

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	23,030,290
Deduct - depreciation expense	(4,438,439)
Deduct - loss on disposal of capital assets	(109,899)

Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.	(440,226)
--	-----------

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Deduct - bond proceeds	(22,120,000)
Add - bond issuance costs	365,355
Add - discount on bonds	22,855
Add - principal payments on long-term liabilities	5,894,476
Add - principal payments on capital leases	361,060

Accrued interest expense on bonds and the amortization of bond issuance costs, discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net assets:

Deduct - Accrued interest expense	(157,224)
Deduct - Amortization of bond issuance costs	(120,940)
Deduct - Amortization of discount on bonds	(4,760)
Add - Amortization of premium on bonds	55,443
Deduct - Amortization of deferred loss on refunding	(120,458)

Internal service funds are used by management to charge the costs of certain activities such as insurance, workers' compensation, and building occupancy and maintenance to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.

Add - net operating income from governmental activities in internal service funds	744,898
Add - interest revenue from governmental internal service funds	255,137
Deduct - net loss on disposal of capital assets in governmental internal service funds	(56,101)
Add - net transfer from governmental internal service fund to debt service fund	4,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Deduct - increase in other postemployment benefit obligation	(2,424,552)
Deduct - increase in accrual for accrued compensated absences	(185,099)

**Change in net assets of governmental activities** \$ 3,542,779

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2008**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 72,344,441	\$ 70,144,441	\$ 70,205,639	\$ 61,198
Licenses and permits	136,200	136,200	178,489	42,289
Intergovernmental	5,082,562	5,389,706	5,848,199	458,493
Charges for services	19,059,975	18,159,975	18,041,878	(118,097)
Fines and forfeits	1,262,100	1,062,100	1,045,732	(16,368)
Investment income	754,400	754,400	785,074	30,674
Other	1,740,811	1,741,469	1,467,791	(273,678)
<b>Total revenues</b>	<b>100,380,489</b>	<b>97,388,291</b>	<b>97,572,802</b>	<b>184,511</b>
<b>Expenditures</b>				
Legislative -				
Board of commissioners	602,318	601,833	597,886	3,947
Judicial:				
Circuit court	4,523,088	4,546,159	4,510,710	35,449
District court	5,201,850	5,289,111	5,251,947	37,164
Probate court	1,213,921	1,212,078	1,187,632	24,446
Probate court - juvenile	3,022,547	3,112,709	3,101,347	11,362
Probation department	220,966	210,966	200,989	9,977
Public defender	2,894,414	3,006,435	2,993,490	12,945
<b>Total judicial</b>	<b>17,076,786</b>	<b>17,377,458</b>	<b>17,246,115</b>	<b>131,343</b>
General government:				
Information technology	7,321,383	7,288,194	7,189,122	99,072
Building authority	7,325	7,325	5,475	1,850
Clerk / Register	4,817,811	5,006,627	4,777,409	229,218
Human resources	1,705,364	1,758,245	1,719,029	39,216
Drain commissioner	2,553,973	2,465,323	2,445,709	19,614
Equalization	1,461,287	1,505,467	1,479,633	25,834
Planning	2,128,080	1,791,612	1,702,305	89,307
Finance	2,985,035	3,089,206	3,013,315	75,891
Corporation counsel	263,451	265,592	262,156	3,436
Treasurer	1,301,329	1,252,619	1,258,034	(5,415)
Administrator	1,071,207	1,255,203	1,237,777	17,426
Allocated to other departments	(12,561,598)	(14,414,953)	(14,277,152)	(137,801)
<b>Total general government</b>	<b>13,054,647</b>	<b>11,270,460</b>	<b>10,812,812</b>	<b>457,648</b>

Continued...

**WASHTENAW COUNTY**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual (Concluded)**  
**General Fund**  
**Year Ended December 31, 2008**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Public safety:				
Emergency management	\$ 445,717	\$ 489,727	\$ 486,957	\$ 2,770
Sheriff	36,852,594	39,247,035	39,001,138	245,897
Prosecuting attorney	5,282,188	5,581,804	5,563,624	18,180
Total public safety	<u>42,580,499</u>	<u>45,318,566</u>	<u>45,051,719</u>	<u>266,847</u>
Social services:				
Children's services	1,134,170	1,081,622	1,039,743	41,879
Veterans counselor	682,030	769,803	764,120	5,683
Total social services	<u>1,816,200</u>	<u>1,851,425</u>	<u>1,803,863</u>	<u>47,562</u>
Culture - county extension	692,038	820,685	809,009	11,676
Other unallocated expenditures	6,748,838	6,098,331	6,293,261	(194,930)
Total expenditures	<u>82,571,326</u>	<u>83,338,758</u>	<u>82,614,665</u>	<u>724,093</u>
Revenues over expenditures	<u>17,809,163</u>	<u>14,049,533</u>	<u>14,958,137</u>	<u>908,604</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,172,040	9,392,040	8,678,199	(713,841)
Transfers out	(24,731,203)	(23,191,573)	(23,105,386)	86,187
Total other sources (uses)	<u>(17,559,163)</u>	<u>(13,799,533)</u>	<u>(14,427,187)</u>	<u>(627,654)</u>
Net change in fund balance	250,000	250,000	530,950	280,950
Fund balance, beginning of year	8,657,381	8,657,381	8,657,381	-
<b>Fund balance, end of year</b>	<u>\$ 8,907,381</u>	<u>\$ 8,907,381</u>	<u>\$ 9,188,331</u>	<u>\$ 280,950</u>

The accompanying notes are an integral part of these financial statements:

**WASHTENAW COUNTY**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**Community Support & Treatment Services**  
**Special Revenue Fund**  
**Year Ended September 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 20,880,402	\$ 23,993,545	\$ 23,975,090	\$ (18,455)
Charges for services	932,890	932,890	827,701	(105,189)
Other	501,200	541,657	495,141	(46,516)
	<u>22,314,492</u>	<u>25,468,092</u>	<u>25,297,932</u>	<u>(170,160)</u>
<b>Expenditures</b>				
Health	<u>24,946,443</u>	<u>26,014,422</u>	<u>25,841,084</u>	<u>173,338</u>
Revenues over (under) expenditures	<u>(2,631,951)</u>	<u>(546,330)</u>	<u>(543,152)</u>	<u>3,178</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,480,930	546,329	543,151	(3,178)
Transfers out	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Total other sources (uses)	<u>2,480,930</u>	<u>(153,671)</u>	<u>(156,849)</u>	<u>(3,178)</u>
Net change in fund balance	(151,021)	(700,001)	(700,001)	-
Fund balance, beginning of year	<u>1,046,466</u>	<u>1,046,466</u>	<u>1,046,466</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 895,445</u></u>	<u><u>\$ 346,465</u></u>	<u><u>\$ 346,465</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**Parks and Recreation Special Revenue Fund**  
**Year Ended December 31, 2008**

	<u>Budget</u>		<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 9,994,327	\$ 9,994,327	\$ 10,740,529	\$ 746,202
Charges for services	3,125,000	3,114,000	3,097,839	(16,161)
Investment income	300,000	300,000	924,348	624,348
Other	4,000	15,000	152,353	137,353
	<u>13,423,327</u>	<u>13,423,327</u>	<u>14,915,069</u>	<u>1,491,742</u>
<b>Expenditures</b>				
Culture and recreation	<u>15,417,022</u>	<u>20,357,022</u>	<u>15,976,866</u>	<u>4,380,156</u>
Net change in fund balance	(1,993,695)	(6,933,695)	(1,061,797)	5,871,898
Fund balance, beginning of year	<u>24,643,058</u>	<u>24,643,058</u>	<u>24,643,058</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 22,649,363</u></u>	<u><u>\$ 17,709,363</u></u>	<u><u>\$ 23,581,261</u></u>	<u><u>\$ 5,871,898</u></u>

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**Revenue Sharing Reserve Fund**  
**Year Ended December 31, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income (loss)	\$ 755,217	\$ 755,217	\$ (14,858)	\$ (770,075)
<b>Other financing (uses)</b>				
Transfers out	<u>(6,268,986)</u>	<u>(6,268,986)</u>	<u>(6,281,266)</u>	<u>(12,280)</u>
Net change in fund balance	(5,513,769)	(5,513,769)	(6,296,124)	(782,355)
Fund balance, beginning of year	<u>36,891,418</u>	<u>36,891,418</u>	<u>36,891,418</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 31,377,649</u></u>	<u><u>\$ 31,377,649</u></u>	<u><u>\$ 30,595,294</u></u>	<u><u>\$ (782,355)</u></u>

The accompanying notes are an integral part of these financial statements.



**WASHTENAW COUNTY**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**Enhanced Emergency Communication System Millage**  
**Special Revenue Fund**  
**Year Ended December 31, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ -	\$ 3,071,984	\$ 3,002,523	\$ (69,461)
Investment income	-	-	53,922	53,922
	-	3,071,984	3,056,445	(15,539)
<b>Other financing (uses)</b>				
Transfers out	-	(2,206,198)	(2,347,037)	(140,839)
	-	865,786	709,408	(156,378)
Fund balance, beginning of year	850,914	850,914	850,914	-
<b>Fund balance, end of year</b>	<u>\$ 850,914</u>	<u>\$ 1,716,700</u>	<u>\$ 1,560,322</u>	<u>\$ (156,378)</u>

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2008**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 17,714,620	\$ 1,077,323	\$ 18,791,943	\$ 11,580,678
Receivables:				
Delinquent taxes	21,225,680	-	21,225,680	-
Interest and collection fees	4,039,195	-	4,039,195	-
Accounts	-	-	-	195,752
Due from other governments	-	-	-	317,038
Due from component units	150,000	-	150,000	-
Inventories	-	-	-	63,829
Prepaid items	-	-	-	1,227,566
Total current assets	43,129,495	1,077,323	44,206,818	13,384,863
Noncurrent assets -				
Capital assets, net	-	37,090	37,090	2,830,736
Total assets	43,129,495	1,114,413	44,243,908	16,215,599
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	-	-	7,858,101
Accrued liabilities	-	6,576	6,576	2,890,552
Due to other funds	2,523,116	-	2,523,116	-
Interest payable	711,399	-	711,399	-
Accrued compensated absences, current portion	-	2,449	2,449	-
General obligation notes payable	28,000,000	-	28,000,000	-
Total current liabilities	31,234,515	9,025	31,243,540	10,748,653
Long-term liabilities:				
Accrued compensated absences	-	18,158	18,158	332,121
Advances from other funds	-	-	-	130,801
Total long-term liabilities	-	18,158	18,158	462,922
Total liabilities	31,234,515	27,183	31,261,698	11,211,575
<b>Net assets</b>				
Invested in capital assets	-	37,090	37,090	2,830,736
Unrestricted	11,894,980	1,050,140	12,945,120	2,173,288
Total net assets	\$ 11,894,980	\$ 1,087,230	\$ 12,982,210	\$ 5,004,024

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Statement of Revenues, Expenses and**  
**Changes in Net Assets**  
**Proprietary Funds**  
**Year Ended December 31, 2008**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Delinquent Tax Revolving</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>Operating revenues</b>				
Charges for services	\$ -	\$ 382,509	\$ 382,509	\$ 43,433,346
Interest charges	3,629,380	18,253	3,647,633	-
Collection fees on taxes	1,586,842	-	1,586,842	-
Total operating revenues	<u>5,216,222</u>	<u>400,762</u>	<u>5,616,984</u>	<u>43,433,346</u>
<b>Operating expenses</b>				
Personnel services	755	270,401	271,156	3,104,021
Contractual services	86,498	56,822	143,320	555,463
Supplies	-	55,978	55,978	1,771,673
Occupancy	-	-	-	2,792,401
Telephone	-	522	522	685,510
Equipment repair and rental	-	3,151	3,151	805,193
Building repair and rental	-	-	-	212,294
Benefits and insurance premiums	-	-	-	23,459,151
Other	-	60,360	60,360	8,331,467
Depreciation	-	5,986	5,986	971,275
Total operating expenses	<u>87,253</u>	<u>453,220</u>	<u>540,473</u>	<u>42,688,448</u>
Operating income (loss)	<u>5,128,969</u>	<u>(52,458)</u>	<u>5,076,511</u>	<u>744,898</u>
<b>Nonoperating income (expense)</b>				
Investment earnings	550,997	52,513	603,510	255,137
Interest expense and fiscal charges	(1,071,794)	-	(1,071,794)	-
Loss on disposal of equipment	-	-	-	(56,101)
Total nonoperating income (expense)	<u>(520,797)</u>	<u>52,513</u>	<u>(468,284)</u>	<u>199,036</u>
Income before transfers	4,608,172	55	4,608,227	943,934
<b>Transfers in</b>	-	-	-	4,000
<b>Transfers out</b>	<u>(2,254,859)</u>	<u>(1,000,000)</u>	<u>(3,254,859)</u>	<u>-</u>
Change in net assets	2,353,313	(999,945)	1,353,368	947,934
Net assets, beginning of year	<u>9,541,667</u>	<u>2,087,175</u>	<u>11,628,842</u>	<u>4,056,090</u>
<b>Net assets, end of year</b>	<u>\$ 11,894,980</u>	<u>\$ 1,087,230</u>	<u>\$ 12,982,210</u>	<u>\$ 5,004,024</u>

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2008**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Delinquent Tax Revolving</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 29,467,347	\$ 400,762	\$ 29,868,109	\$ 112,728
Cash received from interfund services	-	-	-	43,241,013
Cash payments for delinquent taxes	(32,041,647)	-	(32,041,647)	-
Cash payments to employees	(3,057)	(257,857)	(260,914)	(3,242,642)
Cash payments to suppliers	(86,498)	(182,819)	(269,317)	(31,254,090)
Cash payments for interfund services	-	-	-	(256,612)
Net cash provided (used) by operating activities	<u>(2,663,855)</u>	<u>(39,914)</u>	<u>(2,703,769)</u>	<u>8,600,397</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers in	-	-	-	4,000
Transfers out	(2,254,859)	(1,000,000)	(3,254,859)	-
Advances from other funds	-	-	-	(46,986)
Proceeds from issuing long term debt	28,000,000	-	28,000,000	-
Principal paid on long term debt	(18,000,000)	-	(18,000,000)	-
Interest paid on long term debt	(1,127,225)	-	(1,127,225)	-
Net cash provided (used) by noncapital financing activities	<u>6,617,916</u>	<u>(1,000,000)</u>	<u>5,617,916</u>	<u>(42,986)</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of equipment	-	-	-	139,950
Payments for equipment acquisitions	-	(25,235)	(25,235)	(1,138,882)
Net cash used by capital and related financing activities	<u>-</u>	<u>(25,235)</u>	<u>(25,235)</u>	<u>(998,932)</u>
<b>Cash flows from investing activities</b>				
Investment income	<u>550,997</u>	<u>52,513</u>	<u>603,510</u>	<u>255,138</u>
Net increase (decrease) in cash and cash equivalents	4,505,058	(1,012,636)	3,492,422	7,813,617
Cash and cash equivalents, beginning of year	<u>13,209,562</u>	<u>2,089,959</u>	<u>15,299,521</u>	<u>3,767,061</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 17,714,620</u>	<u>\$ 1,077,323</u>	<u>\$ 18,791,943</u>	<u>\$ 11,580,678</u>

Continued...

**WASHTENAW COUNTY**  
**Statement of Cash Flows (concluded)**  
**Proprietary Funds**  
**Year Ended December 31, 2008**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Delinquent Tax Revolving</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 5,128,969	\$ (52,458)	\$ 5,076,511	\$ 744,898
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	5,986	5,986	971,275
Changes in assets and liabilities:				
Receivables	(8,352,286)	-	(8,352,286)	(58,786)
Due from other governments	(120,000)	-	(120,000)	(11,786)
Inventories	-	-	-	35,046
Prepaid items	-	-	-	(427,110)
Accounts payable	-	-	-	7,328,801
Accrued liabilities	(2,302)	1,400	(902)	46,064
Due to other funds	681,764	-	681,764	-
Accrued compensated absences	-	5,158	5,158	(28,005)
Net cash provided (used) by operating activities	<u>\$ (2,663,855)</u>	<u>\$ (39,914)</u>	<u>\$ (2,703,769)</u>	<u>\$ 8,600,397</u>

The accompanying notes are an integral part of these financial statements

**WASHTENAW COUNTY**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2008**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Fund</b>
	<b>Trust Funds</b>	<b>Fund</b>
<b>Assets</b>		
Cash and pooled investments	\$ 1,313,088	\$ 15,097,779
Investments, at fair value:		
Equities	72,106,176	-
United States treasuries	1,306,125	-
United States treasury strips	10,280,883	-
United States agencies	26,326,750	-
Corporate securities	15,856,444	-
Multi-strategy mutual fund	3,759,783	-
Real estate securities	5,784,952	-
Mutual funds	39,443,436	-
Money market funds	33,636,318	-
Accounts receivable	93,883	-
Contributions receivable	7,003,342	-
Accrued interest and dividends	365,296	-
	217,276,476	\$ 15,097,779
Total assets	217,276,476	\$ 15,097,779
<b>Liabilities</b>		
Accounts payable	143,846	\$ -
Accrued liabilities	2,758,127	-
Undistributed receipts	-	15,097,779
	2,901,973	\$ 15,097,779
Total liabilities	2,901,973	\$ 15,097,779
<b>Net assets</b>		
Held in trust for pension and other employee benefits	\$ 214,374,503	

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Statement of Changes in Fiduciary Net Assets**  
**Pension and Other Employee Benefit Trust Funds**  
**Year Ended December 31, 2008**

**Additions**

Investment income (loss):		
<i>From investing activities:</i>		
Net depreciation in fair value of investments	\$	(73,195,005)
Interest and dividends		7,916,645
Investment management fees		(821,154)
Net loss from investing activities		<u>(66,099,514)</u>
<i>From securities lending activities:</i>		
Gross earnings		818,032
Borrower rebates		(600,470)
Securities fees		(89,561)
Net income from securities lending activities		<u>128,001</u>
Total net investment loss		<u>(65,971,513)</u>
Contributions:		
Employer		19,678,441
Employees		4,090,000
On behalf - federal Medicare Part D subsidy		304,606
Total contributions		<u>24,073,047</u>
Other additions:		
Transfers from defined contribution plan		32,825,768
Other		32
Total other additions		<u>32,825,800</u>
Net investment loss in excess of contributions		<u>(9,072,666)</u>

**Deductions**

Participant benefits		22,669,230
Payments to terminated participants		3,179,658
Transfers to defined benefit plan		32,825,768
Administrative expenses		654,473
Total deductions		<u>59,329,129</u>

**Net additions (deductions) to net assets held in trust**

Employees' pension benefits	\$	(60,512,304)	
Postemployment healthcare benefits		(8,095,960)	
Other employee benefits		206,469	
Total net deductions to net assets held in trust			<u>(68,401,795)</u>

Net assets held in trust for benefits, beginning of year	<u>282,776,298</u>
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**Net assets held in trust for benefits, end of year**

Restricted for employees' pension benefits	170,991,821	
Restricted for employees' postemployment healthcare benefits	42,264,149	
Restricted for other employees' benefits	<u>1,118,533</u>	
Total net assets held in trust for benefits, end of year		<u>\$ 214,374,503</u>

The accompanying notes are an integral part of these financial statements.

**WASHTENAW COUNTY**  
**Combining Statement of Net Assets**  
**Component Units**  
**December 31, 2008**

	<b>Department of Public Works Projects</b>	<b>Drain Commissioner</b>	<b>Hazardous Materials Response Authority</b>	<b>Road Commission</b>	<b>Total</b>
<b>Assets</b>					
Cash and pooled investments	\$ 2,107,245	\$ 9,035,928	\$ 90,906	\$ 8,541,832	\$ 19,775,911
Receivables, net	36,429,861	5,880,548	-	4,125,013	46,435,422
Prepaid items and other assets	321,805	63,900	-	1,127,211	1,512,916
Capital assets not being depreciated	-	2,478,624	-	24,546,606	27,025,230
Capital assets being depreciated, net	-	18,915,334	-	206,897,932	225,813,266
<b>Total assets</b>	<b>38,858,911</b>	<b>36,374,334</b>	<b>90,906</b>	<b>245,238,594</b>	<b>320,562,745</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	182,386	4,721,365	-	4,701,310	9,605,061
Accrued interest payable	243,335	49,421	-	34,608	327,364
Long-term liabilities:					
Due within one year	2,845,000	828,334	-	850,783	4,524,117
Due in more than one year	31,562,450	6,307,687	-	3,271,841	41,141,978
Other noncurrent liability - net other postemployment benefit liability	-	-	-	261,546	261,546
<b>Total liabilities</b>	<b>34,833,171</b>	<b>11,906,807</b>	<b>-</b>	<b>9,120,088</b>	<b>55,860,066</b>
<b>Net assets</b>					
Invested in capital assets, net of related debt	-	14,257,937	-	228,465,552	242,723,489
Restricted for:					
Debt service	7,629	470,644	-	-	478,273
Acquisition/construction of capital assets	4,018,111	5,194,965	-	-	9,213,076
Unrestricted	-	4,543,981	90,906	7,652,954	12,287,841
<b>Total net assets</b>	<b>\$ 4,025,740</b>	<b>\$ 24,467,527</b>	<b>\$ 90,906</b>	<b>\$ 236,118,506</b>	<b>\$ 264,702,679</b>

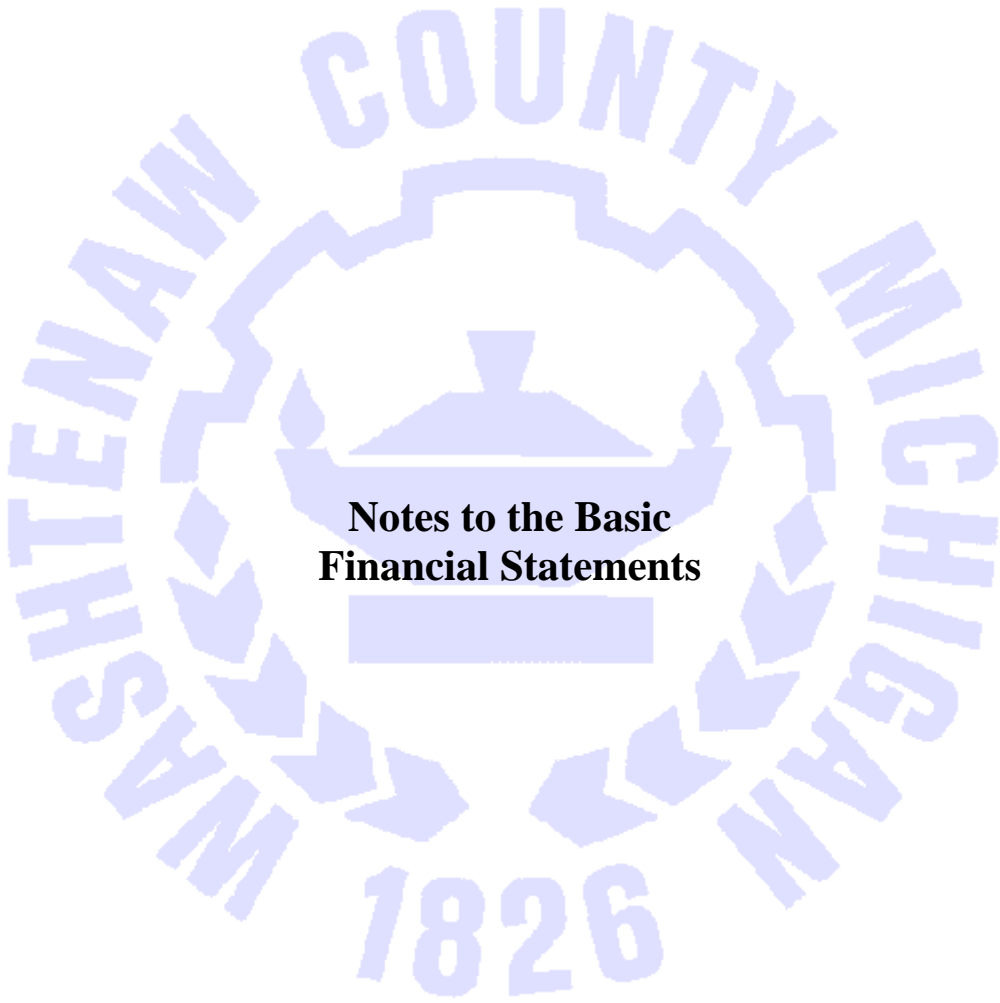
The accompanying notes are an integral part of these financial statements.



**WASHTENAW COUNTY**  
**Combining Statement of Activities**  
**Component Units**  
**Year Ended December 31, 2008**

	<b>Department of Public Works Projects</b>	<b>Drain Commissioner</b>	<b>Hazardous Materials Response Authority</b>	<b>Road Commissioner</b>	<b>Total</b>
<b>Expenses</b>					
Public safety	\$ -	\$ -	\$ 80,545	\$ -	\$ 80,545
Public works	2,074,873	1,612,037	-	-	3,686,910
Highways and streets	-	-	-	29,192,352	29,192,352
Total expenses	<u>2,074,873</u>	<u>1,612,037</u>	<u>80,545</u>	<u>29,192,352</u>	<u>32,959,807</u>
<b>Program revenue:</b>					
Charges for services	-	158,605	39,238	-	197,843
Operating grants and contributions	-	-	20,000	64,195,449	64,215,449
Capital grants and contributions	<u>1,745,235</u>	<u>1,337,598</u>	<u>-</u>	<u>-</u>	<u>3,082,833</u>
Total program revenues	<u>1,745,235</u>	<u>1,496,203</u>	<u>59,238</u>	<u>64,195,449</u>	<u>67,496,125</u>
Net program (expense) revenue	(329,638)	(115,834)	(21,307)	35,003,097	34,536,318
<b>General revenue:</b>					
Unrestricted investment earnings	<u>79,314</u>	<u>313,784</u>	<u>3,099</u>	<u>347,762</u>	<u>743,959</u>
Change in net assets	(250,324)	197,950	(18,208)	35,350,859	35,280,277
Net assets, beginning of year	<u>4,276,064</u>	<u>24,269,577</u>	<u>109,114</u>	<u>200,767,647</u>	<u>229,422,402</u>
<b>Net assets, end of year</b>	<u>\$ 4,025,740</u>	<u>\$ 24,467,527</u>	<u>\$ 90,906</u>	<u>\$ 236,118,506</u>	<u>\$ 264,702,679</u>

The accompanying notes are an integral part of these financial statements.



**Notes to the Basic  
Financial Statements**

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Washtenaw County, Michigan (the “County” or “government”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

#### A. Reporting Entity

Washtenaw County is a municipal corporation governed by an 11-member commission and administered by an appointed county administrator. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government’s operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The blended and discretely presented component units have December 31 year ends.

#### Blended Component Unit

The *Washtenaw County Building Authority* is governed by a five-member board appointed by the Board of Commissioners. The Building Authority is reported as if it was part of the primary government because its sole purpose is to finance and construct the County’s public buildings.

#### Discretely Presented Component Units

The *Washtenaw County Department of Public Works Projects* is managed by the Board of Public Works, a seven-member board appointed by the County Board of Commissioners. The Board of Public Works is responsible for administering various public works construction projects and the associated debt service funds on behalf of local units of government within the County under the provisions of Act 185, Public Acts of 1957, as amended. All of the Board of Public Works’ contractual agreements including bond issuances require County Board of Commissioners approval. The full faith and credit of the County is given for the long-term debt of these projects.

Each of the drainage districts included in the financial statements of the *Washtenaw County Drain Commissioner* are separate legal entities with the power to contract; to sue and to be sued; and to hold, manage and dispose of real and personal property. The Statutory Drain Board consists of the Drain Commissioner, the Chair of the County Board of Commissioners, and one other member of the Board of Commissioners. The Drain Commissioner is responsible for the construction and maintenance of storm drains within the County. The full faith and credit of the County is often given for the long-term debt of the drainage districts.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The *Washtenaw County Hazardous Materials Response Team Authority (WCHMRTA)* is managed by an 11-member board composed of a representative from each of the five enabling jurisdictions (Washtenaw County, City of Ann Arbor, City of Ypsilanti, Pittsfield Township and Ypsilanti Township) appointed by their governing bodies, three representatives appointed by the Mutual Aid Association, and one member each from the Criminal Justice Association, Washtenaw County Public Health Department, and Huron Valley Ambulance. A Technical Advisory Committee supports the Board. The WCHMRTA was formed to develop and manage a county wide hazardous material response team. The Washtenaw County Board of Commissioners approves the operating budget and the Authority has delegated fiscal powers to the County.

The *Washtenaw County Brownfield Redevelopment Authority (WCBRA)* is governed by a nine-member board appointed by the Washtenaw County Board of Commissioners. Its purpose is to encourage and support the redevelopment of under-utilized and environmentally contaminated properties in partnership with member communities in Washtenaw County. The WCBRA is currently administered and funded through the Office of Strategic Planning (formerly Department of Planning and Environment). The County Board of Commissioners approves the Office of Strategic Planning's budget. The WCBRA had minimal financial activity during 2008; therefore, no separate financial report was issued.

The *Washtenaw County Road Commission* is responsible for the maintenance and construction of the county road system in Washtenaw County. It is governed by a three-member board appointed by the County Board of Commissioners. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. The Road Commission deposits its receipts with and has investments through the County.

Complete financial statements for each of the discretely presented component units can be obtained directly from their respective administrative offices, as follows:

Department of Public Works 705 North Zeeb Road Ann Arbor, MI 48107	Drain Commissioner 705 North Zeeb Road Ann Arbor, MI 48107	WCHMRTA 220 North Main Street Ann Arbor, MI 48107	Road Commission 555 North Zeeb Road Ann Arbor, MI 48106
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### **Funds with Another Year End**

The Community Support & Treatment Services Fund and Public Health Fund (special revenue funds of the County) are reported on a September 30 year end in order to enhance the value of this document to certain readers and users.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

The *community support and treatment services fund* accounts for the activities of delivering an array of mental health services to residents.

The *parks and recreation fund* accounts for the operations of the County-owned parks and recreational facilities and for the millage approved by County voters for the purchase of natural areas within the County.

The *revenue sharing reserve fund* is mandated by the State of Michigan and accounts for property tax collections to serve as a substitute to state revenue sharing payments. This substitute funding mechanism involves a gradual shift of County property tax millage from a winter tax levy to a summer tax levy. The collections shift was completed during 2007 when the entire tax levy was assessed in July.

The *enhanced emergency communication system millage fund* accounts for the resources, including a voter-approved millage that began in 2007, accumulated and payments made for principal and interest on long-term general obligation debt that finances acquisition, construction, renovation, maintenance and operation of an upgrade to the County's communication system.

The *county capital projects fund* accounts for renovation/small construction projects performed on County facilities and the purchase of capital equipment.

The government reports the following major proprietary fund:

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Additionally, the government reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes not including major capital projects.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds not being financed by proprietary funds.

The *capital projects fund* accounts for financial resources to be used for the acquisition of capital equipment or construction of major capital facilities.

The *enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* account for operations that provide services (such as the County's telephone system, building repair and maintenance, self-insurance, fleet and equipment management) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

The *agency fund* accounts for assets held by the County in agency capacity for other governments and entities. Primarily this includes undistributed collections and withholdings such as state education taxes, hotel/motel accommodation taxes, current property taxes, state jail booking fees, state real estate transfer taxes, soil erosion inspections, library penal fines and state payroll withholding taxes.

The *pension and other employee benefit trust funds* account for the activities of the Employees Retirement System, Money Purchase Pension Plan, and Voluntary Employees Beneficiary Association, which accumulate resources for pension and health benefit payments for qualified employees. The trust funds also include the Unemployment and Severance funds, which accumulate resources for unemployment and severance benefit payments, respectively, to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *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 delinquent tax fund and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds 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.

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

### **D. Assets, Liabilities and Net Assets or Equity**

#### **1. Deposits and Investments**

The County Treasurer maintains a cash management pool that is used by all funds and component units of the government, except for the pension and other employee benefit trust funds. In addition to their participation in the cash management pool, certain funds and component units also have separate checking accounts. The cash management pool has the general characteristics of a demand deposit account in that deposits and withdrawals may be made at any time without prior notice or penalty. Accordingly, each fund's portion of this pool, along with any amounts in separate demand deposit accounts, is reported as "cash and pooled investments."

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less.

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments (except those with a fluctuating per share value). State statutes authorize pension and other employee benefit plans to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### 2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles.

### 3. Inventories and Prepaid Items

Inventories in the proprietary funds are stated at the lower of cost or market. Cost is determined by the first-in, first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. For the Road Commission component unit, inventory is valued at average cost.

### 4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Drain Commissioner and Road Commission component units. 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 two years. Capital assets are defined by the Road Commission as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs 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.

Capital assets of the primary government and component units, except for the Road Commission, are depreciated using the straight-line method over the useful life of the assets as follows:

Buildings and improvements	50 years
Drain infrastructure	50 years
Equipment (computer, office and vehicles)	2.5 to 10 years

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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For the Road Commission component unit, capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Machinery and equipment	5 to 20 years
Roads	5 to 30 years
Infrastructure	12 to 50 years

### 5. Compensated Absences

The County's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and 50 percent of sick pay are accrued when incurred in the government-wide and proprietary funds financial statements. A liability is reported in governmental funds only if these amounts have matured, for example, as a result of employee resignations or retirements.

### 6. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### 7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. Budgets are not required for debt service and capital projects funds. All annual appropriations lapse at year-end.

The County utilizes a biennial budget to improve the efficiency of the overall budgeting process. The first year of the biennial budget is prepared for approval and adoption, and the second year is based on information currently available. The second year budget is amended during the first year to reflect necessary revisions as economic conditions warrant. Necessary changes are brought back to the Board of Commissioners prior to the beginning of the fiscal year for final adoption.

The County Administrator submits a proposed budget to the Board of Commissioners before September 15. The budget includes proposed expenditures and the means of financing them. Public hearings are held to obtain taxpayer comments. The budget is adopted no later than December 31 through a Board of Commissioners resolution.

The appropriated budget is prepared by fund, function and department. The County's department heads may make limited transfers of appropriations within a department. Transfers of appropriations between departments require approval by the Board of Commissioners or County Administrator, depending on the dollar value of the transfers. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level for the General Fund and the function level for special revenue funds. Supplemental budgetary appropriations were made during the year, but were not material for purposes of these disclosures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are recorded in the amount of the outstanding purchase orders and contracts at the time the purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Unliquidated encumbrances at the end of the year are not carried forward to the next year.

#### B. Excess of Expenditures over Appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the County were adopted on a department level basis for the General Fund and the function level for the special revenue funds.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

Excess of expenditures over appropriations in individual funds are as follows:

	<b>Final Budget</b>	<b>Actual</b>	<b>Excess</b>
<b>General fund</b>			
Treasurer	\$ 1,252,619	\$ 1,258,034	\$ 5,415
Allocated to other departments	14,414,953	14,277,152	137,801
Other unallocated expenditures	6,098,331	6,293,261	194,930
<b>Revenue sharing reserve</b>			
Transfers out	6,268,986	6,281,266	12,280
<b>Enhanced Emergency Communication System</b>			
Transfers out	2,206,198	2,347,037	140,839
<b>Nonmajor special revenue funds</b>			
Brownfield - general government	-	87,219	87,219
Building services - public safety	679,543	838,379	158,836
Building services - health	101,658	189,434	87,776
Drain commission grants - public works	131,351	143,821	12,470
E-911 - public safety	1,298,628	1,405,515	106,887
E-911 - transfer out	1,008,054	1,099,952	91,898
Department of human services - social services	54,109	720,475	666,366
Friend of the court - judicial	5,698,627	6,077,711	379,084
Head start - social services	4,647,031	4,681,907	34,876
Head start - transfer out	-	143,811	143,811
Homeland security grant - public safety	289,708	571,446	281,738
Inmate concessions - public safety	270,972	299,345	28,373
Juvenile grants - social services	107,626	416,518	308,892
Other special revenue:			
Social services	360,000	434,553	74,553
Culture & recreation	-	94,317	94,317
Transfers out	140,000	234,164	94,164
Planning grants - general government	761,119	1,211,894	450,775
Public health - health	12,647,070	12,785,774	138,704
Public works solid waste program - public works	560,694	604,341	43,647
Sheriff's grants:			
Public safety	507,848	562,360	54,512
Transfers out	-	540	540

These over-expenditures were funded by available fund balance.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits, Investments and Securities Lending

Following is a reconciliation of deposits and investments as of December 31, 2008:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
<b>Statement of Net Assets:</b>			
Cash and pooled investments	\$ 166,089,081	\$ 19,775,911	\$ 185,864,992
<b>Statement of Fiduciary Net Assets:</b>			
Cash and pooled investments	16,410,867	-	16,410,867
Investments	<u>208,500,867</u>	<u>-</u>	<u>208,500,867</u>
<b>Total</b>	<b><u>\$ 391,000,815</u></b>	<b><u>\$ 19,775,911</u></b>	<b><u>\$ 410,776,726</u></b>
 <b>Deposits and Investments:</b>			
Bank deposits (checking accounts and certificates of deposit)			\$ 8,082,279
Investments in securities, mutual funds and similar vehicles:			
Treasurer's investment pool			193,725,683
Employees retirement system			152,324,915
Money purchase pension plan			18,433,324
Voluntary employees beneficiary association			37,742,628
Cash on hand			41,131
Net effect of funds with different fiscal year ends			<u>427,766</u>
<b>Total</b>			<b><u>\$ 410,777,726</u></b>

#### Bank Deposits and Treasurer's Investment Pool

*Custodial Credit Risk - Deposits.* Deposits are exposed to custodial credit risk if they are not covered by depository insurance. The Federal Government provides \$250,000 of FDIC insurance per customer and the County had \$3,800,042 of insured deposits through this coverage. Also, the U.S. Treasury Money Market Guarantee Program covers \$38,150,591 of the County's money market holdings. At December 31, 2008, of the County's total bank balance of \$10,262,208 (total book balance was \$8,082,279), \$6,462,166 was exposed to custodial credit risk as it was uninsured and uncollateralized.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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In accordance with the County's investment policy and State law, all deposits are uncollateralized, held in the County's name, and evidenced by a safekeeping receipt. Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to obtain FDIC insurance for all bank deposits. The County evaluates each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

*Custodial Credit Risk - Investments.* Following is a summary of the County's investments as of December 31, 2008:

U.S. treasuries	\$ 41,309,910
U.S. agencies	38,569,550
Commercial paper	3,999,680
Washtenaw County tax notes	28,000,000
Money market	<u>81,846,543</u>
<b>Total</b>	<b><u>\$ 193,725,683</u></b>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. In accordance with the County's investment policy, all investments are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations (NRSRO); investments in local government tax notes must be rated in the top two ratings by one NRSRO. Ratings are not required for U.S. treasuries or certain money market funds.

As of December 31, 2008, all of the County's investments in securities of U.S. agencies were rated AAA by Standard & Poor's (S&P) and Aaa by Moody's. The County's holdings in commercial paper were rated A1 by S&P and P1 by Moody's. Of the County's investments in money market funds, \$68,463,153 was rated AAAM by S&P, and the remaining \$13,383,390 was not rated. The County's investment in its own general obligation limited tax notes was rated F1+ by Fitch.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy requires diversification by security type and institution, but does not place a fixed percentage limit for any one issuer. At December 31, 2008, the County had greater than 5% of its total investment portfolio concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
U.S. agencies	Federal Home Loan Mortgage Corp	3.8%
	Federal National Mortgage Association	5.2%
	Federal Farm Credit Bank	5.2%
	Federal Home Loan Bank	5.8%
Local government	Washtenaw County tax notes	14.5%

*Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. The County'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 County to manage this risk by purchasing a mix of short and long term investments. This laddering approach also matches investment maturities to projected cash flow needs.

As of December 31, 2008, maturities of the County's debt securities were as follows:

	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. treasuries	\$ 41,309,910	\$ 37,043,350	\$ 4,266,560	\$ -	\$ -
U.S. agencies	38,569,550	32,291,430	6,278,120	-	-
Commercial paper	3,999,680	3,999,680	-	-	-
Tax Notes	28,000,000	28,000,000	-	-	-
	<u>\$ 111,879,140</u>	<u>\$ 101,334,460</u>	<u>\$ 10,544,680</u>	<u>\$ -</u>	<u>\$ -</u>



# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### Employees' Retirement System Investments

The Michigan Public Employees' Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the Employees' Retirement System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations.

The System's investments are primarily held in a bank-administered trust fund. Following is a summary of the System's investments as of December 31, 2008:

Investments at fair value, as determined by quoted market price:

Equities:	
Not on securities loan	\$ 48,634,014
On securities loan	3,041,892
U.S. treasuries	1,146,702
U.S. treasury strips	10,280,883
U.S. agencies:	
Not on securities loan	17,564,238
On securities loan	8,616,794
Corporate securities	15,642,345
Real estate securities	5,443,852
Mutual funds	9,409,126
Money market funds	<u>32,545,069</u>
<b>Total investments</b>	<b><u>\$ 152,324,915</u></b>

Total realized and unrealized gains and losses for the year ended December 31, 2008, were as follows:

	<b><u>Realized Gain (Loss)</u></b>	<b><u>Unrealized Gain (Loss)</u></b>	<b><u>Net Appreciation (Depreciation)</u></b>
Equities	\$ (19,963,384)	\$(20,184,413)	\$(40,147,797)
Corporate, real estate, and U.S. securities	<u>(55,405)</u>	<u>(839,394)</u>	<u>(894,799)</u>
<b>Total</b>	<b><u>\$(20,018,789)</u></b>	<b><u>\$(21,023,807)</u></b>	<b><u>\$(41,042,596)</u></b>

The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of System investments. Unrealized gains and losses on investments sold in the current year that had been held for more than one year were included in the net appreciation (depreciation) reported in prior years and the current year.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policy provides that 90% of its investments in fixed income securities be limited to those rated BAA or better by a nationally recognized statistical rating organization, except for United States treasury securities which are explicitly guaranteed by the U.S. government and not considered to have credit risk.

As of December 31, 2008, the System's investments in securities of U.S. agencies implicitly guaranteed by the U.S. government (\$2,868,599 of U.S. agencies were explicitly guaranteed) were rated by Standard & Poor's as follows:

AAA	\$ 23,153,487
AA	158,946
	<u>\$ 23,312,433</u>

The System's investments in corporate securities were rated by Standard & Poor's as follows:

AAA	\$ 6,036,256
AA	1,511,012
A	4,978,166
BBB	2,237,483
BB	127,529
B	39,030
D	11,400
Not rated	701,469
	<u>\$ 15,642,345</u>

The System's investments in money market funds and real estate were not rated. The System does not invest in bond mutual funds.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that securities be held in trust by a third-party institution in the System's name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the System's name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy requires that no more than 5% of equity securities be invested in any one issuer, no more than 20% of equity securities be invested in any one industry, and no more than 8% of each manager's large cap equities fund be invested in any one company. The policy also provides that no more than 10% of fixed income securities may be invested in any one company and no more than 8% may be invested in any single issue.

At December 31, 2008, the System's investment portfolio was concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
Equities	D. E. Shaw Group Limited Partnership	20.3%
U.S. agencies	Federal National Mortgage Association	9.4%
	Federal Home Loan Mortgage Association	5.7%

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy requires a maximum term to maturity of 30 years for any single fixed income security. The System's investment policy does not address weighted average portfolio maturities. As of December 31, 2008, maturities of the System's debt securities were as follows:

	<u>Fair Value</u>	<u>Investment maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
U.S. treasuries	\$ 1,146,702	\$ -	\$ -	\$ 148,867	\$ 997,835
U.S. treasury strips	10,280,883	-	3,763,189	6,455,833	61,861
U.S. agencies	26,181,032	24,066	523,949	6,738,907	18,894,110
Corporate securities	15,642,345	2,135,146	6,157,436	2,531,476	4,818,287
	<u>\$ 53,250,962</u>	<u>\$ 2,159,212</u>	<u>\$ 10,444,574</u>	<u>\$ 15,875,083</u>	<u>\$ 24,772,093</u>

Of the above balances, \$9,501,032 of the U.S. agencies and \$6,534,736 of corporate securities are callable.

The System's portfolio of U.S. agencies and corporate securities includes certain collateralized mortgage obligations (with interest-only and principal-only strips), variable-rate securities, and inverse variable-rate securities. The fair value of these investments is summarized as follows:

Collateralized mortgage obligations:	
Interest-only strips	\$ 253,034
Principal-only strips	3,267,536
Variable-rate securities	1,354,015
Inverse variable-rate securities	2,396,653

The System invests in interest-only strips, in part, to maximize yields and as protection against a rise in interest rates. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

The System invests in principal-only strips to reduce the price sensitivity of its fixed-income portfolio to changes in interest rates. These principal-only strips are sensitive to interest rate increases that may result from decreasing mortgage prepayments, thus increasing the average maturity of these investments.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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A variable-rate investment's coupon amount enhances or amplifies the effects of interest rate changes by greater than a one-to-one basis. The multiplier makes the fair value of these investments highly sensitive to interest rate changes. As of December 31, 2008, the System held 16 variable-rate investments with a fair value of \$1,354,015. The coupon rates for these investments range from 0.0% to 5.06%; the benchmark indexes include one-month, six month, and twelve month LIBOR, 11<sup>th</sup> District Monthly Weighted Average Cost of Funds Index (San Francisco), and Federal Reserve US H.15 Treasury Note Constant Maturity One Year, and one-year treasury rate; the reset frequency is monthly, semi-annually, or annually; the coupon payment frequency is monthly; and coupon multipliers range from 1.0 to 44.8 times the benchmark index, minus 268.8% to plus 2.25%, with a cap ranging from 6.75% to 13.548% and a floor ranging from 0.0% to 3.20%.

As of December 31, 2008, the System held 52 inverse variable-rate investments with a fair value of \$2,396,653. With inverse variable-rate securities, coupon payments decline as interest rates increase. The coupon rates for these investments range from 4.63% to 100%; the benchmark indexes include one-month LIBOR, 11<sup>th</sup> District Monthly Weighted Average Cost of Funds Index (San Francisco), and three-month treasury rate; the reset and coupon payment frequency is monthly; and coupon multipliers range from negative 2,253.07 to negative .89 times the benchmark index, plus 5.05% to 22,541.20%, with a cap ranging from 5.05% to 15,573.50% and a floor ranging from 0.0% to 11.0%.

*Securities Lending.* A contract approved by the System's Board of Directors, permits the System to lend its securities to broker-dealers and other entities (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 securities or irrevocable bank letters of credit as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral securities and letters of credit are initially pledged at 102 percent of the market value of the securities lent, 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 classified in the preceding schedule of custodial credit risk according to the category for the collateral received on the securities lent. At year end, the System has no credit risk exposure to borrowers because 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.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### **Money Purchase Pension Plan Investments**

The Michigan Public Employees' Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the Money Purchase Pension Plan to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations.

The Plan's investments are held by its trustee, a third-party financial institution. The management agreement between the Plan and the trustee requires 14 separate mutual funds, including ten stock funds, one balanced fund, one bond fund, one guaranteed interest fund, and a self-directed brokerage option. Participants select the particular funds into which their contributions and the related County matching contributions are made. All of the Plan's investments totaling \$18,433,324 are in mutual funds.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2008 the Plan's bond mutual fund was rated AA by Standard & Poor's. The Plan's investment policy does not address credit risk.

*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form. At year end, the Plan's bond mutual fund was an open-end mutual fund. Accordingly, the Plan's investments were not exposed to custodial credit risk. The Plan's investment policy does not address custodial credit risk.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At December 31, 2008, the weighted average maturity of the Plan's bond mutual fund was 3.70 years. The Plan's investment policy does not address interest rate risk.

### **Voluntary Employees Beneficiary Association (VEBA) Investments**

The Michigan Public Employees' Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the VEBA to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The VEBA's investments are held by an independent investment management company. Following is a summary of its investments as of December 31, 2008:

Investments at fair value, as determined by quoted market prices:	
Equities	\$ 20,430,270
United States treasuries	159,423
United States agencies	145,718
Corporate securities	214,099
Multi-strategy limited partnership	3,759,783
Real estate limited partnership	341,100
Bond mutual fund	11,600,986
Money market funds	<u>1,091,249</u>
<b>Total investments</b>	<b><u>\$ 37,742,628</u></b>

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The VEBA's investment policy provides that all of its investments in fixed income securities be rated A+ or better by a nationally recognized statistical rating organization, except for United States treasury securities which are explicitly guaranteed by the U.S. government and not considered to have credit risk.

As of December 31, 2008, the VEBA's investments in securities of U.S. agencies and the bond mutual fund were rated AAA by Standard & Poor's. The VEBA's investments in money market funds were also rated AAA by Standard & Poor's. The VEBA's investments in corporate securities were rated by Standard & Poor's as follows:

B+	\$ 28,624
B-	8,850
BBB-	44,750
Not rated	<u>131,875</u>
	<b><u>\$ 214,099</u></b>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the VEBA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The VEBA's investment policy does not address custodial credit risk. Although uninsured and unregistered, the VEBA's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the VEBA's name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the VEBA's investment in a single issuer. The VEBA's investment policy requires that no more than ten percent of its assets be invested in money market funds or short-term U.S. treasuries, no more than five percent in any one issuer, and no more than 20% in any one industry. At December 31, 2008, the VEBA's investment portfolio was not exposed to concentration credit risk.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy provides that the weighted average maturity of its fixed income portfolio may not exceed 10 years. At year-end, maturities of debt securities are as follows:

	<u>Fair Value</u>	<u>Investment maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
U.S. treasuries	\$ 159,423	\$ -	\$ -	\$ -	\$ 159,423
U.S. agencies	145,718	-	-	-	145,718
Corporate securities	214,099	-	33,875	22,326	157,898
	<u>\$ 519,240</u>	<u>\$ -</u>	<u>\$ 33,875</u>	<u>\$ 22,326</u>	<u>\$ 463,039</u>

Money market funds had a rolling maturity date of less than 60 days as of December 31, 2008. The bond mutual fund had a weighted average maturity of 4.77 years as of December 31, 2008. Of the above balances, \$56,752 of the U.S. agencies and \$155,898 of the corporate securities were callable as of December 31, 2008.



# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### B. Receivables

Receivables in the governmental activities are as follows:

Taxes	\$ 16,569,956
Accounts	3,679,534
Leases	2,360,511
Intergovernmental	7,356,571
Less: allowance for uncollectible accounts	(385,100)
	<u>\$ 29,581,472</u>

The only amount not expected to be collected within one year is \$1,904,258 of leases receivable.

Receivables for the business-type activities are composed entirely of amounts due from taxpayers for delinquent taxes and related interest and collections fees.

The aggregate component unit receivables totaling \$46,435,422 are comprised of leases receivable (74.5 percent), special assessments receivable (16.3 percent), accounts receivable (8.9 percent) and due from other governments (.3 percent).

Governmental funds report deferred revenue in connection with receivables that are not available to liquidate liabilities of the current period, and with resources that have been received, but not earned. At year-end, deferred revenue reported in the governmental funds, and the unearned revenue in the governmental activities based on the nature of the respective items, was comprised of the following:

Property taxes receivable:	
General fund	\$ 183,407
Parks and recreation fund	10,977,671
Enhanced emergency communication system	3,078,171
Nonmajor governmental funds	384,771
Grant drawdowns prior to meeting all eligibility requirements	<u>373,497</u>
	<u>\$ 14,997,517</u>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### C. Capital Assets

**Primary Government** - Capital asset activity for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 27,547,626	\$ 6,763,890	\$ -	\$ 34,311,516
Construction in progress	3,293,607	11,409,807	(787,649)	13,915,765
Total capital assets, not being depreciated	<u>30,841,233</u>	<u>18,173,697</u>	<u>(787,649)</u>	<u>48,227,281</u>
Capital assets, being depreciated:				
Buildings	114,963,530	3,113,082	-	118,076,612
Improvement other than buildings	14,327,172	2,124,583	-	16,451,755
Machinery and equipment	15,887,192	1,545,558	(2,792,059)	14,640,691
Total capital assets being depreciated	<u>145,177,894</u>	<u>6,783,223</u>	<u>(2,792,059)</u>	<u>149,169,058</u>
Less accumulated depreciation for:				
Buildings	(33,337,100)	(2,621,517)	-	(35,958,617)
Improvements other than buildings	(4,334,655)	(502,000)	-	(4,836,655)
Machinery and equipment	(9,923,251)	(2,286,197)	2,486,009	(9,723,439)
Total accumulated depreciation	<u>(47,595,006)</u>	<u>(5,409,714)</u>	<u>2,486,009</u>	<u>(50,518,711)</u>
Total capital assets being depreciated, net	<u>97,582,888</u>	<u>1,373,509</u>	<u>(306,050)</u>	<u>98,650,347</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 128,424,121</u></b>	<b><u>\$ 19,547,206</u></b>	<b><u>\$ (1,093,699)</u></b>	<b><u>\$ 146,877,628</u></b>
<b>Business type activities</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 21,408	\$ 25,235	\$ -	\$ 46,643
Less accumulated depreciation for:				
Machinery and equipment	(3,567)	(5,986)	-	(9,553)
<b>Business type activities capital assets, net</b>	<b><u>\$ 17,841</u></b>	<b><u>\$ 19,249</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 37,090</u></b>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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

**Governmental activities:**

Legislative	\$ 5,446
Judicial	738,680
General government	1,460,972
Public safety	730,102
Health	284,102
Social services	395,331
Culture and recreation	823,806
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	971,275

**Total depreciation expense-governmental activities** \$ 5,409,714

**Business type activities:**

**Total depreciation expense-business type activities** \$ 5,986

### Construction Commitments

The County has five active construction projects as of December 31, 2008. The construction for a new District Court in Saline is being funded by surpluses in building authority and capital projects funds, as well as the public improvement fund. The Enhanced Emergency Communications System, Fiber Network Project, Humane Society, Jail, and 14A District Court Construction and Improvements projects include costs for architecture and design services, and construction. The commitments for these projects are financed by general obligation bonds and reserves.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
District Court – Saline	\$ 1,297,008	\$ 1,268,038
Enhanced Emergency Communications System	9,540,147	14,445,857
Fiber Network Project	611,460	2,184,083
Humane Society	1,870,276	5,612,688
Jail & 14A District Court Construction & Improvements	4,128,367	30,485,418
<b>Total</b>	<b>\$ 17,447,258</b>	<b>\$ 53,996,084</b>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### Discretely Presented Component Units

**Drain Commissioner.** Capital asset activity for the Drain Commissioner for the year ended December 31, 2008 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital assets, not being depreciated-				
Construction in progress	\$ 1,998,903	\$ 1,860,157	\$ (1,380,436)	\$ 2,478,624
Capital assets, being depreciated-				
Infrastructure	24,558,919	1,380,436	-	25,939,355
Machinery and equipment	-	329,407	-	329,407
Total capital assets being depreciated	<u>24,558,919</u>	<u>1,709,843</u>	<u>-</u>	<u>26,268,762</u>
Less accumulated depreciation for-				
Infrastructure	(6,836,848)	(491,176)	-	(7,328,024)
Machinery and equipment	-	(25,404)	-	(25,404)
Total accumulated depreciation	<u>(6,836,848)</u>	<u>(516,580)</u>	<u>-</u>	<u>(7,353,428)</u>
Total capital assets being depreciated, net	<u>17,722,071</u>	<u>1,193,263</u>	<u>-</u>	<u>18,915,334</u>
<b>Drain Commissioner capital assets, net</b>	<b><u>\$ 19,720,974</u></b>	<b><u>\$ 3,053,420</u></b>	<b><u>\$ (1,380,436)</u></b>	<b><u>\$ 21,393,958</u></b>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

**Road Commission.** Capital asset activity for the Road Commission for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land and land improvements	\$ 23,104,959	\$ 1,441,647	\$ -	\$ 24,546,606
Capital assets, being depreciated:				
Buildings and storage bins	13,050,678	111,601	-	13,162,279
Road equipment	12,202,408	644,680	(410,948)	12,436,140
Other equipment	1,955,082	51,608	-	2,006,690
Brine wells and gravel pits	136,386	-	-	136,386
Infrastructure	<u>271,471,365</u>	<u>42,170,446</u>	<u>-</u>	<u>313,641,811</u>
Total capital assets being depreciated	<u>298,815,919</u>	<u>42,978,335</u>	<u>(410,948)</u>	<u>341,383,306</u>
Less accumulated depreciation for:				
Buildings and storage bins	(3,852,083)	(321,006)	-	(4,173,089)
Road equipment	(10,412,861)	(682,691)	410,822	(10,684,730)
Other equipment	(1,563,099)	(131,476)	-	(1,694,575)
Brine wells and gravel pits	(136,386)	-	-	(136,386)
Infrastructure	<u>(106,501,814)</u>	<u>(11,294,780)</u>	<u>-</u>	<u>(117,796,594)</u>
Total accumulated depreciation	<u>(122,466,243)</u>	<u>(12,429,953)</u>	<u>410,822</u>	<u>(134,485,374)</u>
Total capital assets being depreciated, net	<u>176,349,676</u>	<u>30,548,382</u>	<u>(126)</u>	<u>206,897,932</u>
<b>Road Commission capital assets, net</b>	<b><u><u>\$199,454,635</u></u></b>	<b><u><u>\$31,990,029</u></u></b>	<b><u><u>\$ (126)</u></u></b>	<b><u><u>\$231,444,538</u></u></b>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### D. Payables

Accounts payable and accrued liabilities in the governmental activities are as follows:

Accounts	\$ 13,575,617
Wages, fringe benefits and other accrued liabilities	6,615,592
Intergovernmental	<u>1,256,305</u>
	<u><u>\$ 21,447,514</u></u>

### E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2008, is as follows:

<b>Due to/from other funds</b>	<b><u>Receivable</u></b>	<b><u>Payable</u></b>
General fund	\$ 2,523,116	\$ -
Delinquent tax revolving fund	-	<u>2,523,116</u>
Total	<u><u>\$ 2,523,116</u></u>	<u><u>\$ 2,523,116</u></u>
<b>Advances to/from other funds</b>		
General fund	\$ 49,335	\$ -
County capital projects fund	81,466	-
Internal service funds	-	<u>130,801</u>
Total	<u><u>\$ 130,801</u></u>	<u><u>\$ 130,801</u></u>
<b>Interfund receivable/payable</b>		
County capital projects fund	\$ 2,385,166	\$ -
Nonmajor governmental funds	-	<u>2,385,166</u>
Total	<u><u>\$ 2,385,166</u></u>	<u><u>\$ 2,385,166</u></u>

The outstanding *due to/from* balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments are made between funds. Outstanding advances between funds relate to working capital loans made to certain internal service funds, none of which is scheduled to be repaid in the subsequent year. Interfund receivables/payables represent short-term working capital loans for funds with negative cash balances in the County's cash and investment pool as of year end.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

A summary of interfund transfers for the year ended December 31, 2008, is as follows:

<b>Interfund transfers</b>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 8,678,199	\$ 23,105,386
Community support & treatment services fund	543,151	700,000
County capital projects fund	10,271,648	7,600,157
Enhanced emergency communication system fund	-	2,347,037
Revenue sharing reserve fund	-	6,281,266
Delinquent tax revolving fund	-	2,254,859
Property tax foreclosure fund	-	1,000,000
Nonmajor governmental funds	24,971,025	1,880,331
Internal service funds	4,000	-
Total per financial statements	44,468,023	45,169,036
Adjustments for September 30 year end	-	(701,013)
Total	\$ 44,468,023	\$ 44,468,023

Transfers are used to: (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

Total transfers in for the primary government as shown in the accompanying financial statements were \$44,468,023 and total transfers out were \$45,169,036. The difference between these amounts, \$701,013, is attributable to transactions with the public health and community support & treatment services funds, which are reported on a September 30 year-end. As such, this is reported as an uneliminated internal balance in the statement of activities.

### F. Leases

**Capital Leases** - Capital leases outstanding at year-end amounted to \$468,072. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2008, were as follows:

2009	\$ 251,838
2010	251,838
Total minimum lease payments	503,676
Less amount representing interest	35,604
Present value of minimum lease payments	\$ 468,072

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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**Operating Leases** - The County has commitments under operating lease agreements which provide for annual minimum lease payments as follows:

2009	\$ 1,061,717
2010	451,816
2011	560,292
2012	287,190
2013	247,500
2014	255,000
2015	262,500
2016	<u>270,000</u>
<b>Total</b>	<b><u><u>\$ 3,396,015</u></u></b>

Rental expense for all operating leases aggregated \$758,325 for the year ended December 31, 2008. In addition, for the year ended December 31, 2008, the County leased 315 spaces for employee parking that cost \$327,240; this is not included above or in the aforementioned cost for the year since the County is reimbursed by the employees through payroll deductions.

**Lessor Leases** – The County has leased certain land to Huron Valley Ambulance, Inc. (HVA) under a capital lease agreement. HVA has commitments under the lease which provide for annual minimum lease payments of \$51,802 during 2008 and continuing for the next year. At the end of the lease, the County is required to quit claim deed the land to HVA.

The County has leased the building located at 750 Towner Street to the Washtenaw Community Health Organization (WCHO). WCHO has commitments under the lease which provides for annual minimum lease payments of \$67,591 during 2008 and continuing for the next 12 years.



# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### G. Long-term Debt

#### Primary Government

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years was \$104.9 million. The County issues general obligation notes to provide monies for the purchase of the delinquent taxes receivable from local units of government. The original amount of general obligation notes was \$28.0 million. During the year, \$22.1 million of general obligation bonds and \$28.0 million of notes were issued.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the government. Bonds are generally issued as 15 to 20-year serial bonds with varying amounts of principal maturing each year. Notes are generally issued with a nine-month due maturity. General obligation bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.0 – 4.75%	\$ 70,810,000
Governmental activities - refunding	1.75 - 4.75%	19,305,000
Business-type activities	3.680%	28,000,000
		<u><u>\$ 118,115,000</u></u>

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

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 6,140,000	\$ 2,886,106	\$ 28,000,000	\$ 706,236
2010	7,335,000	3,211,396	-	-
2011	7,710,000	2,965,540	-	-
2012	8,295,000	2,696,378	-	-
2013	8,760,000	2,397,784	-	-
2014-2018	29,165,000	7,748,698	-	-
2019-2023	12,855,000	3,662,529	-	-
2024-2028	9,855,000	1,080,038	-	-
<b>Total</b>	<u><u>\$ 90,115,000</u></u>	<u><u>\$ 26,648,469</u></u>	<u><u>\$ 28,000,000</u></u>	<u><u>\$ 706,236</u></u>

In addition to general obligation bonds and notes, the County has an interest-free loan from the Michigan Economic Development Corporation in the original amount of \$292,133. The borrowed monies were used in conjunction with funds received under a federal Community Development Block Grant to fund renovation work in Hanger 1 at Willow Run Airport. The loan will be repaid in 60 quarterly installments of \$4,869 beginning in the first quarter of 2005 and ending in the fourth quarter of 2019. The total remaining amount outstanding at December 31, 2008 is \$214,231. Willow Run Airport Authority will be reimbursing the County for the debt service payments made by the County.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### Component Units

**Department of Public Works Projects.** General obligation bonds are issued by the County to finance construction projects managed and administered by the Department of Public Works for governmental activities. The original amount of general obligation bonds issued in prior years was \$47,463,594. The Department of Public Works made cash draws totaling \$1,973,141 against the 2007 State Revolving Fund bond for project construction costs incurred to date.

These bonds are direct obligations, and pledge the full faith and credit of the County and the associated municipalities and/or authorities. The bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year through June 1, 2028 and bear interest at varying rates from 1.625% to 6.75%. Such bonds currently outstanding are summarized as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.625 - 6.75%	\$ 25,877,279
Governmental activities - refunding	3.75 - 4.8%	<u>8,740,000</u>
		<b><u>\$ 34,617,279</u></b>

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

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 2,845,000	\$ 1,340,635
2010	2,910,000	1,223,132
2011	2,830,000	1,110,484
2012	2,865,000	998,608
2013	2,860,000	884,037
2014-2018	12,685,000	2,693,547
2019-2023	6,607,279	615,628
2024-2028	1,015,000	41,802
<b>Total</b>	<b><u>\$ 34,617,279</u></b>	<b><u>\$ 8,907,873</u></b>

**Drain Commissioner.** General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. The original amount of general obligation bonds and notes issued in prior years was \$11,153,204. During the year, general obligation bonds of \$301,675, notes of \$418,017 and installment obligations of \$329,407 (for drain maintenance equipment) were issued.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.625 - 6.5%	\$7,159,182

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

Annual debt service requirements to maturity for general obligation bonds, notes and installment obligations are as follows:

<b>Year Ending December 31</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2009	\$ 828,334	\$ 202,055
2010	1,733,899	296,358
2011	635,304	152,921
2012	511,604	129,721
2013	615,554	110,000
2014-2018	1,333,600	327,647
2019-2023	1,050,000	164,830
2024-2028	450,887	23,879
<b>Total</b>	<b>\$ 7,159,182</b>	<b>\$ 1,407,411</b>

**Road Commission.** The Road Commission has a lease payable to the Washtenaw County Building Authority for the debt service costs related to bonds that were sold for the construction of Yard 2. The lease agreement terminates with the retirement of the bond issue in September 2013. The annual lease payment is equal to the related bond principal and interest. In addition, transportation fund notes were issued in accordance with the statutory requirements of Michigan Public Act 143 of 1943, as amended. The monies from these notes were used to fund improvements on county highways in Scio Township and Ypsilanti Township.

Following is a summary of debt currently outstanding:

<b><u>Purpose</u></b>	<b><u>Interest Rates</u></b>	<b><u>Amount</u></b>
Governmental activities	2.0 - 7.0%	\$ 3,300,000

Annual principal and interest maturities as of December 31, 2008 are as follows:

<b>Year Ending December 31</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2009	\$ 780,000	\$ 121,715
2010	675,000	93,438
2011	695,000	69,288
2012	710,000	43,250
2013	440,000	15,400
<b>Total</b>	<b>\$ 3,300,000</b>	<b>\$ 343,091</b>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Primary Government</b>					
<b>Governmental activities:</b>					
Loan from State of Michigan	\$ 233,707	\$ -	\$ (19,476)	\$ 214,231	\$ 19,476
Capital leases	829,132	-	(361,060)	468,072	225,709
General obligation bonds	73,870,000	22,120,000	(5,875,000)	90,115,000	6,140,000
Less deferred amounts for:					
Issuance discounts	(37,500)	(22,854)	4,760	(55,594)	-
Issuance premiums	518,618	-	(55,443)	463,175	-
Refunding loss	(1,037,444)	-	120,458	(916,986)	-
Compensated absences	13,846,335	9,061,369	(8,904,275)	14,003,429	1,972,583
	<u>\$ 88,222,848</u>	<u>\$ 31,158,515</u>	<u>\$ (15,090,036)</u>	<u>\$ 104,291,327</u>	<u>\$ 8,357,768</u>
<b>Business-type activities:</b>					
Delinquent tax revolving -					
General obligation notes	\$ 18,000,000	\$ 28,000,000	\$ (18,000,000)	\$ 28,000,000	\$28,000,000
Compensated absences	15,449	16,135	(10,977)	20,607	2,449
	<u>\$ 18,015,449</u>	<u>\$ 28,016,135</u>	<u>\$ (18,010,977)</u>	<u>\$ 28,020,607</u>	<u>\$28,002,449</u>
<b>Component Units</b>					
Department of Public Works Projects:					
General obligation bonds	\$ 35,409,138	\$ 1,973,141	\$ (2,765,000)	\$ 34,617,279	\$ 2,845,000
Less deferred amounts for:					
Issuance discounts	(163,283)	-	11,473	(151,810)	-
Issuance premiums	64,134	-	(6,413)	57,721	-
Refunding loss	(128,600)	-	12,860	(115,740)	-
	<u>\$ 35,181,389</u>	<u>\$ 1,973,141</u>	<u>\$ (2,747,080)</u>	<u>\$ 34,407,450</u>	<u>\$ 2,845,000</u>
Drain Commissioner:					
General obligation bonds	\$ 5,079,212	\$ 301,675	\$ (535,000)	\$ 4,845,887	\$ 545,000
Notes payable	2,186,460	418,017	(574,510)	2,029,967	250,700
Installment obligation		329,407	(46,079)	283,328	32,634
Less deferred amounts for					
issuance discounts	(25,425)	-	2,264	(23,161)	-
	<u>\$ 7,240,247</u>	<u>\$ 1,049,099</u>	<u>\$ (1,153,325)</u>	<u>\$ 7,136,021</u>	<u>\$ 828,334</u>
Road Commission:					
Michigan transportation fund notes	\$ 1,690,000	\$ -	\$ (395,000)	\$ 1,295,000	\$ 395,000
Lease payable	2,380,000	-	(375,000)	2,005,000	385,000
Less deferred amounts for refunding loss	(81,282)	-	13,547	(67,735)	-
Compensated absences	870,331	809,135	(789,017)	890,359	70,783
	<u>\$ 4,859,049</u>	<u>\$ 809,135</u>	<u>\$ (1,545,560)</u>	<u>\$ 4,122,624</u>	<u>\$ 850,783</u>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$332,121 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund.

### IV. OTHER INFORMATION

#### A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has established internal service funds to account for and finance its uninsured risks of loss. Under this program, the internal service funds provide coverage up to a maximum of \$350,000 for each general liability, police liability or property claim, with no loss fund. The internal service funds also provide coverage up to \$350,000 for any settlement, with all attorney fees being covered under the insurance policy for public officials and employee liability claims, up to \$400,000 for each worker's compensation claim, and up to \$350,000 for each professional liability claim. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the internal service funds based on rates established to fund estimated actual liabilities. The total claims liability of \$2,813,000 reported in the funds at December 31, 2008, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, as amended, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County has estimated its ultimate liability based upon estimates of known claims and actuarial based computations of incurred but not reported claims. The claims liability is presented at its net present value using an annual discount rate of 6%.

Changes in the funds' claims liability amount for the past two years were:

	<u>2008</u>	<u>2007</u>
Balance at beginning of year	\$ 2,751,000	\$ 2,139,000
Current year claims and changes in estimates	19,541,699	19,669,250
Claims paid	<u>(19,479,699)</u>	<u>(19,057,250)</u>
Balance at end of year	<u>\$ 2,813,000</u>	<u>\$ 2,751,000</u>

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Component units participate in the County's self-insurance program, except for the Road Commission, which purchases commercial insurance for health care claims and participates in the Michigan County Road Commission Self-Insurance Pool for claims relating to property loss, torts, and errors and omissions. The Michigan County Road Commission Self-Insurance Pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

### **B. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

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

### **C. Property Taxes**

County property taxes are levied annually on July 1 (the lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes became delinquent.

The assessed value of real and personal property is established by the local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold. Property taxes are levied based on the *taxable value* of the property (as defined under Proposal A). Taxable value is determined by using such factors as equalized value, assessed value, and capped value, along with a value change multiplier.

The taxable value of real and personal property for the July 1, 2008 general operating levy was \$15.7 billion. The general operating tax rate for this levy was at the maximum rate of 4.5493 mills, as adjusted by the Headlee Amendment to the State of Michigan Constitution. The County also had voter approved taxes of 0.4720 mills for parks and recreation purposes, 0.2409 mills for purchase of selected natural areas in the County, 0.2000 mills for enhancements to emergency communications system and 0.0250 mills for veterans relief purposes on the December 1, 2008 voter-approved levy.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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By agreement with various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable. These receivables (\$21.2 million at December 31, 2008, not including accrued interest and collection fees) are pledged to a bank for payment of the notes payable and subsequent collection of the receivables, interest and collection fees thereon, and investment earnings are used to extinguish the debt.

### **D. Joint Venture**

In 1999, the County entered into an agreement with the University of Michigan (the "University") to form the *Washtenaw Community Health Organization (WCHO)* for the purpose of establishing an integrated health care delivery system to provide mental health, substance abuse, and primary and specialty health care to Medicaid, low income and indigent consumers as defined by the Michigan Mental Health Code and Medicaid eligibility guidelines.

WCHO is governed by a 12-member board; both the County and University appoint six members each. Under the agreement, WCHO replaced the County as the contractor for the mental health and substance abuse managed care contracts with the State of Michigan. This change was effective October 1, 2000, and currently provides the primary source of funding for WCHO.

The agreement also provides that the County and University will share equally in any gains or losses generated by WCHO, subject to certain limitations. However, because the agreement prohibits the distribution of any assets until WCHO is terminated and/or dissolved (and there are specific restrictions on the use of gains under the managed care contracts with the State of Michigan), WCHO is deemed to be a "joint venture with no equity interest." Accordingly, no amounts are reported in the accompanying financial statements for the County's equity in WCHO.

WCHO has a September 30 fiscal year end. Financial information may be obtained by writing to WCHO at P.O. Box 917, Ypsilanti, Michigan 48197.

### **E. Jointly Governed Organizations**

The *Livingston and Washtenaw Narcotics Enforcement Team (LAWNET)* was organized to create a cooperative team of narcotics investigators made up of personnel from municipal, county, state, and federal law enforcement agencies within Livingston and Washtenaw counties for the purpose of combining their efforts toward the enforcement of narcotic and controlled substance laws in the State of Michigan. The participating entities include the Michigan Department of State Police, Livingston County, Washtenaw County, City of Ann Arbor, City of Brighton, City of Howell, City of Saline, City of Ypsilanti, Green Oak Township, Eastern Michigan University, Northfield Township, and Pittsfield Township. Participating entities are required to make an annual contribution or else assign a qualified law enforcement officer to LAWNET. Washtenaw County serves as the fiduciary for LAWNET monies. The LAWNET Command Board is made up of the administrative heads, or their representatives, of the police agencies of the participating entities and the prosecuting attorneys from Washtenaw and Livingston counties.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Separate financial statements for LАWNET may be obtained by writing to the Washtenaw County Finance Department, 220 North Main Street, Ann Arbor, Michigan 48104 or by calling (734) 222-6750.

The *Washtenaw Central Dispatch and Technology Authority (WCDTA)* was originally established to provide centralized public safety dispatching for law enforcement, fire and emergency medical services to the Sheriff's Department, the Michigan State Police, Northfield Township Police, Huron Valley Ambulance, the townships of Ann Arbor, Augusta, Manchester, Northfield, Salem, Scio and Superior, and Dexter Area Fire Department. The organization is governed by a 12-member board. There was no financial activity for the Authority for the year ended December 31, 2008. Public safety dispatching services for the Sheriff's Department, Northfield Township Police and the Michigan State Police were provided by the County during 2008.

The County has no significant influence over the management of WCDTA. Therefore, WCDTA is not included in the County's financial report.

The *Washtenaw County 800 MHz Communications Consortium* (the Consortium) was formed to provide for the ownership, governance and management of a public safety/public service communications system that delivers reliable, interoperable wireless communications throughout Washtenaw County. The County and the cities of Ann Arbor, Saline, and Milan are charter members of the Consortium. The Consortium is governed by an executive board.

The County has no significant influence over the management of the Consortium. Financial accountability is limited to the extent of any appropriated operating grant. Therefore, the Consortium is not included in the County's financial report. Separate financial statements for the Consortium may be obtained by writing to the Washtenaw County Finance Department, 220 North Main Street, Ann Arbor, Michigan 48107 or by calling (734) 222-6750.

The *Washtenaw Educational Telecommunications System Consortium* (the Consortium) was formed by an agreement between Washtenaw County, Eastern Michigan University, Merit Networks and Fiber Link LLC. The purpose of the Consortium is to share telecommunications resources related to the County's fiber network construction and the sharing of recurring costs related to the ongoing maintenance and repair of the County's fiber network. The Consortium agreement is for a period of five years with the option to renew, and also permits other governmental partners to be included in the future, which will further reduce operating and maintenance costs. The Consortium agreement holds no monetary value. However, this agreement will enable the County and its partners to recognize reductions in operational costs for shared and common areas.



# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The *Washtenaw Urban County* was created by a formal cooperation agreement between the County, City of Ypsilanti and the following townships: Ann Arbor, Bridgewater, Northfield, Pittsfield, Salem, Scio, Superior, York and Ypsilanti. Effective July 1, 2009, the City of Ann Arbor will become the newest jurisdiction to join the Urban County. The Urban County jurisdictions receive HOME (Home Investment Partnership Program) funds, CDBG (Community Development Block Grant), and CDBG NSP (Neighborhood Stabilization Program) funds for use in those jurisdictions to address community development, human services, housing and homelessness needs. The chairperson of the Washtenaw County Board of Commissioners and the chief elected officials of the eleven jurisdictions participating in the Urban County have joined together to form the Urban County Executive Committee. The Urban County Executive Committee serves as the decision-making body for those funds. As a recipient of HOME and CDBG funds, the Washtenaw Urban County is required to submit a 5-year Consolidated Plan as well as an Annual Action Plan to the U.S. Department of Housing and Urban Development.

Financial information may be obtained by writing to the Washtenaw County Finance Department, 220 North Main Street, Ann Arbor, Michigan 48107 or by calling (734) 222-6750.

### **F. Pension and Other Postemployment Benefits**

The County provides pension and postemployment health care benefits to eligible employees through the following plans:

County administered:

Employees' Retirement System (ERS)

Money Purchase Pension Plan (MPPP)

Voluntary Employees' Beneficiary Association (VEBA)

Municipal Employees' Retirement System of Michigan (MERS)

The County issues publicly available financial reports for ERS, MPPP and VEBA that include financial statements and required supplementary information, as applicable. These financial reports may be obtained by writing to Washtenaw County Finance Department, 220 North Main Street, Ann Arbor, Michigan 48107 or by calling (734) 222-6750. Information regarding the aforementioned plans is presented below.

### **County Administered Plans – Plan Descriptions, Funding Policies and Other Disclosures**

***Employees' Retirement System (ERS).*** The County has a single-employer defined benefit retirement plan which provides pension benefits to all full-time, regular employees. County Ordinances assign the authority to establish and amend benefit provisions and contribution requirements to the County Board of Commissioners, subject to the terms of collective bargaining agreements. Sheriff and non-Sheriff department Plan members are required to contribute 7% and 5%, respectively, of their annual compensation to the System for pension benefits. The County's contribution for the Sheriff and non-Sheriff department Plan members for the year ended December 31, 2008, represents 204.55% and 45.28%, respectively, of annual covered payroll.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

The County's annual pension cost and net pension obligation for the current year are as follows:

Annual required contribution / retirement benefit cost	\$ 5,359,824
Contributions made	5,359,824
Increase (decrease) in net retirement benefit obligation	-
Net retirement benefit obligation, beginning of year	<u>-</u>
<b>Net retirement benefit obligation, end of year</b>	<b><u><u>\$ -</u></u></b>

The annual required contribution for the current year was determined as part of the December 31, 2006, actuarial valuation using the aggregate cost actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities.

### Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/06	\$ 3,845,384	100%	\$ -
12/31/07	4,827,249	100	-
12/31/08	5,359,824	100	-

*Funded Status and Funding Progress.* The funded status of the System as of December 31, 2007, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 265,463,304	
Actuarial value of assets	(2)	<u>210,446,657</u>	
Unfunded AAL (UAAL)	(3)	<u><u>\$ 55,016,647</u></u>	(1) - (2)
 Funded ratio	 (4)	 <u><u>79.3%</u></u>	 (2) / (1)
 Covered payroll	 (5)	 <u><u>\$ 57,943,478</u></u>	
 UAAL as % of covered payroll	 (6)	 <u><u>94.9%</u></u>	 (3) / (5)

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of trust assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the Schedule of Funding Progress, the actuarial accrued liability value as shown above is determined using the entry age actuarial cost method. However, for purposes of calculating the annual required contribution (ARC), the System uses the aggregate cost actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

Valuation date	12/31/07
Actuarial cost method	Aggregate Cost Method for Sheriff's division Entry-Age Normal Cost for General division
Amortization method	General Division liabilities funded as a level percent of payroll over 30 years. Sheriff's division liabilities were amortized over seven years using level dollar method.
Asset valuation method	Market value with 5-year smoothing of gains and losses; market value for MPPP transfers
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.5% to 11.9% (including inflation of 4.5%)
Cost-of-Living Adjustments	None

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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***Money Purchase Pension Plan (MPPP).*** The Washtenaw County Money Purchase Pension Plan (MPPP; the “Plan”) is a defined contribution pension plan established and administered by Washtenaw County to provide benefits at retirement to all regular County employees hired on or after January 1, 1989; however, most Plan members were required to withdraw from MPPP during 2008 and enroll in ERS. Accordingly, MPPP member account balances were transferred to ERS. Plan members are required to contribute 6% or 7.5% of covered salary depending on the particular collective bargaining unit to which they belong. The County is required to match the plan member contributions. Plan provisions and contribution requirements are established and may be amended by the Washtenaw County Board of Commissioners, subject to the County’s various collective bargaining agreements. The employer and employee contributions totaled approximately \$2.3 million and \$3.4 million, respectively, for the year ended December 31, 2008.

***Voluntary Employees’ Beneficiary Association (VEBA).*** The Washtenaw County Voluntary Employees’ Beneficiary Association (VEBA; the “Plan”) is a single-employer defined benefit post-employment healthcare plan established and administered by Washtenaw County to provide medical and healthcare benefits for retirees and their beneficiaries. Eligible participants include any retirees who receive pension benefits under one of the County’s pension plans. Plan provisions are established and may be amended by the Washtenaw County Board of Commissioners, subject to the County’s various collective bargaining agreements. The Plan is funded by a trust agreement established pursuant to Section 501(c)(9) of the Internal Revenue Code which allows for the formation of a VEBA.

Subject to certain age and length of service requirements, eligible participants receive the same or comparable medical insurance coverage under the Plan as was in effect at the time of their employment. At such time that participants become Medicare eligible, the benefits under the Plan change to Medicare Supplemental coverage.

Employer contributions to fund the Plan are currently on a pay-as-you-go basis with additional contributions intended to build the fund for purposes of paying future benefits. Employer contributions for the year ended December 31, 2008 were \$10,963,355. Although an actuarial valuation of the Plan was completed during 2007, the County has determined that it will establish an annual employer contribution rate using the actuarial valuation as a reference, but not as a definitive requirement. Employees were not required to contribute to the Plan. As of December 31, 2008, 661 members received healthcare benefits under the Plan, and the cost of those benefits amounted to \$7,264,816.

***Annual OPEB Cost and Net OPEB Obligation.*** The County’s annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan:

Annual required contribution	\$ 13,329,469
Interest on net OPEB obligation	161,834
Adjustment to annual required contribution	<u>(103,396)</u>
Annual OPEB cost (expense)	\$ 13,387,907
Contributions made	<u>(10,963,355)</u>
Increase in net OPEB obligation	2,424,552
Net OPEB obligation, beginning of year	<u>2,311,907</u>
Net OPEB obligation, end of year	<u><u>\$ 4,736,459</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of December 31, 2008, and the preceding year, were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
12/31/07	\$ 11,952,578	80.7%	\$ 2,311,907
12/31/08	13,387,907	81.9%	4,736,459

*Funded Status and Funding Progress.* The funded status of the Plan as of December 31, 2007, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$164,107,793	
Actuarial value of assets	(2)	<u>44,747,254</u>	
Unfunded AAL (UAAL)	(3)	<u><u>\$119,360,539</u></u>	(1) - (2)
Funded ratio	(4)	<u><u>27.3%</u></u>	(2) / (1)
Covered payroll	(5)	<u><u>\$ 76,546,962</u></u>	
UAAL as % of covered payroll	(6)	<u><u>155.9%</u></u>	(3) / (5)

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the Plan by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

Valuation date	12/31/07
Actuarial cost method	Entry Age
Amortization method	Level percentage of pay, closed; 30 years remaining amortization period
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	5.0%
Healthcare cost trend rate	11% initial; 5% ultimate

A publicly available financial report that includes financial statements and required supplementary information for the VEBA may be obtained by writing to the Washtenaw County Human Resources Department, 220 North Main Street, Ann Arbor, Michigan 48107 or by calling (734) 222-6800.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### **County Administered Plans – Summary of Significant Accounting Policies**

The financial statements of ERS, MPPP and VEBA are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair values.

### **Municipal Employees' Retirement System of Michigan**

The County participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan providing retirement, death and disability benefits for certain full-time Washtenaw County Sheriff Department employees. The System is administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

The County is required to contribute at an actuarially determined rate; the current rates are 6.94% for the Police Officers Association of Michigan (POAM) and 8.49% for the Command Officers Association of Michigan (COAM), of their annual covered payrolls. The POAM and COAM employees are required to contribute 9.32% and 5.0%, respectively, of their annual covered payrolls. The contribution requirements of the County are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members are established and may be amended by the County, subject to collective bargaining agreements and depending on the MERS contribution program adopted by the County.

For the year ended December 31, 2008, the County's annual pension cost of \$1,317,421 for MERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 8.0%; (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation; and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period is 30 years.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/06	\$ 1,187,154	100%	-
12/31/07	1,264,818	100	-
12/31/08	1,317,421	100	-

*Funded Status and Funding Progress.* The funded status of the MERS as of December 31, 2007, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 39,234,595	
Actuarial value of assets	(2)	<u>28,502,361</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 10,732,234</u>	(1) - (2)
Funded ratio	(4)	<u>72.6%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 18,526,314</u>	
UAAL as % of covered payroll	(6)	<u>57.9%</u>	(3) / (5)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial values of trust assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.



# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

Valuation date	12/31/07
Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percent of pay (open); for divisions that are closed, a 30-year level dollar method is used
Asset valuation method	10-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5% to 12.9% (including 4.5% inflation)
Cost-of-living adjustments	None

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Total	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/98	\$ 5,553,259	\$ 6,585,312	\$ 1,032,053	84%	\$ 7,300,718	14%
12/31/99	7,104,392	8,961,586	1,857,194	79%	8,736,898	21%
12/31/00	8,825,067	10,626,535	1,801,468	83%	9,571,961	19%
12/31/01	10,576,339	12,361,200	1,784,861	86%	11,020,092	16%
12/31/02	12,389,117	15,438,644	3,049,527	80%	13,046,728	23%
12/31/03	15,087,281	18,117,442	3,030,161	84%	14,256,334	22%
12/31/04	17,732,213	22,080,360	4,348,147	80%	15,616,254	28%
12/31/05	20,743,229	25,523,316	4,780,087	81%	15,716,990	30%
12/31/06	24,068,415	33,442,555	9,374,140	72%	17,188,529	55%
12/31/07	28,502,361	39,234,595	10,732,234	73%	18,526,314	58%

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31,	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
1999	\$ 442,029	\$ 442,029	100.0%
2000	654,259	654,259	100.0%
2001	650,166	650,166	100.0%
2002	783,326	783,326	100.0%
2003	774,093	774,093	100.0%
2004	956,387	956,387	100.0%
2005	972,278	972,278	100.0%
2006	1,187,154	1,187,154	100.0%
2007	1,264,818	1,264,818	100.0%
2008	1,317,421	1,317,421	100.0%

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### Component Unit

The Road Commission participates in MERS, an agent multiple-employer defined benefit pension plan that covers nearly all employees of the Road Commission. The Road Commission's MERS plan is separate from that of the County's. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, Michigan 48917.

The obligation to contribute to and maintain the system for these employees was established by resolution of the Road Commission Board.

For the year ended December 31, 2008, the Road Commission's annual pension cost of \$1,020,277 for the plan was equal to the Road Commission's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2007, using the entry age normal cost method. Significant actuarial assumptions used include: (a) an 8.0% investment rate of return; (b) projected salary increases of 4.5% to 12.9% per year, which includes an inflation component of 4.5%; and (c) no post retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The amortization period is 30 years. Employees are required to contribute 5.0% of their annual covered payroll.

### Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/06	\$ 928,690	100%	-
12/31/07	1,025,670	100	-
12/31/08	1,020,277	100	-

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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*Funded Status and Funding Progress.* The funded status of the MERS as of December 31, 2007, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 40,947,934	
Actuarial value of assets	(2)	<u>30,367,822</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 10,580,112</u>	(1) - (2)
Funded ratio	(4)	<u>74.2%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 7,621,079</u>	
UAAL as % of covered payroll	(6)	<u>138.8%</u>	(3) / (5)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents multiyear trend information about whether the actuarial values of trust assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the system by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

Additional information as of the latest actuarial valuation includes:

Valuation date	12/31/07
Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percent of pay, closed
Asset valuation method	4-year smoothed market
Amortization Period	30 Years
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5% to 12.9% (includes inflation of 4.5%)
Cost-of-living adjustments	None

### Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>Total</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/98	\$ 17,646,976	\$ 18,438,632	\$ 791,656	96%	\$ 4,911,946	16%
12/31/99	19,916,284	19,652,840	(263,444)	101%	5,557,826	0%
12/31/00	21,416,609	21,954,492	537,883	98%	5,393,251	10%
12/31/01	22,474,326	23,152,354	678,028	97%	5,761,249	12%
12/31/02	22,566,839	27,539,205	4,972,366	82%	6,054,035	82%
12/31/03	23,848,237	31,276,579	7,428,342	76%	6,790,857	109%
12/31/04	25,129,965	33,025,576	7,895,611	76%	6,911,250	114%
12/31/05	26,441,658	36,027,271	9,585,613	73%	7,568,848	127%
12/31/06	28,301,161	37,585,945	9,284,784	75%	7,725,580	120%
12/31/07	30,367,822	40,947,934	10,580,112	74%	7,621,079	139%

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

<b>Year Ended December 31,</b>	<b>Annual Required Contribution</b>	<b>Annual Actual Contribution</b>	<b>Percentage Contributed</b>
1999	\$ 285,891	\$ 285,891	100.0%
2000	302,167	302,167	100.0%
2001	255,130	255,130	100.0%
2002	213,485	213,485	100.0%
2003	610,255	610,255	100.0%
2004	633,502	633,502	100.0%
2005	823,729	823,729	100.0%
2006	928,690	928,690	100.0%
2007	1,025,670	1,025,670	100.0%
2008	1,020,277	1,020,277	100.0%

The Road Commission also participates in an agent multiple-employer defined benefit health care plan through MERS that covers all full time employees of the Road Commission. The Road Commission's MERS health care plan is separate from that of the County's. The system provides health care, dental, and death benefits to all full time employees upon retirement. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, Michigan 48917.

The Road Commission has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the Road Commission has made contributions to advance-fund these benefits, as determined by the Board of Commissioners through annual budget resolutions.

*Annual OPEB Cost and Net OPEB Obligation.* The Road Commission's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

The following table shows the components of the Road Commission's annual OPEB cost for the year, the amount actually contributed to the system, and changes in the Road Commission's net OPEB obligation to the system:

Annual required contribution	\$	1,557,811
Interest on net OPEB obligation		12,262
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		1,570,073
Contributions:		
Payments of current premiums		(828,550)
Advance funding		(633,258)
Increase in net OPEB obligation		108,265
Net OPEB obligation, beginning of year		153,281
Net OPEB obligation, end of year	\$	261,546

The Road Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the system, and the net OPEB obligation as of December 31, 2008, were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
12/31/07	\$ 1,490,728	89.72%	\$ 153,281
12/31/08	1,570,073	93.10%	261,546

*Funded Status and Funding Progress.* The funded status of the system as of December 31, 2006, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL) (1)	\$	21,116,123		
Actuarial value of assets (2)		852,110		
Unfunded AAL (UAAL) (3)	\$	20,264,013	(1) - (2)	
Funded ratio (4)		4.04%	(2) / (1)	
Covered payroll (5)	\$	7,725,580		
UAAL as % of covered payroll (6)		262.3%	(3) / (5)	

# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

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

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the Plan by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

Valuation date	12/31/06
Actuarial cost method	Entry Age Actuarial Cost
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.8% to 12.9% (includes 4.5% inflation)
Healthcare cost trend rate*	10% initial; 4.5% ultimate



# WASHTENAW COUNTY

## NOTES TO FINANCIAL STATEMENTS

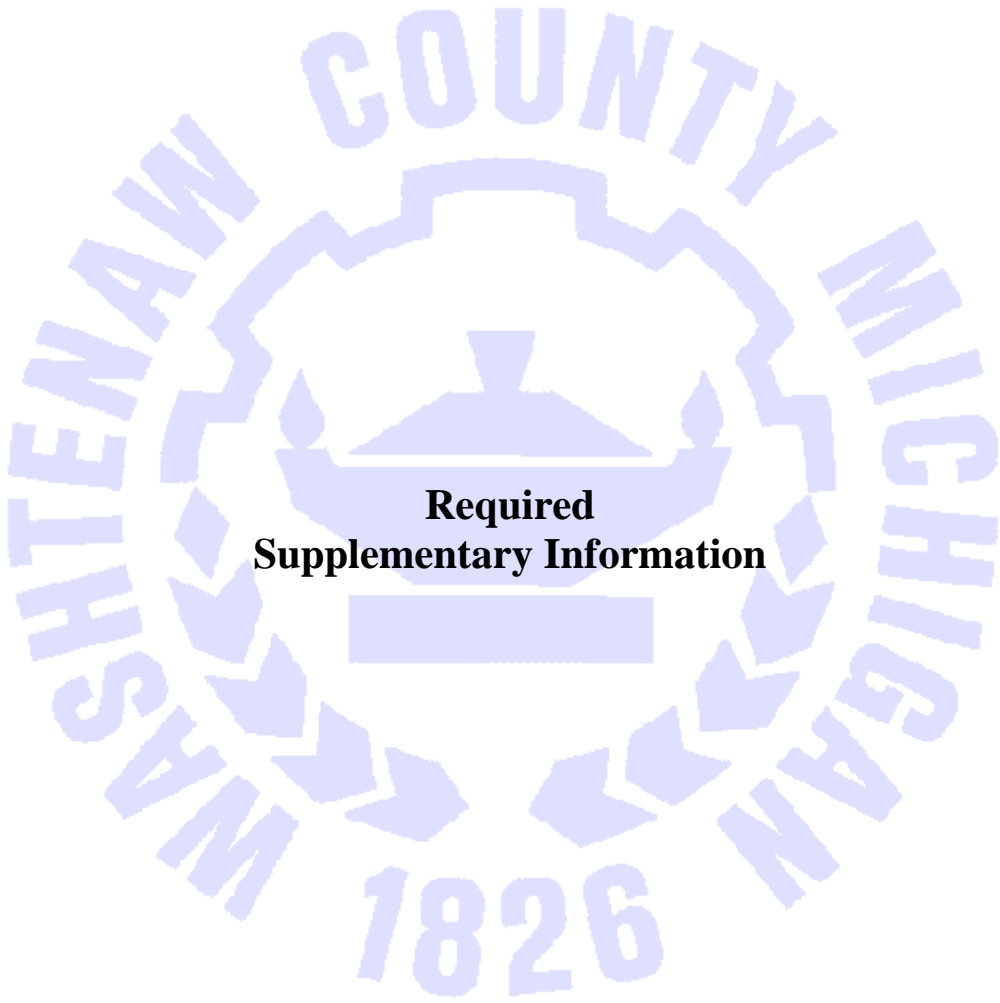
### SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>(1) Actuarial Value of Assets</u>	<u>(2) Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>(3) Unfunded AAL (UAAL) (2-1)</u>	<u>(4) Funded Ratio (1/2)</u>	<u>(5) Covered Payroll</u>	<u>(6) UAAL as a % of Covered Payroll (3/5)</u>
12/31/06	\$ 852,110	\$ 21,116,123	\$ 20,264,013	4.0%	\$ 7,725,580	262.3%

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Annual Actual Contribution</u>	<u>Percentage Contributed</u>
2007	\$ 1,490,728	\$ 1,337,447	89.7%
2008	1,570,073	1,461,808	93.1%

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**Required  
Supplementary Information**

**WASHTENAW COUNTY**  
**Employees' Retirement System**  
**Required Supplementary Information**

**Schedule of Funding Progress - Pension Only**

(1)	(2)	(3)	(4)	(5)	(6)	
Actuarial Valuation Date <u>December 31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a % of Covered Payroll (3/5)
1998	\$ 133,580,663	\$ 133,430,791	\$ (149,872)	100.1%	\$ 11,295,189	-1.3%
1999	146,587,299	144,026,699	(2,560,600)	101.8%	11,609,168	-22.1%
2000	156,959,460	152,942,076	(4,017,384)	102.6%	11,589,561	-34.7%
2001	163,564,179	166,381,778	2,817,599	98.3%	13,843,557	20.4%
2002	157,473,610	169,389,000	11,915,390	93.0%	12,836,355	92.8%
2003	157,237,691	173,989,111	16,751,420	90.4%	12,332,026	135.8%
2004	150,576,655	177,524,551	26,947,896	84.8%	12,134,962	222.1%
2005	145,093,140	177,684,410	32,591,270	81.7%	11,076,300	294.2%
2006	145,235,953	181,591,924	36,355,971	80.0%	10,243,828	354.9%
2007	150,229,089	190,725,826	40,496,737	78.8%	9,354,679	432.9%
2007*	210,446,657	265,463,304	55,016,647	79.3%	57,943,478	94.9%

**Note:** For purposes of the Schedule of Funding Progress, the actuarial accrued liability values as shown are determined using the entry age actuarial cost method. However, for purposes of calculating the ARC, the System uses the aggregate cost actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities.

\* Includes General division employees from the County's defined contribution plan (MPPP).

**Schedule of Employer Contributions**

Year Ended <u>December 31</u>	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
1999	\$ 1,038,243	\$ 1,038,243	100.0%
2000	1,513,759	1,513,759	100.0%
2001	1,449,631	1,449,631	100.0%
2002	1,456,780	1,456,780	100.0%
2003	1,651,416	1,651,416	100.0%
2004	2,451,764	2,451,764	100.0%
2005	2,700,525	2,700,525	100.0%
2006	3,845,384	3,845,384	100.0%
2007	4,827,249	4,827,249	100.0%
2008	5,359,824	5,359,824	100.0%

**WASHTENAW COUNTY**  
**Voluntary Employees Beneficiary Association**  
**Required Supplementary Information**

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded AAL (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3/5)
12/31/04	\$ 30,159,739	\$ 150,053,560	\$ 119,893,821	20.1%	\$ 69,804,470	171.8%
12/31/05	31,646,289	149,890,222	118,243,933	21.1%	71,477,954	165.4%
12/31/06	37,653,565	183,743,134	146,089,569	20.5%	75,492,444	193.5%
12/31/07	44,747,254	164,107,793	119,360,539	27.3%	76,546,962	155.9%

**SCHEDULE OF CONTRIBUTIONS FROM THE  
EMPLOYER AND OTHER CONTRIBUTING ENTITY**

Year Ended	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2006	\$ 12,013,367	\$ 8,035,887	66.9%
2007	11,952,578	9,640,671	80.7%
2008	13,329,469	10,963,355	82.2%



**Supplementary Information**

**WASHTENAW COUNTY**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**December 31, 2008**

Special Revenue Funds

<u>ASSETS</u>	<u>Aerial Photo</u>	<u>Brownfield</u>	<u>Building Services</u>	<u>Child Care</u>	<u>Community Corrections</u>	<u>Community Development</u>
<b>Assets</b>						
Cash and pooled investments	\$ 307,892	\$ 476,842	\$ 18,470	\$ 654,480	\$ 52,877	\$ -
Receivables:						
Taxes - current	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Due from other governments	-	-	-	160,533	67,100	582,619
Notes receivable	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 307,892</u></b>	<b><u>\$ 476,842</u></b>	<b><u>\$ 18,470</u></b>	<b><u>\$ 815,013</u></b>	<b><u>\$ 119,977</u></b>	<b><u>\$ 582,619</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 48,037	\$ -	\$ 177,736
Retainages payable	-	-	-	-	-	-
Accrued liabilities	-	-	18,470	136,963	18,775	22,324
Due to other governments	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	349,573
Deferred revenue	-	-	-	-	11,377	6,550
Advances from other governments	-	-	-	-	-	-
Total liabilities	-	-	18,470	185,000	30,152	556,183
<b>Fund balances</b>						
Reserved for prepaid items	-	-	-	-	-	-
Unreserved, undesignated	307,892	476,842	-	630,013	89,825	26,436
Total fund balances	307,892	476,842	-	630,013	89,825	26,436
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 307,892</u></b>	<b><u>\$ 476,842</u></b>	<b><u>\$ 18,470</u></b>	<b><u>\$ 815,013</u></b>	<b><u>\$ 119,977</u></b>	<b><u>\$ 582,619</u></b>

**Special Revenue Funds**

<b>County Library</b>	<b>Drain Commission Grants</b>	<b>E-911</b>	<b>Employment Training and Community Services</b>	<b>Environmental Health</b>	<b>Department of Human Services</b>	<b>Friend of the Court</b>	<b>Head Start</b>	<b>HIDTA Grant</b>
\$ 43,857	\$ 182,049	\$ -	\$ 68,561	\$ 315,059	\$ 84,512	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
231	-	426,633	-	-	-	-	-	-
-	-	136,282	588,011	14,783	-	940,013	1,006,025	380,160
-	-	-	-	-	-	-	-	-
-	-	-	45,794	-	-	-	-	-
<u>\$ 44,088</u>	<u>\$ 182,049</u>	<u>\$ 562,915</u>	<u>\$ 702,366</u>	<u>\$ 329,842</u>	<u>\$ 84,512</u>	<u>\$ 940,013</u>	<u>\$ 1,006,025</u>	<u>\$ 380,160</u>
\$ 36,607	\$ -	\$ 264,613	\$ 4,375	\$ -	\$ -	\$ 5,617	\$ 207,631	\$ -
-	35,000	-	-	-	-	-	-	-
7,481	99	4,686	55,371	72,277	-	136,101	61,870	10,246
-	-	-	55,239	-	-	1,822	-	-
-	-	157,825	-	-	-	660,748	587,977	369,914
-	57,868	-	274,503	-	-	-	-	-
-	-	-	-	-	82,000	-	-	-
<u>44,088</u>	<u>92,967</u>	<u>427,124</u>	<u>389,488</u>	<u>72,277</u>	<u>82,000</u>	<u>804,288</u>	<u>857,478</u>	<u>380,160</u>
-	-	-	45,794	-	-	-	-	-
-	89,082	135,791	267,084	257,565	2,512	135,725	148,547	-
-	89,082	135,791	312,878	257,565	2,512	135,725	148,547	-
<u>\$ 44,088</u>	<u>\$ 182,049</u>	<u>\$ 562,915</u>	<u>\$ 702,366</u>	<u>\$ 329,842</u>	<u>\$ 84,512</u>	<u>\$ 940,013</u>	<u>\$ 1,006,025</u>	<u>\$ 380,160</u>

Continued...

**WASHTENAW COUNTY**  
**Combining Balance Sheet - Nonmajor Governmental Funds (Concluded)**  
**December 31, 2008**

	Special Revenue Funds					
	Homeland Security Grants	Inmate Concessions	Juvenile Grants	Other Special Revenue Funds	Planning Grants	Prosecuting Attorney Grants
<b><u>ASSETS</u></b>						
<b>Assets</b>						
Cash and pooled investments	\$ -	\$ 355,095	\$ -	\$ 730,280	\$ -	\$ 133,949
Receivables:						
Taxes - current	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Due from other governments	155,851	-	58,126	41,933	86,893	165,699
Notes receivable	-	-	-	141,280	-	-
Prepaid items	-	-	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 155,851</u></b>	<b><u>\$ 355,095</u></b>	<b><u>\$ 58,126</u></b>	<b><u>\$ 913,493</u></b>	<b><u>\$ 86,893</u></b>	<b><u>\$ 299,648</u></b>
<b><u>LIABILITIES</u></b>						
<b><u>AND FUND BALANCES</u></b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 8,712	\$ 42,671	\$ -	\$ -
Retainages payable	-	-	-	-	-	-
Accrued liabilities	4,341	-	1,648	72,450	-	18,794
Due to other governments	-	-	-	-	-	250
Interfund payable	128,950	-	45,274	-	81,929	-
Deferred revenue	-	-	2,476	-	-	-
Advances from other governments	-	-	-	-	-	-
Total liabilities	133,291	-	58,110	115,121	81,929	19,044
<b>Fund balances</b>						
Reserved for prepaid items	-	-	-	-	-	-
Unreserved, undesignated	22,560	355,095	16	798,372	4,964	280,604
Total fund balances	22,560	355,095	16	798,372	4,964	280,604
<b><u>TOTAL LIABILITIES</u></b>	<b><u>\$ 155,851</u></b>	<b><u>\$ 355,095</u></b>	<b><u>\$ 58,126</u></b>	<b><u>\$ 913,493</u></b>	<b><u>\$ 86,893</u></b>	<b><u>\$ 299,648</u></b>
<b><u>AND FUND BALANCES</u></b>	<b><u>\$ 155,851</u></b>	<b><u>\$ 355,095</u></b>	<b><u>\$ 58,126</u></b>	<b><u>\$ 913,493</u></b>	<b><u>\$ 86,893</u></b>	<b><u>\$ 299,648</u></b>



Special Revenue Funds				Debt Service		Capital Projects	Total Other Governmental Funds
Public Health	Public Works Solid Waste Program	Sheriff's Grants	Veterans' Trust	County	Building Authority	Building Authority	
\$ 601,752	\$ -	\$ 628,939	\$ 52,888	\$ 1,512	\$ 14,351	\$ 1,573,402	\$ 6,296,767
-	-	-	341,430	-	-	-	341,430
528,936	112,720	-	-	-	-	-	1,068,520
819,824	-	181,825	-	-	-	-	5,385,677
-	-	-	-	-	-	-	141,280
-	-	-	-	-	-	-	45,794
<u>\$ 1,950,512</u>	<u>\$ 112,720</u>	<u>\$ 810,764</u>	<u>\$ 394,318</u>	<u>\$ 1,512</u>	<u>\$ 14,351</u>	<u>\$ 1,573,402</u>	<u>\$ 13,279,468</u>
\$ 150,145	\$ 3,522	\$ 19,723	\$ -	\$ -	\$ -	\$ 88,363	\$ 1,057,752
-	-	-	-	-	-	53,413	88,413
260,780	5,334	8,499	144	-	-	-	916,653
1,085,224	-	3,161	-	-	-	-	1,145,696
-	2,976	-	-	-	-	-	2,385,166
11,533	-	7,562	384,771	-	-	-	756,640
-	-	-	-	-	-	-	82,000
<u>1,507,682</u>	<u>11,832</u>	<u>38,945</u>	<u>384,915</u>	<u>-</u>	<u>-</u>	<u>141,776</u>	<u>6,432,320</u>
-	-	-	-	-	-	-	45,794
442,830	100,888	771,819	9,403	1,512	14,351	1,431,626	6,801,354
<u>442,830</u>	<u>100,888</u>	<u>771,819</u>	<u>9,403</u>	<u>1,512</u>	<u>14,351</u>	<u>1,431,626</u>	<u>6,847,148</u>
<u>\$ 1,950,512</u>	<u>\$ 112,720</u>	<u>\$ 810,764</u>	<u>\$ 394,318</u>	<u>\$ 1,512</u>	<u>\$ 14,351</u>	<u>\$ 1,573,402</u>	<u>\$ 13,279,468</u>

**WASHTENAW COUNTY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**Year Ended December 31, 2008**

**Special Revenue Funds**

	<u>Aerial Photo</u>	<u>Brownfield</u>	<u>Building Services</u>	<u>Child Care</u>	<u>Community Corrections</u>	<u>Community Development</u>
<b>Revenues</b>						
Taxes	\$ -	\$ 341,631	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	772,237	-	-	-
Intergovernmental	-	85,607	-	4,929,650	373,619	2,688,935
Charges for services	26,218	-	71	-	244,322	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	9,306	9,158	(6,877)	-	-	-
Other	-	-	-	759,801	8,384	483,410
<b>Total revenues</b>	<u>35,524</u>	<u>436,396</u>	<u>765,431</u>	<u>5,689,451</u>	<u>626,325</u>	<u>3,172,345</u>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	793,560	-
General government	-	87,219	-	-	-	-
Public safety	-	-	838,379	-	-	-
Public works	-	37,500	-	-	-	-
Health	-	-	189,434	-	-	-
Social services	-	-	-	10,731,801	-	3,277,885
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>124,719</u>	<u>1,027,813</u>	<u>10,731,801</u>	<u>793,560</u>	<u>3,277,885</u>
Revenues over (under) expenditures	<u>35,524</u>	<u>311,677</u>	<u>(262,382)</u>	<u>(5,042,350)</u>	<u>(167,235)</u>	<u>(105,540)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	262,382	5,518,360	256,549	130,174
Transfers out	-	-	-	(1,864)	-	-
<b>Total other sources (uses)</b>	<u>-</u>	<u>-</u>	<u>262,382</u>	<u>5,516,496</u>	<u>256,549</u>	<u>130,174</u>
<b>Net change in fund balances</b>	<u>35,524</u>	<u>311,677</u>	<u>-</u>	<u>474,146</u>	<u>89,314</u>	<u>24,634</u>
Fund balances, beginning of year	<u>272,368</u>	<u>165,165</u>	<u>-</u>	<u>155,867</u>	<u>511</u>	<u>1,802</u>
<b>Fund balances, end of year</b>	<u>\$ 307,892</u>	<u>\$ 476,842</u>	<u>\$ -</u>	<u>\$ 630,013</u>	<u>\$ 89,825</u>	<u>\$ 26,436</u>

**Special Revenue Funds**

<u>County Library</u>	<u>Drain Commission Grants</u>	<u>E-911</u>	<u>Employment Training and Community Service</u>	<u>Environmental Health</u>	<u>Department of Human Services</u>	<u>Friend of the Court</u>	<u>Head Start</u>	<u>HIDTA Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,365,322	-	-	-	-
48,748	32,799	-	9,470,460	787,517	629,736	4,059,614	3,923,403	1,358,476
-	-	2,253,640	-	5,330	-	235,322	-	-
3,722	-	-	-	9,423	-	1,551	-	-
-	5,982	13,570	-	3,271	1	-	-	-
25,817	-	37,053	277,405	4,642	-	323	170,970	-
<u>78,287</u>	<u>38,781</u>	<u>2,304,263</u>	<u>9,747,865</u>	<u>2,175,505</u>	<u>629,737</u>	<u>4,296,810</u>	<u>4,094,373</u>	<u>1,358,476</u>
-	-	-	-	-	-	6,077,711	-	-
-	-	-	-	-	-	-	-	-
-	-	1,405,515	-	-	-	-	-	1,358,476
-	143,821	-	-	-	-	-	-	-
-	-	-	-	3,345,030	-	-	-	-
-	-	-	10,323,616	-	720,475	-	4,681,907	-
864,740	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>864,740</u>	<u>143,821</u>	<u>1,405,515</u>	<u>10,323,616</u>	<u>3,345,030</u>	<u>720,475</u>	<u>6,077,711</u>	<u>4,681,907</u>	<u>1,358,476</u>
<u>(786,453)</u>	<u>(105,040)</u>	<u>898,748</u>	<u>(575,751)</u>	<u>(1,169,525)</u>	<u>(90,738)</u>	<u>(1,780,901)</u>	<u>(587,534)</u>	<u>-</u>
645,566	131,352	107,430	532,016	1,173,347	54,421	1,714,402	731,346	-
-	-	(1,099,952)	-	-	-	-	(143,811)	-
<u>645,566</u>	<u>131,352</u>	<u>(992,522)</u>	<u>532,016</u>	<u>1,173,347</u>	<u>54,421</u>	<u>1,714,402</u>	<u>587,535</u>	<u>-</u>
(140,887)	26,312	(93,774)	(43,735)	3,822	(36,317)	(66,499)	1	-
<u>140,887</u>	<u>62,770</u>	<u>229,565</u>	<u>356,613</u>	<u>253,743</u>	<u>38,829</u>	<u>202,224</u>	<u>148,546</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 89,082</u>	<u>\$ 135,791</u>	<u>\$ 312,878</u>	<u>\$ 257,565</u>	<u>\$ 2,512</u>	<u>\$ 135,725</u>	<u>\$ 148,547</u>	<u>\$ -</u>

Continued...

**WASHTENAW COUNTY**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Nonmajor Governmental Funds (Concluded)**  
**Year Ended December 31, 2008**

**Special Revenue Funds**

	<b>Homeland Security Grants</b>	<b>Inmate Concessions</b>	<b>Juvenile Grants</b>	<b>Other Special Revenue Funds</b>	<b>Planning Grants</b>	<b>Prosecuting Attorney Grants</b>
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	562,620	-	109,256	67,255	741,840	611,749
Charges for services	-	-	-	161,312	-	-
Fines and forfeits	-	-	-	8,500	-	170,974
Investment income (loss)	1	11,361	(1,061)	29,091	158	-
Other	-	340,351	210,574	78,977	447,500	3
<b>Total revenues</b>	<b>562,621</b>	<b>351,712</b>	<b>318,769</b>	<b>345,135</b>	<b>1,189,498</b>	<b>782,726</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	15,966	-	-
General government	-	-	-	1,500	1,211,894	-
Public safety	571,446	299,345	-	-	-	860,179
Public works	-	-	-	-	-	-
Health	-	-	-	20,660	-	-
Social services	-	-	416,518	434,553	-	-
Culture and recreation	-	-	-	94,317	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>571,446</b>	<b>299,345</b>	<b>416,518</b>	<b>566,996</b>	<b>1,211,894</b>	<b>860,179</b>
Revenues over (under) expenditures	(8,825)	52,367	(97,749)	(221,861)	(22,396)	(77,453)
<b>Other financing sources (uses)</b>						
Transfers in	8,826	-	97,599	240,008	-	228,554
Transfers out	-	-	-	(234,164)	-	-
<b>Total other sources (uses)</b>	<b>8,826</b>	<b>-</b>	<b>97,599</b>	<b>5,844</b>	<b>-</b>	<b>228,554</b>
Net change in fund balances	1	52,367	(150)	(216,017)	(22,396)	151,101
Fund balances, beginning of year	22,559	302,728	166	1,014,389	27,360	129,503
<b>Fund balances, end of year</b>	<b>\$ 22,560</b>	<b>\$ 355,095</b>	<b>\$ 16</b>	<b>\$ 798,372</b>	<b>\$ 4,964</b>	<b>\$ 280,604</b>

Special Revenue Funds				Debt Service		Capital Projects	Total Other Governmental Funds
Public Health	Public Works Solid Waste Program	Sheriff's Grants	Veterans' Trust	County	Building Authority	Building Authority	
\$ -	\$ -	\$ -	\$ 849	\$ -	\$ -	\$ -	\$ 342,480
-	-	-	-	-	-	-	2,137,559
6,201,406	23,077	484,344	21,717	1,367,040	48,448	-	38,627,316
1,183,902	-	38,239	-	-	-	-	4,148,356
-	-	12,816	-	-	-	-	206,986
-	1,146	20,569	35	8,123	786	63,878	168,498
82,819	563,567	425	-	-	-	1	3,492,022
<u>7,468,127</u>	<u>587,790</u>	<u>556,393</u>	<u>22,601</u>	<u>1,375,163</u>	<u>49,234</u>	<u>63,879</u>	<u>49,123,217</u>
-	-	-	-	-	-	-	6,887,237
-	-	-	-	-	-	-	1,300,613
-	-	562,360	-	-	-	-	5,895,700
-	604,341	-	-	-	-	-	785,662
12,785,774	-	-	-	-	-	-	16,340,898
-	-	-	19,083	-	-	-	30,605,838
-	-	-	-	-	-	-	959,057
-	-	-	-	4,804,476	1,090,000	-	5,894,476
-	-	-	-	2,678,923	268,709	-	2,947,632
-	-	-	-	-	-	652,818	652,818
<u>12,785,774</u>	<u>604,341</u>	<u>562,360</u>	<u>19,083</u>	<u>7,483,399</u>	<u>1,358,709</u>	<u>652,818</u>	<u>72,269,931</u>
<u>(5,317,647)</u>	<u>(16,551)</u>	<u>(5,967)</u>	<u>3,518</u>	<u>(6,108,236)</u>	<u>(1,309,475)</u>	<u>(588,939)</u>	<u>(23,146,714)</u>
5,576,804	20,000	122,355	-	6,109,351	1,310,183	-	24,971,025
(400,000)	-	(540)	-	-	-	-	(1,880,331)
<u>5,176,804</u>	<u>20,000</u>	<u>121,815</u>	<u>-</u>	<u>6,109,351</u>	<u>1,310,183</u>	<u>-</u>	<u>23,090,694</u>
(140,843)	3,449	115,848	3,518	1,115	708	(588,939)	(56,020)
<u>583,673</u>	<u>97,439</u>	<u>655,971</u>	<u>5,885</u>	<u>397</u>	<u>13,643</u>	<u>2,020,565</u>	<u>6,903,168</u>
<u>\$ 442,830</u>	<u>\$ 100,888</u>	<u>\$ 771,819</u>	<u>\$ 9,403</u>	<u>\$ 1,512</u>	<u>\$ 14,351</u>	<u>\$ 1,431,626</u>	<u>\$ 6,847,148</u>

**WASHTENAW COUNTY**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Final Budget and Actual - Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2008**

	Aerial Photo			Brownfield		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 1,130,000	\$ 341,631	\$ (788,369)
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	300,000	85,607	(214,393)
Charges for services	28,000	26,218	(1,782)	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	-	9,306	9,306	-	9,158	9,158
Other	-	-	-	300,000	-	(300,000)
<b>Total revenues</b>	<b>28,000</b>	<b>35,524</b>	<b>7,524</b>	<b>1,730,000</b>	<b>436,396</b>	<b>(1,293,604)</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	100,000	-	100,000	-	87,219	(87,219)
Public safety	-	-	-	-	-	-
Public works	-	-	-	384,550	37,500	347,050
Health	-	-	-	1,345,450	-	1,345,450
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>	<b>1,730,000</b>	<b>124,719</b>	<b>1,605,281</b>
Revenues over (under) expenditures	(72,000)	35,524	107,524	-	311,677	311,677
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(72,000)</b>	<b>35,524</b>	<b>107,524</b>	<b>-</b>	<b>311,677</b>	<b>311,677</b>
Fund balances, beginning of year	272,368	272,368	-	165,165	165,165	-
<b>Fund balances, end of year</b>	<b>\$ 200,368</b>	<b>\$ 307,892</b>	<b>\$ 107,524</b>	<b>\$ 165,165</b>	<b>\$ 476,842</b>	<b>\$ 311,677</b>

## WASHTENAW COUNTY

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual - Nonmajor Special Revenue Funds (Continued) Year Ended December 31, 2008

	Building Services			Child Care		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	829,212	772,237	(56,975)	-	-	-
Intergovernmental	-	-	-	5,155,005	4,929,650	(225,355)
Charges for services	600	71	(529)	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	(6,877)	(6,877)	-	-	-
Other	-	-	-	669,755	759,801	90,046
<b>Total revenues</b>	<b>829,812</b>	<b>765,431</b>	<b>(64,381)</b>	<b>5,824,760</b>	<b>5,689,451</b>	<b>(135,309)</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	679,543	838,379	(158,836)	-	-	-
Public works	-	-	-	-	-	-
Health	101,658	189,434	(87,776)	-	-	-
Social services	-	-	-	11,628,184	10,731,801	896,383
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	<b>781,201</b>	<b>1,027,813</b>	<b>(246,612)</b>	<b>11,628,184</b>	<b>10,731,801</b>	<b>896,383</b>
Revenues over (under) expenditures	48,611	(262,382)	(310,993)	(5,803,424)	(5,042,350)	761,074
<b>Other financing sources (uses)</b>						
Transfers in	-	262,382	262,382	5,818,360	5,518,360	(300,000)
Transfers out	(48,611)	-	48,611	(14,936)	(1,864)	13,072
<b>Total other sources (uses)</b>	<b>(48,611)</b>	<b>262,382</b>	<b>310,993</b>	<b>5,803,424</b>	<b>5,516,496</b>	<b>(286,928)</b>
Net change in fund balances	-	-	-	-	474,146	474,146
Fund balances, beginning of year	-	-	-	155,867	155,867	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 155,867</b>	<b>\$ 630,013</b>	<b>\$ 474,146</b>

**WASHTENAW COUNTY**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Final Budget and Actual - Nonmajor Special Revenue Funds (Continued)**  
**Year Ended December 31, 2008**

	Community Corrections			Community Development		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	393,987	373,619	(20,368)	3,175,745	2,688,935	(486,810)
Charges for services	276,445	244,322	(32,123)	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other	4,803	8,384	3,581	117,050	483,410	366,360
<b>Total revenues</b>	<b>675,235</b>	<b>626,325</b>	<b>(48,910)</b>	<b>3,292,795</b>	<b>3,172,345</b>	<b>(120,450)</b>
<b>Expenditures</b>						
Current:						
Judicial	931,783	793,560	138,223	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	3,292,795	3,277,885	14,910
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	<b>931,783</b>	<b>793,560</b>	<b>138,223</b>	<b>3,292,795</b>	<b>3,277,885</b>	<b>14,910</b>
Revenues over (under) expenditures	(256,548)	(167,235)	89,313	-	(105,540)	(105,540)
<b>Other financing sources (uses)</b>						
Transfers in	256,548	256,549	1	-	130,174	130,174
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>256,548</b>	<b>256,549</b>	<b>1</b>	<b>-</b>	<b>130,174</b>	<b>130,174</b>
Net change in fund balances	-	89,314	89,314	-	24,634	24,634
Fund balances, beginning of year	511	511	-	1,802	1,802	-
<b>Fund balances, end of year</b>	<b>\$ 511</b>	<b>\$ 89,825</b>	<b>\$ 89,314</b>	<b>\$ 1,802</b>	<b>\$ 26,436</b>	<b>\$ 24,634</b>



## WASHTENAW COUNTY

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual - Nonmajor Special Revenue Funds (Continued) Year Ended December 31, 2008

	County Library			Drain Commission Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	45,980	48,748	2,768	-	32,799	32,799
Charges for services	-	-	-	-	-	-
Fines and forfeits	1,100	3,722	2,622	-	-	-
Investment income	-	-	-	-	5,982	5,982
Other	25,000	25,817	817	-	-	-
<b>Total revenues</b>	<b>72,080</b>	<b>78,287</b>	<b>6,207</b>	<b>-</b>	<b>38,781</b>	<b>38,781</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	131,351	143,821	(12,470)
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	1,004,325	864,740	139,585	-	-	-
<b>Total expenditures</b>	<b>1,004,325</b>	<b>864,740</b>	<b>139,585</b>	<b>131,351</b>	<b>143,821</b>	<b>(12,470)</b>
Revenues over (under) expenditures	(932,245)	(786,453)	145,792	(131,351)	(105,040)	26,311
<b>Other financing sources (uses)</b>						
Transfers in	919,770	645,566	(274,204)	131,351	131,352	1
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>919,770</b>	<b>645,566</b>	<b>(274,204)</b>	<b>131,351</b>	<b>131,352</b>	<b>1</b>
Net change in fund balances	(12,475)	(140,887)	(128,412)	-	26,312	26,312
Fund balances, beginning of year	140,887	140,887	-	62,770	62,770	-
<b>Fund balances, end of year</b>	<b>\$ 128,412</b>	<b>\$ -</b>	<b>\$ (128,412)</b>	<b>\$ 62,770</b>	<b>\$ 89,082</b>	<b>\$ 26,312</b>

**WASHTENAW COUNTY**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Final Budget and Actual - Nonmajor Special Revenue Funds (Continued)**  
**Year Ended December 31, 2008**

	E-911			Employment Training and Community Services		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	10,547,370	9,470,460	(1,076,910)
Charges for services	2,100,000	2,253,640	153,640	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	-	13,570	13,570	-	-	-
Other	98,046	37,053	(60,993)	102,367	277,405	175,038
<b>Total revenues</b>	<b>2,198,046</b>	<b>2,304,263</b>	<b>106,217</b>	<b>10,649,737</b>	<b>9,747,865</b>	<b>(901,872)</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	1,298,628	1,405,515	(106,887)	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	11,181,753	10,323,616	858,137
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,298,628</b>	<b>1,405,515</b>	<b>(106,887)</b>	<b>11,181,753</b>	<b>10,323,616</b>	<b>858,137</b>
Revenues over (under) expenditures	899,418	898,748	(670)	(532,016)	(575,751)	(43,735)
<b>Other financing sources (uses)</b>						
Transfers in	103,659	107,430	3,771	532,016	532,016	-
Transfers out	(1,008,054)	(1,099,952)	(91,898)	-	-	-
<b>Total other sources (uses)</b>	<b>(904,395)</b>	<b>(992,522)</b>	<b>(88,127)</b>	<b>532,016</b>	<b>532,016</b>	<b>-</b>
Net change in fund balances	(4,977)	(93,774)	(88,797)	-	(43,735)	(43,735)
Fund balances, beginning of year	229,565	229,565	-	356,613	356,613	-
<b>Fund balances, end of year</b>	<b>\$ 224,588</b>	<b>\$ 135,791</b>	<b>\$ (88,797)</b>	<b>\$ 356,613</b>	<b>\$ 312,878</b>	<b>\$ (43,735)</b>

## WASHTENAW COUNTY

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual - Nonmajor Special Revenue Funds (Continued) Year Ended December 31, 2008

	Environmental Health			Department of Human Services		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,485,582	1,365,322	(120,260)	-	-	-
Intergovernmental	790,557	787,517	(3,040)	-	629,736	629,736
Charges for services	71,041	5,330	(65,711)	-	-	-
Fines and forfeits	8,926	9,423	497	-	-	-
Investment income	-	3,271	3,271	-	1	1
Other	7,180	4,642	(2,538)	-	-	-
<b>Total revenues</b>	<b>2,363,286</b>	<b>2,175,505</b>	<b>(187,781)</b>	<b>-</b>	<b>629,737</b>	<b>629,737</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	3,606,811	3,345,030	261,781	-	-	-
Social services	-	-	-	54,109	720,475	(666,366)
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,606,811</b>	<b>3,345,030</b>	<b>261,781</b>	<b>54,109</b>	<b>720,475</b>	<b>(666,366)</b>
Revenues over (under) expenditures	(1,243,525)	(1,169,525)	74,000	(54,109)	(90,738)	(36,629)
<b>Other financing sources (uses)</b>						
Transfers in	1,243,525	1,173,347	(70,178)	54,109	54,421	312
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>1,243,525</b>	<b>1,173,347</b>	<b>(70,178)</b>	<b>54,109</b>	<b>54,421</b>	<b>312</b>
Net change in fund balances	-	3,822	3,822	-	(36,317)	(36,317)
Fund balances, beginning of year	253,743	253,743	-	38,829	38,829	-
<b>Fund balances, end of year</b>	<b>\$ 253,743</b>	<b>\$ 257,565</b>	<b>\$ 3,822</b>	<b>\$ 38,829</b>	<b>\$ 2,512</b>	<b>\$ (36,317)</b>

## WASHTENAW COUNTY

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual - Nonmajor Special Revenue Funds (Continued) Year Ended December 31, 2008

	Friend of the Court			Head Start		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	3,781,226	4,059,614	278,388	3,717,411	3,923,403	205,992
Charges for services	203,000	235,322	32,322	-	-	-
Fines and forfeits	-	1,551	1,551	-	-	-
Investment income	-	-	-	-	-	-
Other	-	323	323	50,969	170,970	120,001
<b>Total revenues</b>	<b>3,984,226</b>	<b>4,296,810</b>	<b>312,584</b>	<b>3,768,380</b>	<b>4,094,373</b>	<b>325,993</b>
<b>Expenditures</b>						
Current:						
Judicial	5,698,627	6,077,711	(379,084)	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	4,647,031	4,681,907	(34,876)
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	<b>5,698,627</b>	<b>6,077,711</b>	<b>(379,084)</b>	<b>4,647,031</b>	<b>4,681,907</b>	<b>(34,876)</b>
Revenues over (under) expenditures	(1,714,401)	(1,780,901)	(66,500)	(878,651)	(587,534)	291,117
<b>Other financing sources (uses)</b>						
Transfers in	1,714,401	1,714,402	1	878,651	731,346	(147,305)
Transfers out	-	-	-	-	(143,811)	(143,811)
<b>Total other sources (uses)</b>	<b>1,714,401</b>	<b>1,714,402</b>	<b>1</b>	<b>878,651</b>	<b>587,535</b>	<b>(291,116)</b>
Net change in fund balances	-	(66,499)	(66,499)	-	1	1
Fund balances, beginning of year	202,224	202,224	-	148,546	148,546	-
<b>Fund balances, end of year</b>	<b>\$ 202,224</b>	<b>\$ 135,725</b>	<b>\$ (66,499)</b>	<b>\$ 148,546</b>	<b>\$ 148,547</b>	<b>\$ 1</b>

**WASHTENAW COUNTY**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Final Budget and Actual - Nonmajor Special Revenue Funds (Continued)**  
**Year Ended December 31, 2008**

	HIDTA Grant			Homeland Security Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,582,750	1,358,476	(224,274)	250,000	562,620	312,620
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	-	-	-	-	1	1
Other	-	-	-	-	-	-
<b>Total revenues</b>	1,582,750	1,358,476	(224,274)	250,000	562,621	312,621
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	1,582,750	1,358,476	224,274	289,708	571,446	(281,738)
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	1,582,750	1,358,476	224,274	289,708	571,446	(281,738)
Revenues over (under) expenditures	-	-	-	(39,708)	(8,825)	30,883
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	39,708	8,826	(30,882)
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	-	-	-	39,708	8,826	(30,882)
Net change in fund balances	-	-	-	-	1	1
Fund balances, beginning of year	-	-	-	22,559	22,559	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -	\$ 22,559	\$ 22,560	\$ 1

## WASHTENAW COUNTY

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual - Nonmajor Special Revenue Funds (Continued) Year Ended December 31, 2008

	Inmate Concessions			Juvenile Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	16,763	109,256	92,493
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	11,361	11,361	-	(1,061)	(1,061)
Other	270,972	340,351	69,379	19,000	210,574	191,574
<b>Total revenues</b>	<b>270,972</b>	<b>351,712</b>	<b>80,740</b>	<b>35,763</b>	<b>318,769</b>	<b>283,006</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	270,972	299,345	(28,373)	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	107,626	416,518	(308,892)
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	<b>270,972</b>	<b>299,345</b>	<b>(28,373)</b>	<b>107,626</b>	<b>416,518</b>	<b>(308,892)</b>
Revenues over (under) expenditures	-	52,367	52,367	(71,863)	(97,749)	(25,886)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	71,863	97,599	25,736
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,863</b>	<b>97,599</b>	<b>25,736</b>
Net change in fund balances	-	52,367	52,367	-	(150)	(150)
Fund balances, beginning of year	302,728	302,728	-	166	166	-
<b>Fund balances, end of year</b>	<b>\$ 302,728</b>	<b>\$ 355,095</b>	<b>\$ 52,367</b>	<b>\$ 166</b>	<b>\$ 16</b>	<b>\$ (150)</b>

## WASHTENAW COUNTY

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual - Nonmajor Special Revenue Funds (Continued) Year Ended December 31, 2008

	Other Special Revenue Funds			Planning Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	114,700	67,255	(47,445)	741,919	741,840	(79)
Charges for services	140,000	161,312	21,312	-	-	-
Fines and forfeits	8,500	8,500	-	-	-	-
Investment income	-	29,091	29,091	-	158	158
Other	-	78,977	78,977	18,000	447,500	429,500
Total revenues	263,200	345,135	81,935	759,919	1,189,498	429,579
<b>Expenditures</b>						
Current:						
Judicial	20,900	15,966	4,934	-	-	-
General government	32,200	1,500	30,700	761,119	1,211,894	(450,775)
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	182,500	20,660	161,840	-	-	-
Social services	360,000	434,553	(74,553)	-	-	-
Culture and recreation	-	94,317	(94,317)	-	-	-
Total expenditures	595,600	566,996	28,604	761,119	1,211,894	(450,775)
Revenues over (under) expenditures	(332,400)	(221,861)	110,539	(1,200)	(22,396)	(21,196)
<b>Other financing sources (uses)</b>						
Transfers in	272,400	240,008	(32,392)	-	-	-
Transfers out	(140,000)	(234,164)	(94,164)	-	-	-
Total other sources (uses)	132,400	5,844	(126,556)	-	-	-
Net change in fund balances	(200,000)	(216,017)	(16,017)	(1,200)	(22,396)	(21,196)
Fund balances, beginning of year	1,014,389	1,014,389	-	27,360	27,360	-
<b>Fund balances, end of year</b>	\$ 814,389	\$ 798,372	\$ (16,017)	\$ 26,160	\$ 4,964	\$ (21,196)

## WASHTENAW COUNTY

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual - Nonmajor Special Revenue Funds (Continued) Year Ended December 31, 2008

	Prosecuting Attorney Grants			Public Health		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,011,664	611,749	(399,915)	5,675,635	6,201,406	525,771
Charges for services	-	-	-	1,290,928	1,183,902	(107,026)
Fines and forfeits	-	170,974	170,974	-	-	-
Investment income (loss)	-	-	-	-	-	-
Other	-	3	3	81,158	82,819	1,661
Total revenues	1,011,664	782,726	(228,938)	7,047,721	7,468,127	420,406
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	1,240,217	860,179	380,038	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	12,647,070	12,785,774	(138,704)
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	1,240,217	860,179	380,038	12,647,070	12,785,774	(138,704)
Revenues over (under) expenditures	(228,553)	(77,453)	151,100	(5,599,349)	(5,317,647)	281,702
<b>Other financing sources (uses)</b>						
Transfers in	228,553	228,554	1	5,599,349	5,576,804	(22,545)
Transfers out	-	-	-	(400,000)	(400,000)	-
Total other sources (uses)	228,553	228,554	1	5,199,349	5,176,804	(22,545)
Net change in fund balances	-	151,101	151,101	(400,000)	(140,843)	259,157
Fund balances, beginning of year	129,503	129,503	-	583,673	583,673	-
<b>Fund balances, end of year</b>	\$ 129,503	\$ 280,604	\$ 151,101	\$ 183,673	\$ 442,830	\$ 259,157



## WASHTENAW COUNTY

### Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual - Nonmajor Special Revenue Funds (Continued) Year Ended December 31, 2008

	Public Works Solid Waste Program			Sheriff's Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,000	23,077	22,077	459,848	484,344	24,496
Charges for services	-	-	-	48,000	38,239	(9,761)
Fines and forfeits	-	-	-	-	12,816	12,816
Investment income	2,000	1,146	(854)	-	20,569	20,569
Other	516,869	563,567	46,698	-	425	425
<b>Total revenues</b>	519,869	587,790	67,921	507,848	556,393	48,545
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	507,848	562,360	(54,512)
Public works	560,694	604,341	(43,647)	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total expenditures</b>	560,694	604,341	(43,647)	507,848	562,360	(54,512)
Revenues over (under) expenditures	(40,825)	(16,551)	24,274	-	(5,967)	(5,967)
<b>Other financing sources (uses)</b>						
Transfers in	40,000	20,000	(20,000)	-	122,355	122,355
Transfers out	-	-	-	-	(540)	(540)
<b>Total other sources (uses)</b>	40,000	20,000	(20,000)	-	121,815	121,815
Net change in fund balances	(825)	3,449	4,274	-	115,848	115,848
Fund balances, beginning of year	97,439	97,439	-	655,971	655,971	-
<b>Fund balances, end of year</b>	\$ 96,614	\$ 100,888	\$ 4,274	\$ 655,971	\$ 771,819	\$ 115,848

**WASHTENAW COUNTY**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Final Budget and Actual - Nonmajor Special Revenue Funds (Concluded)**  
**Year Ended December 31, 2008**

	<b>Veterans' Trust</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget + (-)</b>
<b>Revenues</b>			
Taxes	\$ -	\$ 849	\$ 849
Licenses and permits	-	-	-
Intergovernmental	29,264	21,717	(7,547)
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment income	-	35	35
Other	-	-	-
Total revenues	29,264	22,601	(6,663)
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health	-	-	-
Social services	29,264	19,083	10,181
Culture and recreation	-	-	-
Total expenditures	29,264	19,083	10,181
Revenues over (under) expenditures	-	3,518	3,518
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other sources (uses)	-	-	-
Net change in fund balances	-	3,518	3,518
Fund balances, beginning of year	5,885	5,885	-
<b>Fund balances, end of year</b>	<b>\$ 5,885</b>	<b>\$ 9,403</b>	<b>\$ 3,518</b>

**WASHTENAW COUNTY**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2008**

	<u>Property Foreclosure</u>	<u>Principal Residence Exemption</u>	<u>Total</u>
<b>Assets</b>			
Current assets -			
Cash and pooled investments	\$ 1,066,069	\$ 11,254	\$ 1,077,323
Noncurrent assets -			
Capital assets, net	<u>37,090</u>	<u>-</u>	<u>37,090</u>
Total assets	<u>1,103,159</u>	<u>11,254</u>	<u>1,114,413</u>
<b>Liabilities</b>			
Current liabilities:			
Accrued liabilities	5,518	1,058	6,576
Accrued compensated absences, current portion	<u>2,449</u>	<u>-</u>	<u>2,449</u>
Total current liabilities	7,967	1,058	9,025
Long-term liabilities -			
Accrued compensated absences	<u>18,158</u>	<u>-</u>	<u>18,158</u>
Total liabilities	<u>26,125</u>	<u>1,058</u>	<u>27,183</u>
<b>Net assets</b>			
Invested in capital assets	37,090	-	37,090
Unrestricted	<u>1,039,944</u>	<u>10,196</u>	<u>1,050,140</u>
Total net assets	<u>\$ 1,077,034</u>	<u>\$ 10,196</u>	<u>\$ 1,087,230</u>

**WASHTENAW COUNTY**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**Year Ended December 31, 2008**

	<u>Property Foreclosure</u>	<u>Principal Residence Exemption</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 382,509	\$ -	\$ 382,509
Interest charges	-	18,253	18,253
	<u>382,509</u>	<u>18,253</u>	<u>400,762</u>
Total operating revenues			
<b>Operating expenses</b>			
Personnel services	260,136	10,265	270,401
Contractual services	56,822	-	56,822
Supplies	55,978	-	55,978
Telephone	522	-	522
Equipment repair and rental	3,151	-	3,151
Other	60,360	-	60,360
Depreciation	5,986	-	5,986
	<u>442,955</u>	<u>10,265</u>	<u>453,220</u>
Total operating expenses			
Operating income (loss)	(60,446)	7,988	(52,458)
<b>Non-operating income</b>			
Investment income (loss)	52,839	(326)	52,513
	<u>(7,607)</u>	<u>7,662</u>	<u>55</u>
Income (loss) before transfers			
<b>Transfers out</b>	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
	<u>(1,007,607)</u>	<u>7,662</u>	<u>(999,945)</u>
Change in net assets			
Net assets, beginning of year	<u>2,084,641</u>	<u>2,534</u>	<u>2,087,175</u>
<b>Net assets</b>	<u>\$ 1,077,034</u>	<u>\$ 10,196</u>	<u>\$ 1,087,230</u>

**WASHTENAW COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year Ended December 31, 2008**

	<u>Property Foreclosure</u>	<u>Principal Residence Exemption</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 382,509	\$ 18,253	\$ 400,762
Cash payments to employees	(247,772)	(10,085)	(257,857)
Cash payments to suppliers	(182,819)	-	(182,819)
	<u>(48,082)</u>	<u>8,168</u>	<u>(39,914)</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers out to other funds	(1,000,000)	-	(1,000,000)
<b>Cash flows from capital and related financing activities</b>			
Payments for equipment acquisitions	(25,235)	-	(25,235)
<b>Cash flows from investing activities</b>			
Investment income (loss)	52,839	(326)	52,513
Net increase (decrease) in cash and cash equivalents	(1,020,478)	7,842	(1,012,636)
Cash and cash equivalents, beginning of year	2,086,547	3,412	2,089,959
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,066,069</u>	<u>\$ 11,254</u>	<u>\$ 1,077,323</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (60,446)	\$ 7,988	\$ (52,458)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	5,986	-	5,986
Changes in assets and liabilities:			
Accrued liabilities	1,220	180	1,400
Accrued compensated absences	5,158	-	5,158
Net cash provided (used) by operating activities	<u>\$ (48,082)</u>	<u>\$ 8,168</u>	<u>\$ (39,914)</u>

**WASHTENAW COUNTY**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**December 31, 2008**

	<b>Facilities Management Revolving</b>	<b>Fleet Management Revolving</b>	<b>Fringe Benefit Revolving</b>	<b>General Services Revolving</b>
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 582,901	\$ 394,479	\$ 593,101	\$ 147,494
Accounts receivable	84,207	-	34,545	-
Due from other governments	68,000	1,370	692	4,342
Inventories	-	-	-	63,829
Prepaid items	15,193	-	-	-
Total current assets	750,301	395,849	628,338	215,665
Noncurrent assets:				
Capital assets, net	-	2,579,911	-	199,513
Total assets	750,301	2,975,760	628,338	415,178
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	193,915	38,313	229,649	41,815
Accrued liabilities	61,806	5,327	5,696	-
Total current liabilities	255,721	43,640	235,345	41,815
Long-term liabilities:				
Accrued compensated absences	309,802	22,319	-	-
Advances from other funds	49,335	-	-	-
Total long-term liabilities	359,137	22,319	-	-
Total liabilities	614,858	65,959	235,345	41,815
<b>Net assets</b>				
Invested in capital assets	-	2,579,911	-	199,513
Unrestricted (deficit)	135,443	329,890	392,993	173,850
Total net assets	\$ 135,443	\$ 2,909,801	\$ 392,993	\$ 373,363

<u>Insurance Revolving</u>	<u>Medical Insurance Revolving</u>	<u>Telephone Revolving</u>	<u>Worker's Compensation Revolving</u>	<u>Retiree Health</u>	<u>Total</u>
\$ 1,519,371	\$ 919,979	\$ 66,885	\$ 807,117	\$ 6,549,351	\$ 11,580,678
-	-	-	77,000	-	195,752
-	242,634	-	-	-	317,038
-	-	-	-	-	63,829
773,075	-	-	-	439,298	1,227,566
<u>2,292,446</u>	<u>1,162,613</u>	<u>66,885</u>	<u>884,117</u>	<u>6,988,649</u>	<u>13,384,863</u>
-	-	51,312	-	-	2,830,736
<u>2,292,446</u>	<u>1,162,613</u>	<u>118,197</u>	<u>884,117</u>	<u>6,988,649</u>	<u>16,215,599</u>
242,335	-	36,731	86,694	6,988,649	7,858,101
897,026	1,152,000	-	768,697	-	2,890,552
<u>1,139,361</u>	<u>1,152,000</u>	<u>36,731</u>	<u>855,391</u>	<u>6,988,649</u>	<u>10,748,653</u>
-	-	-	-	-	332,121
-	-	81,466	-	-	130,801
-	-	81,466	-	-	462,922
<u>1,139,361</u>	<u>1,152,000</u>	<u>118,197</u>	<u>855,391</u>	<u>6,988,649</u>	<u>11,211,575</u>
-	-	51,312	-	-	2,830,736
1,153,085	10,613	(51,312)	28,726	-	2,173,288
<u>\$ 1,153,085</u>	<u>\$ 10,613</u>	<u>\$ -</u>	<u>\$ 28,726</u>	<u>\$ -</u>	<u>\$ 5,004,024</u>

**WASHTENAW COUNTY**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Net Assets**  
**Internal Service Funds**  
**Year Ended December 31, 2008**

	<u>Facilities Management Revolving</u>	<u>Fleet Management Revolving</u>	<u>Fringe Benefit Revolving</u>	<u>General Services Revolving</u>
<b>Operating revenues</b>				
Charges for services	\$ 7,403,832	\$ 2,884,762	\$ 3,273,048	\$ 590,062
<b>Operating expenses</b>				
Personnel services	2,398,543	228,809	-	18,308
Contractual services	127,929	24,279	33,015	-
Supplies	482,185	917,288	-	371,971
Occupancy	2,553,239	202,519	-	-
Telephone	10,417	2,112	-	-
Equipment repair and rental	277,545	337,319	264	190,065
Building repair and rental	212,294	-	-	-
Benefit payments and insurance premiums	-	-	3,095,853	-
Other	1,218,306	-	123,744	-
Depreciation	-	859,120	-	93,146
Total operating expenses	<u>7,280,458</u>	<u>2,571,446</u>	<u>3,252,876</u>	<u>673,490</u>
Operating income (loss)	<u>123,374</u>	<u>313,316</u>	<u>20,172</u>	<u>(83,428)</u>
<b>Non-operating revenues (expenses)</b>				
Investment income	10,497	2,585	16,143	7,925
Gain (loss) on sale of capital assets	-	(53,621)	-	(2,480)
Total non-operating revenues (expenses)	<u>10,497</u>	<u>(51,036)</u>	<u>16,143</u>	<u>5,445</u>
Income (loss) before transfers	133,871	262,280	36,315	(77,983)
<b>Transfers in</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	133,871	262,280	36,315	(77,983)
Net assets, beginning of year	<u>1,572</u>	<u>2,647,521</u>	<u>356,678</u>	<u>451,346</u>
<b>Net assets, end of year</b>	<u>\$ 135,443</u>	<u>\$ 2,909,801</u>	<u>\$ 392,993</u>	<u>\$ 373,363</u>



<u>Insurance Revolving</u>	<u>Medical Insurance Revolving</u>	<u>Telephone Revolving</u>	<u>Worker's Compensation Revolving</u>	<u>Retiree Health</u>	<u>Total</u>
\$ 2,579,798	\$ 18,297,060	\$ 687,837	\$ 788,634	\$ 6,928,313	\$ 43,433,346
355,923	-	-	102,438	-	3,104,021
322,266	-	-	47,974	-	555,463
229	-	-	-	-	1,771,673
36,643	-	-	-	-	2,792,401
4,153	-	668,828	-	-	685,510
-	-	-	-	-	805,193
-	-	-	-	-	212,294
1,282,872	18,380,677	-	699,749	-	23,459,151
768	-	-	-	6,988,649	8,331,467
-	-	19,009	-	-	971,275
<u>2,002,854</u>	<u>18,380,677</u>	<u>687,837</u>	<u>850,161</u>	<u>6,988,649</u>	<u>42,688,448</u>
<u>576,944</u>	<u>(83,617)</u>	<u>-</u>	<u>(61,527)</u>	<u>(60,336)</u>	<u>744,898</u>
48,755	84,113	-	24,783	60,336	255,137
-	-	-	-	-	(56,101)
<u>48,755</u>	<u>84,113</u>	<u>-</u>	<u>24,783</u>	<u>60,336</u>	<u>199,036</u>
625,699	496	-	(36,744)	-	943,934
-	4,000	-	-	-	4,000
<u>625,699</u>	<u>4,496</u>	<u>-</u>	<u>(36,744)</u>	<u>-</u>	<u>947,934</u>
<u>527,386</u>	<u>6,117</u>	<u>-</u>	<u>65,470</u>	<u>-</u>	<u>4,056,090</u>
<u>\$ 1,153,085</u>	<u>\$ 10,613</u>	<u>\$ -</u>	<u>\$ 28,726</u>	<u>\$ -</u>	<u>\$ 5,004,024</u>

**WASHTENAW COUNTY**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended December 31, 2008**

	<b>Facilities Management Revolving</b>	<b>Fleet Management Revolving</b>	<b>Fringe Benefit Revolving</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ -	\$ -	\$ 112,728
Cash received from interfund services	7,428,417	2,884,762	3,298,828
Cash payments to employees	(2,435,924)	(224,613)	(123,744)
Cash payments to suppliers	(4,786,725)	(1,251,142)	(3,131,540)
Cash payments for interfund services	(10,417)	(204,631)	-
Net cash provided (used) by operating activities	<u>195,351</u>	<u>1,204,376</u>	<u>156,272</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers in	-	-	-
Advances from other funds	(46,986)	-	-
Net cash provided (used) by noncapital financing activities	<u>(46,986)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from sale of equipment	-	139,300	-
Payments for equipment acquisitions	-	(1,057,698)	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(918,398)</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Investment income	10,497	2,585	16,143
Net increase in cash and pooled investments	158,862	288,563	172,415
Cash and pooled investments, beginning of year	<u>424,039</u>	<u>105,916</u>	<u>420,686</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 582,901</u>	<u>\$ 394,479</u>	<u>\$ 593,101</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 123,374	\$ 313,316	\$ 20,172
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	859,120	-
Changes in assets and liabilities:			
Accounts receivable	39,167	-	144,681
Due from other governments	(8,000)	(1,370)	(134)
Inventories	-	75,500	-
Prepaid items	(6,582)	-	-
Accounts payable	84,773	(46,386)	(2,882)
Accrued liabilities	(4,925)	(255)	(5,565)
Accrued compensated absences	(32,456)	4,451	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ 195,351</u>	<u>\$ 1,204,376</u>	<u>\$ 156,272</u>

<b>General Services Revolving</b>	<b>Insurance Revolving</b>	<b>Medical Insurance Revolving</b>	<b>Telephone Revolving</b>	<b>Worker's Compensation Revolving</b>	<b>Retiree Health</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,728
589,999	2,579,797	18,054,426	687,837	788,634	6,928,313	43,241,013
-	(355,923)	-	-	(102,438)	-	(3,242,642)
(564,399)	(1,585,823)	(18,189,677)	(670,554)	(634,932)	(439,298)	(31,254,090)
-	(41,564)	-	-	-	-	(256,612)
<u>25,600</u>	<u>596,487</u>	<u>(135,251)</u>	<u>17,283</u>	<u>51,264</u>	<u>6,489,015</u>	<u>8,600,397</u>
-	-	4,000	-	-	-	4,000
-	-	-	-	-	-	(46,986)
-	-	4,000	-	-	-	(42,986)
650	-	-	-	-	-	139,950
(81,184)	-	-	-	-	-	(1,138,882)
(80,534)	-	-	-	-	-	(998,932)
<u>7,926</u>	<u>48,755</u>	<u>84,113</u>	<u>-</u>	<u>24,783</u>	<u>60,336</u>	<u>255,138</u>
(47,008)	645,242	(47,138)	17,283	76,047	6,549,351	7,813,617
<u>194,502</u>	<u>874,129</u>	<u>967,117</u>	<u>49,602</u>	<u>731,070</u>	<u>-</u>	<u>3,767,061</u>
<u>\$ 147,494</u>	<u>\$ 1,519,371</u>	<u>\$ 919,979</u>	<u>\$ 66,885</u>	<u>\$ 807,117</u>	<u>\$ 6,549,351</u>	<u>\$ 11,580,678</u>
\$ (83,428)	\$ 576,944	\$ (83,617)	\$ -	\$ (61,527)	\$ (60,336)	\$ 744,898
93,146	-	-	19,009	-	-	971,275
-	-	(242,634)	-	-	-	(58,786)
(2,282)	-	-	-	-	-	(11,786)
(40,454)	-	-	-	-	-	35,046
50,000	(31,230)	-	-	-	(439,298)	(427,110)
8,618	235,661	-	(1,726)	62,094	6,988,649	7,328,801
-	(184,888)	191,000	-	50,697	-	46,064
-	-	-	-	-	-	(28,005)
<u>\$ 25,600</u>	<u>\$ 596,487</u>	<u>\$ (135,251)</u>	<u>\$ 17,283</u>	<u>\$ 51,264</u>	<u>\$ 6,489,015</u>	<u>\$ 8,600,397</u>

**WASHTENAW COUNTY**  
**Combining Statement of Fiduciary Net Assets**  
**Pension and Other Employee Benefit Trust Funds**  
**December 31, 2008**

	<b>Employees' Retirement System</b>	<b>Money Purchase Pension Plan</b>	<b>Voluntary Employees Beneficiary Association</b>	<b>Severance Benefits</b>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 969,762
Investments:				
Equities	51,675,906	-	20,430,270	-
United States treasuries	1,146,702	-	159,423	-
United States treasury strips	10,280,883	-	-	-
United States agencies	26,181,032	-	145,718	-
Corporate securities	15,642,345	-	214,099	-
Multi-strategy mutual fund	-	-	3,759,783	-
Real estate securities	5,443,852	-	341,100	-
Mutual funds	9,409,126	18,433,324	11,600,986	-
Money market funds	32,545,069	-	1,091,249	-
Accounts receivable	-	-	93,883	-
Contributions receivable	14,693	-	6,988,649	-
Accrued interest and dividends	362,735	-	-	1,882
<b>Total assets</b>	<b>152,702,343</b>	<b>18,433,324</b>	<b>44,825,160</b>	<b>971,644</b>
<b>Liabilities</b>				
Accounts payable	143,846	-	-	-
Accrued liabilities	-	-	2,561,011	6,630
<b>Total liabilities</b>	<b>143,846</b>	<b>-</b>	<b>2,561,011</b>	<b>6,630</b>
<b>Net assets held in trust for pension and other employee benefits</b>	<b>\$ 152,558,497</b>	<b>\$ 18,433,324</b>	<b>\$ 42,264,149</b>	<b>\$ 965,014</b>

<u>Unemployment Benefits</u>	<u>Total</u>
\$ 343,326	\$ 1,313,088
-	72,106,176
-	1,306,125
-	10,280,883
-	26,326,750
-	15,856,444
-	3,759,783
-	5,784,952
-	39,443,436
-	33,636,318
-	93,883
-	7,003,342
679	365,296
344,005	217,276,476
-	143,846
190,486	2,758,127
190,486	2,901,973
\$ 153,519	\$ 214,374,503

**WASHTENAW COUNTY**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension and Other Employee Benefit Trust Funds**  
**Year Ended December 31, 2008**

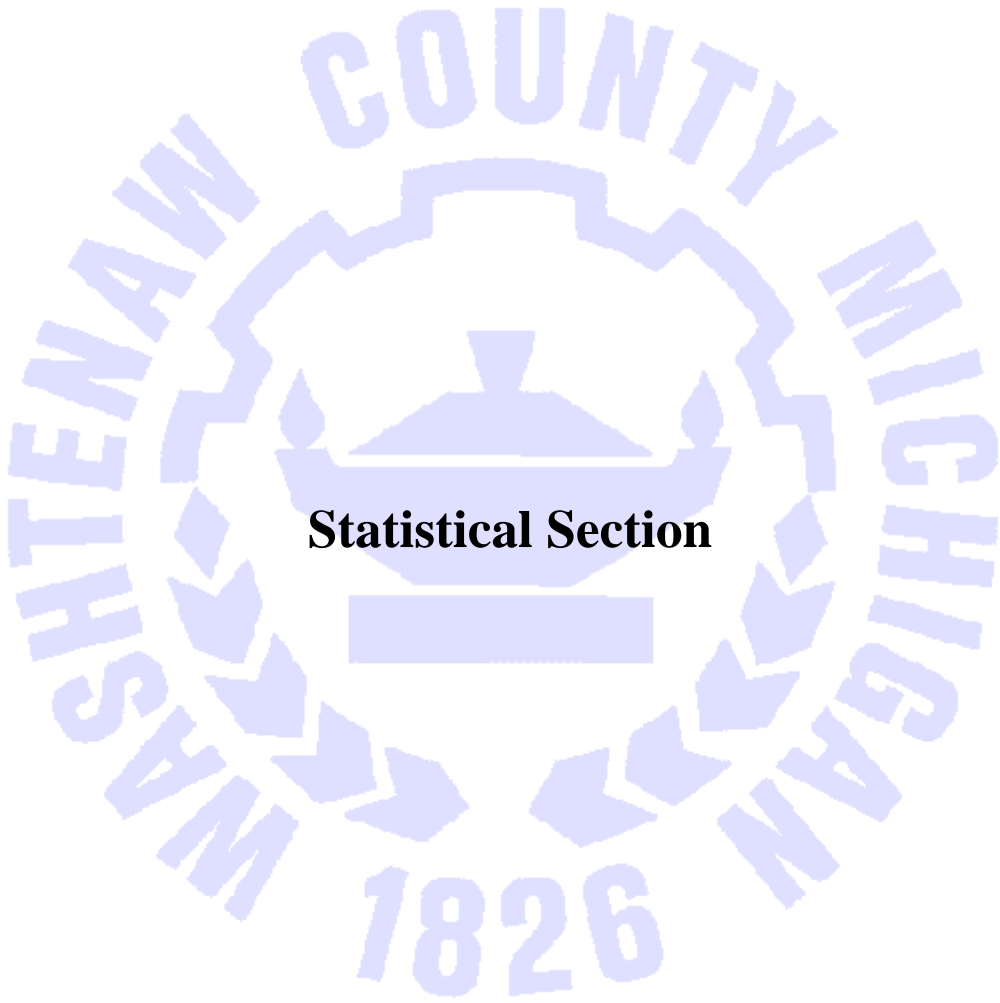
	<b>Employees' Retirement System</b>	<b>Money Purchase Pension Plan</b>	<b>Voluntary Employees Beneficiary Association</b>	<b>Severance Benefits</b>
<b>Additions</b>				
Investment income (loss):				
<i>From investing activities:</i>				
Net depreciation in fair value of investments	\$ (41,042,596)	\$ (19,479,384)	\$ (12,673,025)	\$ -
Interest and dividends	4,478,072	2,108,138	1,296,715	22,822
Investment management fees	(583,527)	-	(237,627)	-
Net income (loss) from investing activities	<u>(37,148,051)</u>	<u>(17,371,246)</u>	<u>(11,613,937)</u>	<u>22,822</u>
<i>From securities lending activities:</i>				
Gross earnings	818,032	-	-	-
Borrower rebates	(600,470)	-	-	-
Securities fees	(89,561)	-	-	-
Net income from securities lending activities	<u>128,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net investment income (loss)	<u>(37,020,050)</u>	<u>(17,371,246)</u>	<u>(11,613,937)</u>	<u>22,822</u>
Contributions:				
Employer	5,359,824	2,349,543	10,658,749	1,196,028
Employees	738,702	3,351,298	-	-
On behalf - federal Medicare Part D subsidy	-	-	304,606	-
Total contributions	<u>6,098,526</u>	<u>5,700,841</u>	<u>10,963,355</u>	<u>1,196,028</u>
Other additions:				
Transfers from defined contribution plan	32,825,768	-	-	-
Other	-	32	-	-
Total other additions	<u>32,825,768</u>	<u>32</u>	<u>-</u>	<u>-</u>
Total additions (net investment loss in excess of contributions)	<u>1,904,244</u>	<u>(11,670,373)</u>	<u>(650,582)</u>	<u>1,218,850</u>
<b>Deductions</b>				
Participant benefits	14,266,838	-	7,264,816	947,089
Payments to terminated participants	-	3,179,658	-	-
Transfers to defined benefit plan	-	32,825,768	-	-
Administrative expenses	384,406	89,505	180,562	-
Total deductions	<u>14,651,244</u>	<u>36,094,931</u>	<u>7,445,378</u>	<u>947,089</u>
Net additions (deductions) to net assets held in trust	(12,747,000)	(47,765,304)	(8,095,960)	271,761
<b>Net assets held in trust for benefits:</b>				
Beginning of year	<u>165,305,497</u>	<u>66,198,628</u>	<u>50,360,109</u>	<u>693,253</u>
<b>End of year</b>	<u>\$ 152,558,497</u>	<u>\$ 18,433,324</u>	<u>\$ 42,264,149</u>	<u>\$ 965,014</u>

<u>Unemployment Benefits</u>	<u>Total</u>
\$ -	\$ (73,195,005)
10,898	7,916,645
-	(821,154)
<u>10,898</u>	<u>(66,099,514)</u>
-	818,032
-	(600,470)
-	(89,561)
<u>-</u>	<u>128,001</u>
10,898	(65,971,513)
114,297	19,678,441
-	4,090,000
-	304,606
<u>114,297</u>	<u>24,073,047</u>
-	32,825,768
-	32
<u>-</u>	<u>32,825,800</u>
125,195	(9,072,666)
190,487	22,669,230
-	3,179,658
-	32,825,768
<u>-</u>	<u>654,473</u>
190,487	59,329,129
(65,292)	(68,401,795)
218,811	282,776,298
<u>\$ 153,519</u>	<u>\$ 214,374,503</u>

**WASHTENAW COUNTY**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**Year Ended December 31, 2008**

	<b>Balance January 1, 2008</b>	<b>Additions</b>	<b>(Deductions)</b>	<b>Balance December 31, 2008</b>
<b><u>Agency Fund</u></b>				
<b>Assets</b>				
Cash and pooled investments	\$ 17,525,925	\$ 362,148,664	\$ (364,576,810)	\$ 15,097,779
<b>Liabilities</b>				
Undistributed receipts	\$ 17,525,925	\$ 362,148,664	\$ (364,576,810)	\$ 15,097,779





**Statistical Section**

## STATISTICAL SECTION

This part of Washtenaw County's 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 government's overall financial health

<b>Contents</b>	<b>Page</b>
Financial Trends (schedules 1 thru 5)	132
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity (schedules 6 thru 9)	140
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity (schedules 10 thru 12)	144
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information (schedules 13 and 14)	147
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information (schedules 15 thru 18)	149
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

**WASHTENAW COUNTY**  
**Net Assets by Component**  
**Last Eight Years (A)**  
*(accrual basis of accounting)*

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 49,634,365	\$ 53,104,933	\$ 71,844,722	\$ 70,895,205	\$ 80,296,301	\$ 90,342,374	\$ 96,616,753	\$ 110,931,643
Restricted	9,488,701	13,190,358	5,063,594	6,228,085	6,676,094	6,812,864	11,110,530	8,152,803
Unrestricted	<u>23,994,559</u>	<u>25,598,647</u>	<u>23,447,913</u>	<u>51,600,695</u>	<u>67,250,358</u>	<u>78,187,728</u>	<u>71,500,619</u>	<u>63,686,235</u>
Total governmental activities net assets	<u>\$ 83,117,625</u>	<u>\$ 91,893,938</u>	<u>\$ 100,356,229</u>	<u>\$ 128,723,985</u>	<u>\$ 154,222,753</u>	<u>\$ 175,342,966</u>	<u>\$ 179,227,902</u>	<u>\$ 182,770,681</u>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,841	\$ 37,090
Restricted	6,000,000	6,000,000	9,000,000	-	-	-	-	-
Unrestricted	<u>3,182,698</u>	<u>4,002,441</u>	<u>1,283,817</u>	<u>9,615,484</u>	<u>9,722,818</u>	<u>10,085,873</u>	<u>11,611,001</u>	<u>12,945,120</u>
Total business-type activities net assets	<u>\$ 9,182,698</u>	<u>\$ 10,002,441</u>	<u>\$ 10,283,817</u>	<u>\$ 9,615,484</u>	<u>\$ 9,722,818</u>	<u>\$ 10,085,873</u>	<u>\$ 11,628,842</u>	<u>\$ 12,982,210</u>
<b>Primary government</b>								
Invested in capital assets, net of related debt	\$ 49,634,365	\$ 53,104,933	\$ 71,844,722	\$ 70,895,205	\$ 80,296,301	\$ 90,342,374	\$ 96,634,594	\$ 110,968,733
Restricted	15,488,701	19,190,358	14,063,594	6,228,085	6,676,094	6,812,864	11,110,530	8,152,803
Unrestricted	<u>27,177,257</u>	<u>29,601,088</u>	<u>24,731,730</u>	<u>61,216,179</u>	<u>76,973,176</u>	<u>88,273,601</u>	<u>83,111,620</u>	<u>76,631,355</u>
Total primary government net assets	<u>\$ 92,300,323</u>	<u>\$ 101,896,379</u>	<u>\$ 110,640,046</u>	<u>\$ 138,339,469</u>	<u>\$ 163,945,571</u>	<u>\$ 185,428,839</u>	<u>\$ 190,856,744</u>	<u>\$ 195,752,891</u>

(A) - Washtenaw County implemented GASB Statement No. 34 as of and for the year ended December 31, 2001. Accordingly, data prior to 2001 is not available.

Source: Washtenaw County Finance Department

**WASHTENAW COUNTY**

**Changes in Net Assets  
Last Eight Years (A)**

(accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>								
Governmental activities:								
Legislative	\$ 588,623	\$ 638,162	\$ 597,651	\$ 647,373	\$ 722,185	\$ 539,323	\$ 576,094	\$ 606,763
Judicial	16,940,482	18,074,212	19,584,218	21,443,309	22,588,152	24,021,026	25,458,987	25,161,986
General government	17,866,054	20,028,762	22,517,668	19,181,652	23,097,063	18,941,490	22,617,109	23,391,700
Public safety	34,060,565	36,228,288	40,927,414	42,748,613	45,341,263	46,937,810	51,217,621	52,060,983
Public works	1,154,023	1,413,125	2,246,625	611,126	608,029	869,372	757,558	789,934
Health	29,462,897	31,477,846	30,669,892	31,869,261	35,694,857	40,868,460	41,041,193	43,139,351
Social services	20,944,476	22,484,108	21,672,601	22,006,150	26,681,106	31,099,614	31,556,019	34,412,727
Culture and recreation	5,605,340	6,382,489	6,634,291	7,064,861	6,891,231	7,998,879	8,995,250	9,057,274
Interest on long-term debt	1,485,302	1,791,363	1,643,952	1,273,833	1,027,653	1,375,511	2,878,426	3,295,572
Total governmental activities expenses	128,107,762	138,518,355	146,494,312	146,846,178	162,651,539	172,651,485	185,098,257	191,916,290
Business-type activities:								
Delinquent tax collection	456,868	489,348	180,046	241,083	591,362	908,669	1,356,027	1,159,047
Property foreclosure	456,868	-	228,598	189,756	314,439	288,376	408,209	442,955
Brownfield revolving loan	-	-	-	-	-	11,960	-	-
Principal residence exemption	-	-	-	-	-	9,968	29,259	10,265
Total business-type activities expenses	913,736	489,348	408,644	430,839	905,801	1,218,973	1,793,495	1,612,267
Total primary government expenses	129,021,498	139,007,703	146,902,956	147,277,017	163,557,340	173,870,458	186,891,752	193,528,557
<b>Program revenues</b>								
Governmental activities:								
Charges for services:								
Judicial	3,305,460	3,176,945	3,352,989	3,613,380	3,763,939	4,074,640	4,391,210	4,094,645
General government	5,365,352	5,995,338	7,406,625	6,992,302	7,572,808	5,821,567	5,271,252	4,314,215
Public safety	10,363,234	11,449,421	11,049,685	12,141,274	12,110,959	12,021,420	12,470,668	14,734,612
Public works	650,755	1,025,351	187,780	169,811	167,094	184,188	-	-
Health	4,260,570	3,627,541	3,279,950	3,504,205	4,716,287	3,227,343	3,872,437	3,797,174
Social services	507,997	1,219,687	359,584	1,195,278	1,031,688	1,042,936	625,262	759,804
Culture and recreation	2,564,996	2,601,704	2,958,441	2,823,269	3,253,314	3,225,036	3,228,112	3,101,561
Other activities	636,161	724,019	145,126	148,876	150,676	141,646	-	-
Operating grants and contributions	42,221,235	46,297,193	52,695,000	53,642,415	60,027,293	61,329,306	63,759,215	71,866,285
Capital grants and contributions	1,218,521	1,091,143	3,473,175	960,689	211,159	76,441	428,017	562,620
Total governmental activities program revenues	71,094,281	77,208,342	84,908,355	85,191,499	93,005,217	91,144,523	94,046,173	103,230,916
Business-type activities:								
Charges for services:								
Delinquent tax collection	2,600,927	3,435,482	2,563,993	2,398,603	2,636,271	2,896,431	3,722,455	5,216,222
Property foreclosure	-	-	646,920	284,980	412,680	660,333	449,036	382,509
Principal residence exemption	-	-	-	-	-	9,425	13,923	18,253
Operating grants and contributions	-	-	-	-	27,424	11,960	-	-
Total business-type activities program revenues	2,600,927	3,435,482	3,210,913	2,683,583	3,076,375	3,578,149	4,185,414	5,616,984
Total primary government program revenues	73,695,208	80,643,824	88,119,268	87,875,082	96,081,592	94,722,672	98,231,587	108,847,900
<b>Net (Expense)/Revenue</b>								
Government activities	(56,932,523)	(61,300,153)	(61,585,957)	(61,654,679)	(69,646,322)	(81,506,962)	(91,052,084)	(88,685,374)
Business-type activities	2,144,059	2,946,134	2,802,269	2,252,744	2,170,574	2,359,176	2,391,919	4,004,717
Total primary government net expense	(54,788,464)	(58,354,019)	(58,783,688)	(59,401,935)	(67,475,748)	(79,147,786)	(88,660,165)	(84,680,657)

**WASHTENAW COUNTY**  
**Changes in Net Assets (Concluded)**  
**Last Eight Fiscal Years (A)**  
*(accrual basis of accounting)*

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Revenues</b>								
Governmental activities:								
Property taxes	\$ 50,424,580	\$ 56,462,144	\$ 60,406,712	\$ 82,991,160	\$ 87,864,506	\$ 95,271,757	\$ 86,549,856	\$ 84,291,171
Unrestricted grants and contributions	7,709,801	7,503,237	6,538,510	3,003,251	457,637	366,250	544,946	1,050,991
Investment earnings	4,381,595	2,387,051	1,640,730	1,512,323	2,558,336	4,150,209	6,575,702	4,332,145
Transfers	1,711,915	3,733,894	2,462,465	2,515,704	2,546,616	2,838,959	1,622,955	2,553,846
Total governmental activities	<u>64,227,891</u>	<u>70,086,326</u>	<u>71,048,417</u>	<u>90,022,438</u>	<u>93,427,095</u>	<u>102,627,175</u>	<u>95,293,459</u>	<u>92,228,153</u>
Business-type activities:								
Investment earnings	430,304	1,611,591	(74,699)	(515,993)	(141,666)	763,766	825,864	603,510
Transfers	(1,739,824)	(3,737,982)	(2,446,194)	(2,405,084)	(1,921,574)	(2,759,887)	(1,674,814)	(3,254,859)
Total business-type activities	<u>(1,309,520)</u>	<u>(2,126,391)</u>	<u>(2,520,893)</u>	<u>(2,921,077)</u>	<u>(2,063,240)</u>	<u>(1,996,121)</u>	<u>(848,950)</u>	<u>(2,651,349)</u>
Total primary government	<u>62,918,371</u>	<u>67,959,935</u>	<u>68,527,524</u>	<u>87,101,361</u>	<u>91,363,855</u>	<u>100,631,054</u>	<u>94,444,509</u>	<u>89,576,804</u>
<b>Change in Net Assets</b>								
Government activities	7,295,368	8,786,173	9,462,460	28,367,759	23,780,773	21,120,213	4,241,375	3,542,779
Business-type activities	834,539	819,743	281,376	(668,333)	107,334	363,055	1,542,969	1,353,368
Total primary government	<u>\$ 8,129,907</u>	<u>\$ 9,605,916</u>	<u>\$ 9,743,836</u>	<u>\$ 27,699,426</u>	<u>\$ 23,888,107</u>	<u>\$ 21,483,268</u>	<u>\$ 5,784,344</u>	<u>\$ 4,896,147</u>

(A) - Washtenaw County implemented GASB Statement No. 34 as of and for the year ended December 31, 2001. Accordingly, data prior to 2001 is not available.

Source: Washtenaw County Finance Department

**WASHTENAW COUNTY**  
**Fund Balances - Governmental Funds**  
**Last Eight Years (A)**  
*(modified accrual basis of accounting)*

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund</b>								
Reserved	\$ 1,687,275	\$ 2,647,421	\$ 1,140,757	\$ 966,852	\$ 881,264	\$ 141,069	\$ 1,176,336	\$ 64,335
Unreserved	<u>5,759,252</u>	<u>6,290,358</u>	<u>6,323,675</u>	<u>6,940,364</u>	<u>7,465,485</u>	<u>8,352,216</u>	<u>7,481,045</u>	<u>9,123,996</u>
Total general fund	<u>\$ 7,446,527</u>	<u>\$ 8,937,779</u>	<u>\$ 7,464,432</u>	<u>\$ 7,907,216</u>	<u>\$ 8,346,749</u>	<u>\$ 8,493,285</u>	<u>\$ 8,657,381</u>	<u>\$ 9,188,331</u>
<b>All Other Governmental Funds</b>								
Reserved	\$ 15,779	\$ 1,429,691	\$ 2,435,812	\$ 3,950,573	\$ 6,207,220	\$ 5,046,822	\$ 8,095,327	\$ 5,024,720
Unreserved, reported in:								
Special revenue funds	8,853,103	10,007,784	12,312,220	33,461,825	48,621,711	63,011,160	60,419,597	56,539,747
Debt service funds	13,391	12,595	12,676	12,976	15,591	14,815	14,040	15,863
Capital projects funds	<u>27,960,615</u>	<u>22,933,029</u>	<u>16,016,182</u>	<u>21,568,510</u>	<u>14,753,918</u>	<u>38,482,509</u>	<u>59,428,860</u>	<u>68,833,507</u>
Total all other governmental funds	<u>\$ 36,842,888</u>	<u>\$ 34,383,099</u>	<u>\$ 30,776,890</u>	<u>\$ 58,993,884</u>	<u>\$ 69,598,440</u>	<u>\$ 106,555,306</u>	<u>\$ 127,957,824</u>	<u>\$ 130,413,837</u>

(A) - Washtenaw County implemented GASB Statement No. 34 as of and for the year ended December 31, 2001. Accordingly, data prior to 2001 is not available.

Source: Washtenaw County Finance Department

**WASHTENAW COUNTY**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Years**

*(modified accrual basis of accounting)*

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Revenues</b>					
Taxes	\$ 44,620,398	\$ 47,877,830	\$ 50,424,580	\$ 56,462,144	\$ 60,406,712
Special assessments	33,829	27,043	-	-	-
Licenses and permits	3,180,792	2,948,645	3,062,605	3,489,426	3,417,281
Intergovernmental	42,674,681	48,223,102	51,149,556	55,289,575	55,515,317
Charges for services	42,948,659	46,220,352	19,605,316	20,917,283	23,770,669
Fines and forfeits	1,355,827	1,153,337	1,212,956	1,043,636	1,192,646
Investment income	3,232,954	4,871,889	4,098,437	2,208,254	1,498,295
Other revenues	5,196,355	5,032,923	4,190,175	4,347,661	7,927,593
<b>Total revenues</b>	<u>143,243,495</u>	<u>156,355,121</u>	<u>133,743,625</u>	<u>143,757,979</u>	<u>153,728,513</u>
<b>Expenditures</b>					
Legislative	402,723	490,648	576,886	630,172	578,996
Judicial	15,336,297	16,507,494	16,525,671	17,711,346	19,154,639
General government	9,860,291	10,441,919	11,143,730	12,287,273	14,705,178
Public safety	28,211,509	31,702,183	33,799,524	36,324,964	39,767,190
Public works	1,031,029	1,361,687	1,146,764	1,410,098	2,291,765
Health	50,169,991	54,118,438	29,038,088	31,222,165	30,148,915
Social services	17,551,932	22,027,437	20,796,935	22,350,481	21,963,095
Culture and recreation	6,074,255	7,507,217	9,190,778	9,474,501	11,120,549
Other activities	1,649,209	2,208,163	2,386,345	2,204,195	3,634,853
Capital outlay	8,057,651	14,253,745	16,120,377	13,540,717	13,085,312
Debt service					
Principal	3,770,000	2,910,000	2,760,000	2,985,000	3,605,000
Interest and fiscal charges	1,580,054	2,036,028	1,994,044	1,865,201	1,632,341
Bond issuance costs	-	-	-	-	146,459
<b>Total expenditures</b>	<u>143,694,941</u>	<u>165,564,959</u>	<u>145,479,142</u>	<u>152,006,113</u>	<u>161,834,292</u>
Revenues over (under) expenditures	<u>(451,446)</u>	<u>(9,209,838)</u>	<u>(11,735,517)</u>	<u>(8,248,134)</u>	<u>(8,105,779)</u>
<b>Other financing sources (uses)</b>					
Issuance of bonds	14,786,625	-	-	3,000,000	-
Issuance of refunding bonds	-	-	-	-	8,705,000
Discount on bonds	-	-	-	(52,500)	-
Premium on bonds	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	151,271
Payment to refunding escrow agent	-	-	-	-	(8,748,421)
Capital leases	-	-	-	-	-
Transfers in	30,720,493	27,745,642	23,380,841	26,079,580	24,406,361
Transfers out	(22,622,907)	(22,123,359)	(20,642,934)	(21,747,483)	(21,173,427)
<b>Total other financing sources (uses)</b>	<u>22,884,211</u>	<u>5,622,283</u>	<u>2,737,907</u>	<u>7,279,597</u>	<u>3,340,784</u>
<b>Net changes in fund balances</b>	<u>\$ 22,432,765</u>	<u>\$ (3,587,555)</u>	<u>\$ (8,997,610)</u>	<u>\$ (968,537)</u>	<u>\$ (4,764,995)</u>
Debt services as a percentage of noncapital expenditures	<u>3.9%</u>	<u>3.3%</u>	<u>3.7%</u>	<u>3.5%</u>	<u>3.7%</u>

Source: Washtenaw County Finance Department

**Schedule 4**  
**UNAUDITED**

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
\$ 82,991,160	\$ 87,864,506	\$ 95,271,757	\$ 86,549,856	\$ 84,291,171
-	-	-	-	-
3,582,066	3,413,829	2,837,341	2,553,918	2,316,048
53,442,839	56,934,231	57,906,931	60,185,360	68,555,443
23,964,870	27,153,376	24,673,031	25,474,636	26,473,441
1,846,181	1,167,872	1,185,468	1,205,125	1,252,718
1,380,964	2,282,039	3,759,219	6,334,119	4,077,008
5,588,048	5,187,022	5,319,978	5,798,659	6,124,484
<u>172,796,128</u>	<u>184,002,875</u>	<u>190,953,725</u>	<u>188,101,673</u>	<u>193,090,313</u>
639,574	642,291	527,328	560,972	597,886
20,414,926	21,176,406	22,898,849	24,263,382	24,133,352
11,651,589	12,935,801	12,038,575	14,564,793	12,113,425
41,600,021	44,163,259	45,998,323	49,495,839	50,947,419
613,201	600,718	832,179	743,454	785,662
31,486,496	35,254,194	37,820,725	39,238,401	42,181,982
22,412,894	26,238,219	29,687,409	30,124,778	32,409,701
10,234,930	12,382,181	13,839,071	11,462,934	17,744,932
4,223,737	4,473,369	4,506,919	5,873,564	6,293,261
5,105,824	11,795,834	7,203,937	6,911,345	18,335,258
3,475,000	3,449,476	2,984,476	4,224,476	5,894,476
1,309,370	1,059,088	1,200,251	2,603,594	2,947,632
294,511	235,176	183,585	521,544	365,355
<u>153,462,073</u>	<u>174,406,012</u>	<u>179,721,627</u>	<u>190,589,076</u>	<u>214,750,341</u>
<u>19,334,055</u>	<u>9,596,863</u>	<u>11,232,098</u>	<u>(2,487,403)</u>	<u>(21,660,028)</u>
6,365,000	-	23,750,000	21,675,000	22,120,000
7,835,000	11,475,000	-	-	-
-	-	-	-	(22,855)
-	-	236,004	125,147	-
79,167	95,406	-	-	-
(7,857,903)	(11,336,730)	-	-	-
-	-	-	695,122	-
39,613,259	44,521,956	48,305,876	41,145,222	44,464,023
<u>(36,708,800)</u>	<u>(43,308,404)</u>	<u>(46,165,148)</u>	<u>(39,512,668)</u>	<u>(41,914,177)</u>
<u>9,325,723</u>	<u>1,447,228</u>	<u>26,126,732</u>	<u>24,127,823</u>	<u>24,646,991</u>
<u>\$ 28,659,778</u>	<u>\$ 11,044,091</u>	<u>\$ 37,358,830</u>	<u>\$ 21,640,420</u>	<u>\$ 2,986,963</u>
<u>3.5%</u>	<u>3.0%</u>	<u>2.6%</u>	<u>4.1%</u>	<u>4.8%</u>



**WASHTENAW COUNTY**  
**Changes in Fund Balances - General Fund**  
**Last Ten Years**  
*(modified accrual basis of accounting)*

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Revenues</b>					
Taxes	\$ 40,865,238	\$ 43,376,837	\$ 45,683,776	\$ 48,813,596	\$ 52,227,354
Licenses and permits	2,117,549	102,966	129,816	111,912	169,388
Intergovernmental	9,511,542	10,704,930	11,578,947	11,714,821	10,563,759
Charges for services	11,626,324	12,410,195	13,421,880	14,974,369	16,262,412
Fines and forfeits	1,203,933	1,127,708	1,191,936	1,003,693	1,125,425
Investment income	1,147,169	1,287,098	1,185,820	824,979	612,244
Other revenues	807,741	914,803	1,003,157	790,671	1,084,307
<b>Total revenues</b>	<u>67,279,496</u>	<u>69,924,537</u>	<u>74,195,332</u>	<u>78,234,041</u>	<u>82,044,889</u>
<b>Expenditures</b>					
Legislative	402,723	490,648	576,886	630,172	578,996
Judicial	11,093,975	11,343,377	11,681,080	12,657,027	13,602,187
General government	8,666,643	9,455,488	10,869,970	11,910,251	13,284,578
Public safety	25,931,237	26,689,224	28,509,433	30,810,238	33,285,150
Public works	226,578	284,395	274,615	406,286	402,840
Health	-	-	1,691,809	1,732,474	-
Social services	851,513	1,055,274	1,001,111	1,100,806	1,243,477
Culture and recreation	606,884	643,018	674,524	709,564	718,738
Other activities	1,649,209	2,208,163	2,386,345	2,204,195	3,634,853
<b>Total expenditures</b>	<u>49,428,762</u>	<u>52,169,587</u>	<u>57,665,773</u>	<u>62,161,013</u>	<u>66,750,819</u>
Revenues over (under) expenditures	<u>17,850,734</u>	<u>17,754,950</u>	<u>16,529,559</u>	<u>16,073,028</u>	<u>15,294,070</u>
<b>Other financing sources (uses)</b>					
Capital leases	-	-	-	-	-
Transfers in	94,696	68,475	-	1,028,662	925,501
Transfers out	(17,078,613)	(17,447,274)	(16,223,931)	(16,837,786)	(16,150,909)
<b>Total other financing sources (uses)</b>	<u>(16,983,917)</u>	<u>(17,378,799)</u>	<u>(16,223,931)</u>	<u>(15,809,124)</u>	<u>(15,225,408)</u>
<b>Net changes in fund balances</b>	<u>\$ 866,817</u>	<u>\$ 376,151</u>	<u>\$ 305,628</u>	<u>\$ 263,904</u>	<u>\$ 68,662</u>

Source: Washtenaw County Finance Department

**Schedule 5**  
**UNAUDITED**

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
\$ 54,883,846	\$ 59,645,096	\$ 66,237,030	\$ 72,803,650	\$ 70,205,639
171,524	161,907	174,530	271,202	178,489
7,758,214	5,641,139	5,308,246	5,524,930	5,848,199
16,165,713	17,521,139	16,911,965	17,331,774	18,041,878
1,226,872	1,106,638	1,118,938	1,141,280	1,045,732
544,005	628,154	1,145,749	1,429,478	785,074
941,153	1,032,874	917,865	974,130	1,467,791
<u>81,691,327</u>	<u>85,736,947</u>	<u>91,814,323</u>	<u>99,476,444</u>	<u>97,572,802</u>
639,574	642,291	527,328	560,972	597,886
14,235,820	14,916,715	16,216,012	17,316,916	17,246,115
9,619,781	10,553,533	11,648,323	14,244,201	10,812,812
36,535,457	38,948,971	40,911,096	43,786,137	45,051,719
-	-	-	-	-
-	-	-	-	-
1,178,913	1,263,782	1,574,522	1,519,638	1,803,863
820,124	628,307	654,343	667,590	809,009
4,223,737	4,473,369	4,506,919	5,873,564	6,293,261
<u>67,253,406</u>	<u>71,426,968</u>	<u>76,038,543</u>	<u>83,969,018</u>	<u>82,614,665</u>
<u>14,437,921</u>	<u>14,309,979</u>	<u>15,775,780</u>	<u>15,507,426</u>	<u>14,958,137</u>
-	-	-	695,122	-
4,620,356	6,611,427	6,958,254	7,390,700	8,678,199
(18,615,493)	(20,481,873)	(22,332,075)	(23,355,340)	(23,105,386)
<u>(13,995,137)</u>	<u>(13,870,446)</u>	<u>(15,373,821)</u>	<u>(15,269,518)</u>	<u>(14,427,187)</u>
<u>\$ 442,784</u>	<u>\$ 439,533</u>	<u>\$ 401,959</u>	<u>\$ 237,908</u>	<u>\$ 530,950</u>

**WASHTENAW COUNTY**  
**Assessed and Actual Value of Taxable Property**  
**Last Ten Years**  
*(in thousands of dollars)*

<u>Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Total Actual Value</u>	<u>Total Direct Tax Rate</u>
1999	\$ 6,278,400	\$ 1,714,592	\$ 557,328	\$ 330,014	\$ 1,075,064	\$ 9,955,398	\$ 19,980,896	5.4957
2000	7,047,875	1,903,334	587,548	353,442	1,059,130	10,951,329	21,966,049	5.5197
2001	7,947,075	2,164,528	641,354	352,969	1,085,093	12,191,019	24,472,414	5.4759
2002	8,983,153	2,382,889	757,346	433,528	1,145,185	13,702,101	27,492,263	5.6772
2003	10,017,580	2,652,147	804,851	478,542	1,092,571	15,045,691	30,196,516	5.6186
2004	11,016,278	2,820,335	848,380	533,236	1,096,757	16,314,986	32,758,847	5.5819
2005	11,886,410	3,106,081	885,397	564,140	1,092,596	17,534,624	35,184,135	5.5493
2006	12,712,166	3,278,326	912,147	559,299	1,083,615	18,545,553	37,208,917	5.5024
2007	13,180,822	3,454,744	955,905	589,064	1,150,417	19,330,952	38,961,637	5.6768
2008	12,377,703	3,681,923	882,304	595,774	1,227,324	18,765,028	37,678,729	5.7018

**Note:** Residential, commercial and industrial values are calculated without tax-exempt values

Source: County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax and prior to any Board of Review actions.

**WASHTENAW COUNTY**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
*(rate per \$1,000 of taxable value)*

		<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>County direct rates</b>											
Operation		\$ 4.83	\$ 4.80	\$ 4.76	\$ 4.72	\$ 4.67	\$ 4.64	\$ 4.61	\$ 4.57	\$ 4.55	\$ 4.55
County imposed and debt		-	-	-	-	0.49	-	-	-	-	-
Special voted		0.67	0.72	0.72	0.96	0.46	0.94	0.94	0.93	1.13	1.13
Total direct rate		<u>5.50</u>	<u>5.52</u>	<u>5.48</u>	<u>5.68</u>	<u>5.62</u>	<u>5.58</u>	<u>5.55</u>	<u>5.50</u>	<u>5.68</u>	<u>5.68</u>
<b>Overlapping rates</b>											
Cities:											
Ann Arbor		17.31	17.13	17.13	17.00	16.87	16.90	16.90	16.82	16.78	16.78
Chelsea (1)		-	-	-	-	-	-	-	13.21	15.05	15.05
Milan		14.75	15.75	15.75	15.75	15.75	15.75	15.75	15.75	15.50	15.50
Saline		12.30	10.00	10.00	9.96	10.96	12.95	13.72	15.53	15.53	15.53
Ypsilanti		24.60	24.60	24.46	27.37	27.41	28.28	27.92	29.03	29.58	30.60
Townships (average)	(A)	2.55	2.54	2.62	2.72	2.80	2.77	2.97	3.07	3.22	3.19
Villages (average)	(B)	14.85	14.15	13.46	13.29	13.23	13.18	12.95	9.77	9.54	9.56
School districts (average)	(C)	29.72	29.82	30.15	30.16	30.15	29.39	30.22	29.77	29.55	29.54
Intermediate school district		3.32	3.16	3.13	3.11	3.07	3.46	4.04	4.00	3.97	3.97
Community college		4.10	4.03	3.99	3.97	3.86	3.83	3.77	3.72	3.70	3.69
(A) - Rates range from:											
Low		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
High		10.04	9.79	9.75	9.75	10.12	9.66	10.53	10.40	10.40	10.40
(B) - Rates range from:											
Low		10.05	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
High		16.69	16.54	15.74	15.30	15.67	15.27	15.28	15.39	14.59	14.59
(C) - Rates range from:											
Low		25.30	25.16	25.29	25.93	25.26	24.17	23.38	25.26	25.40	25.40
High		35.36	39.65	38.76	41.35	34.30	32.65	33.65	36.48	35.69	35.69

Source: Washtenaw County Finance Department

(1) - Chelsea became a city in 2006; previously it was reported with the Villages

**WASHTENAW COUNTY**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Pfizer Global Research (A)	\$ 238,483,825	1	1.52%	\$ 115,142,800	4	1.27%
General Motors	196,921,605	2	1.26%	239,450,620	2	2.64%
McKinley Associates	134,040,279	3	0.86%	-	-	-
Ford Motor	159,421,116	4	1.02%	253,383,080	1	2.79%
Detroit Edison	145,260,960	5	0.93%	122,004,646	3	1.34%
Toyota Motor	87,381,085	6	0.56%	36,236,086	8	0.40%
Michigan Consolidated Gas	85,758,832	7	0.55%	78,674,111	5	0.87%
Briarwood Complex	71,104,210	8	0.45%	59,239,200	6	0.65%
Domino's Farm	65,689,182	9	0.42%	41,778,439	7	0.46%
Daimler Chrysler	38,324,293	10	0.24%	32,715,600	9	0.36%
Hyundia	37,948,182	11	0.24%	-	-	-
Mav Development	33,322,307	12	0.21%	-	-	-
Arborland LLC	32,910,700	13	0.21%	-	-	-
Meijer Incorporated	30,550,388	14	0.20%	17,493,400	13	0.19%
Transwester Great Lakes	28,753,636	15	0.18%	-	-	-
NSK Corp	-	-	-	29,266,600	10	0.32%
Dexter Fastners	-	-	-	21,152,500	11	0.23%
University Microfilms Inc.	-	-	-	16,581,900	14	0.18%
Consumer Power	-	-	-	20,446,110	12	0.23%
Willow Run Business Center	-	-	-	15,927,160	15	0.18%
	<u>\$ 1,385,870,600</u>		<u>8.86%</u>	<u>\$ 1,099,492,252</u>		<u>12.11%</u>

Source: Washtenaw County Equalization Department.

(A): was known as Parke-Davis in 1998

**WASHTENAW COUNTY**  
**Property Tax Levies and Collections**  
**Last Ten Years**

<u>Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Subsequent Years Collections</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
1999	\$ 46,135,320	\$ 43,673,258	94.66%	\$ 2,243,851	\$ 45,917,109	99.53%
2000	49,444,080	47,151,623	95.36%	2,133,910	49,285,533	99.68%
2001	52,181,561	49,523,726	94.91%	2,350,685	51,874,411	99.41%
2002	58,269,004	55,501,885	95.25%	2,417,213	57,919,098	99.40%
2003	62,459,717	59,400,607	95.10%	2,586,635	61,987,242	99.24%
2004	65,676,479	62,650,121	95.39%	2,622,050	65,272,171	99.38%
2005	69,669,724	66,173,312	94.98%	3,031,443	69,204,755	99.33%
2006	73,894,038	70,780,578	95.79%	2,852,695	73,633,273	99.65%
2007	81,570,687	78,257,648	95.94%	3,112,051	81,369,699	99.75%
2008	86,208,920	82,652,655	95.87%	3,359,451	86,012,106	99.77%

Source: Washtenaw County Treasurer's Office

**WASHTENAW COUNTY**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**

Year	General Bonded Debt Outstanding			% of Personal Income	% of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
1999	\$ 39,120,000	-	\$ 39,120,000	0.37%	0.39%	\$ 127.81
2000	40,920,000	-	40,920,000	0.35%	0.37%	126.73
2001	38,160,000	-	38,160,000	0.32%	0.31%	115.88
2002	37,690,000	-	37,690,000	0.31%	0.28%	112.73
2003	35,035,000	-	35,035,000	0.27%	0.23%	103.48
2004	38,120,000	-	38,120,000	0.28%	0.23%	112.52
2005	35,615,000	-	35,615,000	0.26%	0.20%	104.10
2006	56,400,000	-	56,400,000	0.41%	0.30%	162.17
2007	73,870,000	-	73,870,000	0.53%	0.38%	212.40
2008	90,115,000	-	90,115,000	0.65%	0.48%	259.11

Source: Washtenaw County Finance Department

**WASHTENAW COUNTY**  
**Computation of Net Direct and Overlapping Debt**  
**As of December 31, 2008**

	<b>Gross Amount Outstanding</b>	<b>Self-Supporting or Paid by Benefited Entity</b>	<b>Net Amount Outstanding</b>
<b>Direct debt</b>			
General obligation tax notes	\$ 28,000,000	\$ 28,000,000	\$ -
Building authority bonds	90,115,000	-	90,115,000
Notes payable	214,231	-	214,231
Drain bonds and notes	6,875,854	6,254,233	621,621
Public Works - water and sewer debt	34,617,279	34,617,279	-
County Road Commission debt	1,295,000	1,295,000	-
Net direct debt	<u>\$ 161,117,364</u>	<u>\$ 70,166,512</u>	<u>90,950,852</u>
<b>Overlapping debt</b>			
School districts			912,071,711
Cities			172,709,195
Townships			80,258,845
Villages			7,470,000
Intermediate school district			239,267
Community colleges			52,469,250
Library			29,237,059
Net overlapping debt			<u>1,254,455,327</u>
<b>Net direct and overlapping debt</b>			<u>\$ 1,345,406,179</u>

Source: Washtenaw County Finance Department and Municipal Advisory Council of Michigan.



**WASHTENAW COUNTY**  
**Legal Debt Margin**  
**Last Ten Years**

**Legal Debt Margin Calculation for 2008**

Assessed value	\$ 18,765,026,863
Debt limit (10% of assessed value)	\$ 1,876,502,686
Debt applicable to limit - general obligation bonds	161,117,364
<b>Legal debt margin</b>	<b>\$ 1,715,385,322</b>

	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
1999	\$ 995,539,887	\$ 91,858,434	\$ 903,681,453	9.23%
2000	1,095,132,936	87,063,154	1,008,069,782	7.95%
2001	1,219,101,814	93,087,172	1,126,014,642	7.64%
2002	1,370,210,183	100,449,507	1,269,760,676	7.33%
2003	1,504,569,055	95,545,110	1,409,023,945	6.35%
2004	1,631,498,572	101,955,812	1,529,542,760	6.25%
2005	1,753,462,361	93,014,742	1,660,447,619	5.30%
2006	1,854,553,316	115,193,717	1,739,359,599	6.21%
2007	1,933,095,190	136,468,517	1,796,626,673	7.06%
2008	1,876,502,686	161,117,364	1,715,385,322	8.59%

Source: Washtenaw County Finance Department

**WASHTENAW COUNTY**  
**Demographic and Economic Statistics**  
**Last Ten Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
1999	306,073	\$ 10,710,960	\$ 33,654	1.6%
2000	322,895	11,541,043	35,594	2.4%
2001	329,308	11,774,476	35,867	2.9%
2002	334,351	12,232,147	36,794	3.6%
2003	338,562	12,869,105	38,323	4.1%
2004	338,782	13,391,280	39,528	4.2%
2005	342,124	13,578,433	39,689	4.2%
2006	347,792	13,874,107	39,892	4.6%
2007	347,792 (a)	13,874,107 (a)	39,892 (a)	4.7%
2008	347,792 (a)	13,874,107 (a)	39,892 (a)	5.8%

(a) Census Data not available at the time of publication.

(b) Percentage reported as of December 31, 2008.

Sources: Bureau of Economic Analysis - <http://bea.gov/regional/bearfacts/action.cfm>  
Economic Time Series - <http://www.economagic.com/em-cgi/data.exe/blsla>  
Michigan Economic Development Corporation

**WASHTENAW COUNTY**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2008			1999		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
University of Michigan	25,004	1	14.62%	18,300	1	10.62%
Trinity Health	4,802	2	2.81%	-	-	-
Ford Motor Company	3,838	3	2.24%	6,574	4	3.82%
General Motors	3,264	4	1.91%	6,585	3	3.82%
Ann Arbor Public Schools	3,200	5	1.87%	1,900	10	1.10%
U.S. Government	2,189	6	1.28%	2,585	7	1.50%
Eastern Michigan University	1,937	7	1.13%	2,222	8	1.29%
State of Michigan	1,628	8	0.95%	2,054	9	1.19%
Washtenaw County	1,413	9	0.83%	1,200	12	0.70%
Borders Group	1,331	10	0.78%	1,600	11	0.93%
IHA	892	11	0.52%	-	-	-
City of Ann Arbor	803	12	0.47%	974	14	0.57%
Chelsea Community Hospital	709	13	0.41%	520	19	0.30%
DTE Energy Co.	610	14	0.36%	-	-	-
Ypsilanti Public Schools	591	15	0.35%	550	18	0.32%
Washtenaw Community College	566	16	0.33%	-	-	-
U.S. Postal Service	535	17	0.31%	-	-	-
Saline Area Schools	531	18	0.31%	-	-	-
Lincoln Consolidated Schools	524	19	0.31%	-	-	-
Chrysler Corporation	497	20	0.29%	-	-	-
Visteon Corporation	-	-	0.00%	-	-	-
University of Michigan Hospitals	-	-	0.00%	7,736	2	4.49%
Edwards Brothers Inc.	-	-	0.00%	500	20	0.29%
Domino's Pizza Inc.	-	-	0.00%	650	15	0.38%
NSK Americas Corp.	-	-	0.00%	628	17	0.36%
Mercy Health Services, Inc.	-	-	0.00%	4,483	5	2.60%
St. Joseph Mercy Health System	-	-	0.00%	4,255	6	2.47%
Bell & Howell Learning and Information	-	-	0.00%	1,000	13	0.58%
DaimierChrysler AG	-	-	-	628	16	0.36%
	<u>54,864</u>		<u>32.09%</u>	<u>64,944</u>		<u>37.70%</u>

Source: Crain's Detroit Business

**WASHTENAW COUNTY**  
**Full-Time Equivalent County Government Employees by Function/Program**  
**Last Ten Years**

<b>Function/Program</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Legislative										
Board of Commissioners	15.0	15.0	15.0	15.0	11.0	11.0	11.0	11.0	11.0	11.0
Judicial										
Circuit Court	23.5	24.5	24.5	25.8	25.8	29.9	28.7	25.7	25.7	26.7
District Court	48.6	48.6	48.6	48.3	48.3	44.0	44.0	47.0	47.0	51.0
Friend of the Court	57.0	56.0	56.0	57.0	57.0	58.0	58.0	60.0	60.0	60.0
Probate Court - Estates	8.0	8.0	8.0	8.0	8.0	9.0	9.0	10.0	10.0	11.0
Probate Court - Juvenile	35.5	35.5	35.5	35.5	35.5	28.9	28.9	25.3	25.3	25.3
Community Corrections	-	6.0	7.0	7.0	7.0	7.0	7.0	9.0	9.0	8.0
Public Defender	19.0	20.0	21.0	22.0	22.0	22.0	21.0	21.0	21.0	22.0
General Government										
County Administration	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	6.0
Corporation Counsel	1.8	1.8	1.8	1.8	1.8	1.5	1.5	1.5	1.5	1.5
Budget	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	-
Finance	27.5	27.5	27.5	22.8	23.8	22.5	20.5	20.5	20.5	20.5
Information & Tech Systems	37.0	43.0	45.0	42.0	46.0	35.0	34.0	34.0	34.0	-
Equalization	14.0	14.0	14.0	14.0	14.0	14.0	13.0	14.0	14.0	14.0
Human Resources	10.3	10.3	10.3	10.3	10.3	8.0	8.0	8.0	8.0	7.0
Organizational Development	-	-	-	-	-	-	-	-	-	-
Clerk/Register	44.5	46.5	46.5	51.5	51.5	50.5	50.5	50.5	50.5	48.5
Treasurer	12.0	13.5	13.5	13.5	13.5	13.5	11.5	11.5	11.5	11.5
Drain Commissioner	17.0	19.0	22.0	22.0	22.0	23.0	21.0	21.0	21.0	19.0
Planning	8.0	9.0	9.0	13.8	13.8	12.6	18.3	-	-	-
WSC Customer Support Unit	-	-	-	-	-	-	15.0	15.0	15.0	14.0
Planning & environment - all divisions	-	-	-	-	-	-	54.8	54.8	54.8	50.3
Risk Management	0.8	0.8	0.8	-	-	-	-	-	-	-
Facilities Management	47.0	48.0	48.0	43.0	41.0	39.0	34.0	34.0	34.0	-
Support Services - Operations	-	-	-	-	-	-	-	-	-	61.3
Support Services - Project Management	-	-	-	-	-	-	-	-	-	3.8
Support Services - Strategic Planning	-	-	-	-	-	-	-	-	-	13.0
Public Safety										
Prosecuting Attorney	43.3	45.0	45.0	47.0	47.0	49.0	49.0	50.0	50.0	52.0
Sheriff	282.0	289.0	290.0	281.0	281.0	284.0	276.0	285.0	285.0	280.0
Building Inspection/Services	24.9	28.4	28.4	28.1	28.1	15.0	15.0	-	-	-
Emergency Management	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public Works										
Brownfield Redevelopment Authority	-	-	-	1.0	1.0	1.0	-	-	-	-
Public Works	2.5	3.0	3.0	3.0	3.0	3.0	-	-	-	-
Solid Waste	-	-	-	2.8	2.8	1.8	-	-	-	-
Health										
Environmental Health	44.6	48.9	48.1	47.8	45.3	43.0	-	-	-	-
Public Health	75.6	80.0	88.2	90.2	86.2	67.9	67.9	66.8	66.8	67.9
Community Support & Treatment Services	274.2	257.2	265.1	271.1	271.1	231.8	231.8	261.3	261.3	269.3
Washtenaw Health Plan	-	-	-	-	4.0	4.0	4.0	3.0	3.0	8.5
Washtenaw Community Health Organization	-	-	50.1	50.1	50.1	60.2	60.2	70.2	70.2	77.1
Social Services										
Child Care - Family Court	8.5	8.5	12.5	12.5	12.5	12.7	12.8	13.9	13.9	15.9
Child Care - Detention	25.6	33.1	34.7	34.7	40.7	29.6	29.6	30.2	30.2	30.0
Child Care - Intensive Outpatient	10.0	12.0	10.7	10.7	13.7	11.9	11.9	11.3	11.3	9.5
Child Care - Children's Well-Being	1.5	1.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.1
Veterans Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
ETCS	66.7	26.4	26.4	21.9	21.9	18.4	18.4	19.4	19.4	19.4
Head Start	-	40.3	51.8	40.0	36.0	36.5	36.5	37.5	37.5	37.0
Community Development	-	-	-	-	-	4.0	4.0	4.0	4.0	8.0
Culture & Recreation										
Parks & Recreation	32.0	32.0	33.8	33.8	33.8	34.0	34.0	33.0	33.0	35.0
Library	6.0	6.5	6.5	7.0	7.0	7.0	6.0	6.0	6.0	7.0
County Extension	6.0	6.0	6.0	6.0	6.0	6.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>1,349.1</b>	<b>1,383.8</b>	<b>1,473.4</b>	<b>1,461.2</b>	<b>1,462.7</b>	<b>1,367.0</b>	<b>1,364.7</b>	<b>1,383.3</b>	<b>1,383.3</b>	<b>1,412.9</b>

Source: Washtenaw County Finance Department

**WASHTENAW COUNTY**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

<b>Function/Program</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Public Safety</b>										
Sheriff:										
Number of incidents	-	57,744	61,433	56,942	54,644	53,266	52,479	53,279	51,191	60,449
Number of crash reports	-	7,624	7,499	4,656	4,703	4,339	4,273	6,611	3,259	4,118
Number of arrests	-	2,977	2,921	2,900	2,648	2,509	2,306	1,127	2,108	3,876
Number of bookings	-	-	7,833	8,419	8,093	7,135	6,969	6,993	7,084	7,433
<b>Public Works</b>										
Centerline miles of road maintained	1,565	1,570	1,580	1,582	1,594	1,603	1,612	1,624	1,634	1,647
<b>Health</b>										
Public Health:										
Vaccines administered	36,710	33,132	37,535	41,642	44,971	40,410	54,143	46,454	53,409	49,688
Number of monthly participants	4,090	3,443	4,125	4,522	4,559	4,667	4,580	4,660	4,712	4,920
<b>Culture &amp; Recreation</b>										
Parks & Recreation:										
Recreation center participation	299,416	322,087	368,221	395,190	414,354	363,709	367,581	370,696	346,298	317,029
Aquatic center participation	77,155	62,647	88,409	89,343	77,195	75,127	107,403	104,453	111,183	104,172
Rounds of Golf	52,322	52,750	43,273	40,816	39,249	39,169	37,591	37,049	33,580	31,120
Boat Rental	673	738	744	904	541	652	734	602	590	822
Library:										
Total circulation	49,192	35,134	39,876	41,032	43,953	41,753	40,059	41,417	42,183	42,112
Registered individuals	1,165	1,161	1,223	1,251	1,298	1,317	1,348	1,247	1,360	1,358
Walk-In	920	853	1,020	950	852	968	1,156	1,092	490	348
Telephone calls	4,499	4,147	4,727	4,173	3,611	3,523	3,278	3,646	4,912	4,578

Source: Washtenaw County Finance Department

**WASHTENAW COUNTY**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

<b>Function/Program</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Police</b>										
Officers	336	332	398	356	332	332	332	332	332	326
Vehicle patrol units:										
Police service automobiles	50	60	60	82	82	85	85	85	90	90
Animal control	-	-	-	1	1	2	2	2	2	2
Marine safety	-	-	-	2	6	2	2	2	3	3
Jail	-	-	-	16	16	17	17	17	17	17
Motorcycles	-	-	-	5	12	12	12	12	2	-
<b>Parks and recreation</b>										
Parks:										
County	13	13	13	13	13	13	13	13	13	13
Natural areas	-	-	-	-	6	6	6	10	12	20
Park acreage:										
Parkland	1,158	1,256	1,376	1,376	1,438	1,438	1,647	1,762	1,834	1,903
Natural areas	-	-	-	-	438	715	780	980	1,079	1,659
Picnic areas	12	12	12	19	19	19	19	19	19	19
Historic sites	2	2	2	2	2	2	2	2	2	2
Buildings:										
Log cabins	-	-	-	-	-	-	1	1	1	1
County recreation center	1	1	1	1	1	1	1	1	1	1
Fishing structures	4	4	4	3	3	3	3	3	3	3
Pavilions	6	6	6	11	11	12	12	12	12	12
Concession	-	-	-	-	-	3	3	3	3	3
Multi-purpose	-	-	-	-	-	2	2	2	2	2
Nature cabin	1	1	1	1	1	1	1	1	1	1
Swimming beach areas	2	2	2	2	2	2	1	1	1	1
Swimming pools (in/out)	-	-	-	2	2	2	1	1	1	1
Golf Courses:										
18 hole course	1	1	1	1	1	1	1	1	1	1
18 hole disc course	-	-	-	-	-	1	1	1	1	1
Trails:										
Nature	7	7	13	7	7	9	9	9	10	10
Exercise	-	-	1	1	1	1	1	1	1	1
Multiuse	-	-	1	8	8	8	8	8	8	8
Playgrounds	-	-	-	6	6	6	6	7	7	7
Water Areas:										
Water parks	1	1	1	1	1	1	1	1	1	1
Spray play feature	-	-	1	3	3	3	3	3	3	3
Lazy river ride	-	-	-	-	-	1	1	1	1	1
<b>Public works</b>										
Centerline miles of county roads:										
Federal and State	180	180	180	180	180	180	576	576	580	580
Primary	520	521	529	529	529	542	586	587	588	588
Local	768	768	758	758	756	743	703	704	706	706
Subdivision	-	-	282	282	296	308	323	333	340	353

Source: Washtenaw County Finance Department

**WASHTENAW COUNTY**  
**Schedule of Insurance**  
**As of December 31, 2008**

<u>Type of Coverage</u> <u>Name of Company</u>	<u>Policy Period</u>	<u>Premium</u>	<u>Description</u>
Genesis Insurance Company	10/1/08-10/1/09	\$ 685,305	Auto, general and police legal liability of the County for bodily injury, property damage and personal injury. Limit \$5,000,000 per occurrence and \$5,000,000 aggregate. Occurrence form; \$300,000 self insured retention.
Buildings and Contents CHUBB Insurance Co.	10/1/08-10/1/09	109,040	All risk coverage on buildings and contents at replacement cost. \$185,000,000 limit \$250,000 deductible per occurrence (includes burglary). Includes perils from flood and earthquake.
Inland Marine Coverage	10/1/08-10/1/09	Included	Covers scheduled portable equipment consisting of radio and video equipment, boats and trailers, etc. All risk coverage.
Data Processing Coverage	10/1/08-10/1/09	Included	Covers data processing equipment, media and extra expense. Limit \$500,000 per occurrence.
Employee Benefit Liability	10/1/08-10/1/09	Included	Policy limit \$1,000,000 covers employees, prospective employees, former employees, or their beneficiaries, for damages sustained in the administration of employee benefits programs.
Great American Ins. Co.	10/1/08-10/1/09	11,764	Covers loss to the County caused by dishonesty or fraudulent act of an employee or failure to faithfully perform the duties or the position. Limit \$5,000,000 with \$10,000 loss deductible. All County employees covered. Public Employee Blanket Bond.
Public Officials Genesis Insurance Company	10/1/08-10/1/09	Included	Policy limit \$5,000,000 subject to \$350,000 deductible covers liability for wrongful acts, claims made form, duty to defend.
Professional Liability Hudson Insurance Co.	10/1/08-10/1/09	154,020	Covers Public Health and Mental Health operations (includes doctors) \$1,000,000 each medical incident. Deductible of \$250,000 does not include defense costs.
Boiler Machinery Policy	10/1/08-10/1/09	Included	Covers boilers and air conditioning units, broad form basis (except cast iron), including repair and/or replacement on most objects. \$1,000 deductible.
Lawyers Professional Lloyds/National Legal Aid and Defender Association	10/1/08-10/1/09 3/1/08-3/1/09	1,730 15,307	Covers Employee related issues in Public Defender's Office. Professional liability limit \$1,000,000. Disciplinary proceedings limit \$5,000. Also covers Labor Relation Attorney and Corp Counsel. Personal injury \$1,000,000/1,000,000. Disciplinary proceeding \$10,000. Subject to deductible.

Continued...

**WASHTENAW COUNTY**  
**Schedule of Insurance**  
**As of December 31, 2008**

<b>Type of Coverage Name of Company</b>	<b>Policy Period</b>	<b>Premium</b>	<b>Description</b>
Short-Term Bond Burnham & Flower of Michigan The Hartford	12/01/08-03/31/09	23,106	Bond was based on 40% of the tax levy for the County, schools and SET (State Education Tax). County is reimbursed for approximately 95% of the cost of the bond.
Judicial Liability Complete Equity Market	10/1/08-10/1/09	35,315	Covers 20 Judges, Magistrates and referees \$1,000,000 liability coverage per claim. \$2,500 deductible.
Federal Insurance Companies	10/1/08-10/1/09	11,000	Fiduciary Liability Policy for Washtenaw County covering the VEBA, MPPP and WCERS Systems with limits of \$3,000,000.
Zurich US Insurance Group	10/1/08-10/1/09	561	Provide insurance coverage for underground storage tanks with limits of \$1,000,000.
Workers' Compensation BROADSPIRE	02/01/08-02/01/09	41,961	TPA for Claims Service.
Safety National	02/01/08-02/01/09	46,277	Statutory specific excess insurance above a \$400,000 retention.
Long-Term Disability Unum Provident	Monthly	Varies	Covers all full-time regular employees. Choice of coverage is 50%, 60%, or 66 and 2/3% of monthly salary with varying elimination periods. Also covers part-time MNA employees basic coverage only
Traditional with Master Medical (MM50) Blue Cross/Blue Scheild	Monthly	Varies	Basic and Master Medical Comprehensive medical care coverage including emergency care, some out-patient treatment, and prescription co-pay. Annual deductible of \$50 (\$100 family) on Master Medical Benefits.
Comprehensive Major Medical (CMM 250) Blue Cross/Blue Shield	Monthly	Varies	A cost-sharing comprehensive medical care plan including emergency care, some out-patient treatment, prescription co-pay, and annual deductible of \$250 (\$500 family) on all covered benefits.
Dental Delta Dental Core Plan	Monthly	Varies	100% basic dental, 50% other services, 50% Prosthodontics and Orthodontic services, \$750 annual limit.
Dental Delta Dental Retiree Plan	Monthly	Varies	100% basic dental, 50% other services, 50% Prosthodontics, no Orthodontic services, \$750 annual limit
Dental Delta Dental Premier Plan for those in Flex Benefits who choose this option	Monthly	Varies	100% basic dental, 80% other services, including sealants, 50% Orthodontics services, \$1,000 annual limit and \$1,750 lifetime for Orthodontics.
Life Insurance Unum Provident	Monthly	Varies	Covers death of employee and/or AD&D. All full-time employees with choice of coverage equal to 1 X annual salary up to 50K, 2 X annual salary up to 100K, or 3 X annual salary up to 150K. MNA Employee basic coverage (coverage up to 50K or 1 X annual salary)

Continued...



**WASHTENAW COUNTY**  
**Schedule of Insurance**  
**As of December 31, 2008**

<u>Type of Coverage</u> <u>Name of Company</u>	<u>Policy Period</u>	<u>Premium</u>	<u>Description</u>
Vision Care Blue Cross/Blue Shied/ Vision Service Plan (VSP)	Monthly	Varies	Vision Care option pays for certain vision care tests and supplies when obtained from a participating provider after County employee pays the provider the required co-payment amount.

