



Comprehensive Annual Financial Report Year Ended December 31, 2011



WASHTENAW COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2011

Prepared by the Finance Department

ON THE COVER

The Washtenaw County Landmark Photo Contest was conducted in 2008.
Submissions of local landscapes from anyone who worked or lived in Washtenaw County were considered.

All of the entries featured many of Washtenaw County's cherished, beautiful and memorable sights.

Some of these photos from the contest are displayed on the cover of this publication,
representing some of the local units of government within Washtenaw County.

We would like to thank all of the artists for participating.

Below is a list of the artists for the pictures shown on the Comprehensive Annual
Financial Report Year Ended December 31, 2011 cover:

Island Park Gazebo, Ann Arbor - Photo by: Mary C. Kirby

Michigan Firehouse Museum, Ypsilanti - Photo by: Jeff Hudson

Lurie Tower with Flowers, University of Michigan, Ann Arbor - Photo by: Michael Thiel

Parker Mill, Ann Arbor Township - Photo by: Ann O'Hagan

Classic Barn Scene, Saline - Photo by: Marcel Santiz

WASHTENAW COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2011

BOARD OF COMMISSIONERS

Conan Smith, Chair

Barbara Levin Bergman
Leah Gunn
Rob Turner
Dan Smith
Alicia Ping

Ronnie Peterson
Felicia Brabec
Wesley Prater
Yousef Rabhi
Rolland Sizemore, Jr.

COUNTY ADMINISTRATOR

Verna J. McDaniel

INTERIM DEPUTY COUNTY ADMINISTRATOR

Kelly L. Belknap

INTERIM FINANCE DIRECTOR

Peter Collinson

INDEPENDENT AUDITORS

Rehmann Robson

This Page Intentionally Left Blank

WASHTENAW COUNTY

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Elected and Appointed Officials	9
FINANCIAL SECTION	
Independent Auditors' Report	11-12
Management's Discussion and Analysis	13-25
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	27
Statement of Activities	28-29
Fund Financial Statements:	
Balance Sheet - Governmental Funds	30-31
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	32
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	34-35
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	37-38
Community Support & Treatment Services Fund	39
Parks and Recreation Fund	40
Revenue Sharing Reserve Fund	41
Enhanced Emergency Communication System	42
Statement of Net Assets - Proprietary Funds	43
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	44
Statement of Cash Flows - Proprietary Funds	45-46
Statement of Fiduciary Net Assets - Fiduciary Funds	47
Statement of Changes in Fiduciary Net Assets - Pension and Other Employee Benefit Trust Funds	48
Combining Statement of Net Assets - Discretely Presented Component Units	49
Combining Statement of Activities - Discretely Presented Component Units	50
Notes to the Basic Financial Statements	51-91
Required Supplementary Information:	
Employees Retirement System - Schedule of Funding Progress and Employer Contributions	93

WASHTENAW COUNTY

Table of Contents

	<u>Page</u>
Voluntary Employees Beneficiary Association - Schedule of Funding Progress and Employer Contributions	94
Municipal Employees' Retirement System of Michigan - Schedule of Funding Progress and Employer Contributions	95
Supplementary Information:	
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	98-101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	102-105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Final Budget and Actual - Nonmajor Special Revenues Funds	106-118
Combining Statement of Net Assets - Nonmajor Enterprise Funds	119
Combining Statement of Revenues, Expenditures and Changes in Fund Net Assets - Nonmajor Enterprise Funds	120
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	121
Combining Statement of Net Assets - Internal Service Funds	122-123
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	124-125
Combining Statement of Cash Flows - Internal Service Funds	126-127
Combining Statement of Fiduciary Net Assets - Pension and Other Employee Benefit Trust Funds	128-129
Combining Statement of Changes in Fiduciary Net Assets - Pension and Other Employee Benefit Trust Funds	130-131
Combining Statement of Changes in Assets and Liabilities - Agency Funds	132

WASHTENAW COUNTY

Table of Contents

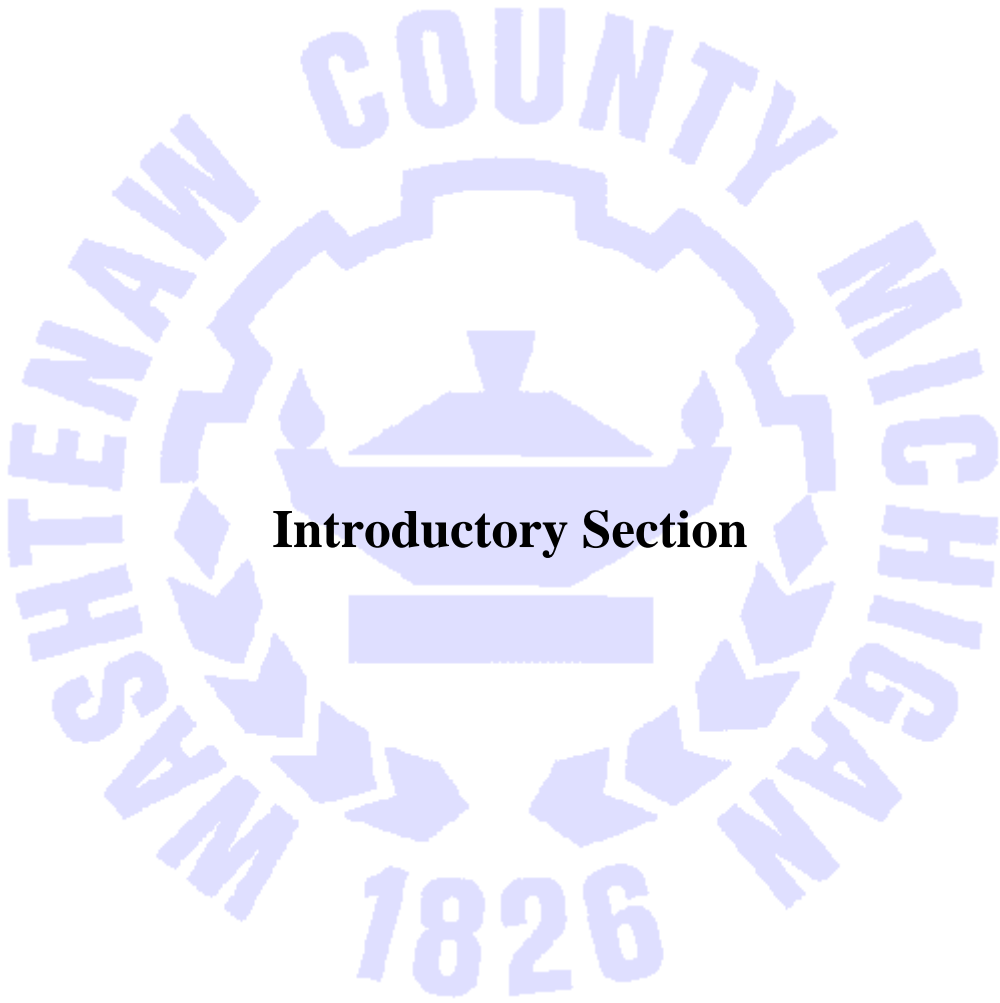
Page

STATISTICAL SECTION (UNAUDITED)

TABLE

1	Net Assets by Component	134-135
2	Changes in Net Assets	136-139
3	Fund Balances - Governmental Funds	140-141
4	Changes in Fund Balances - Governmental Funds	142-143
5	Changes in Fund Balances - General Fund	144-145
5A	Changes in Fund Balances - General Fund (Expenditures by Category)	146-147
6	Assessed and Actual Values of Taxable Property	148-149
7	Direct and Overlapping Property Tax Rates	150-151
8	Principal Property Taxpayers	152
9	Property Taxes Levies and Collections	153
10	Ratios of Outstanding Debt by Type	154-155
10A	Ratio of Net General Bonded Debt Outstanding	156
11	Computation of Net Direct and Overlapping Debt	157
12	Legal Debt Margin	158
13	Demographic and Economic Statistics	159
14	Principal Employers	160
15	Full-Time Equivalents	161
16	Operating Indicators	162-163
17	Capital Asset Statistics	164
18	Schedule of Insurance	166-168

This Page Intentionally Left Blank



Introductory Section

This Page Intentionally Left Blank



COUNTY ADMINISTRATOR

220 NORTH MAIN STREET, P.O. BOX 8645
ANN ARBOR, Michigan 48107-8645
(734) 222-6850
FAX (734) 222-6715
<http://www.ewashtenaw.org>

April 18, 2012

To the Board of Commissioners and Citizens of
Washtenaw County:



The Comprehensive Annual Financial Report (CAFR) of Washtenaw County for the year ended December 31, 2011, is submitted herewith. It was prepared by staff in the Finance Department with assistance from the accounting personnel in the Treasurer's Office, Water Resources 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, 2011.

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

Rehmann Robson, Certified Public Accountants, have issued an unqualified ("clean") opinion on Washtenaw County's financial statements for the year ended December 31, 2011. 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 a 2010 population of 344,791. Its major cities are Ann Arbor and Ypsilanti, with populations of 113,934 and 19,435, respectively. The County's two largest townships are Ypsilanti and Pittsfield, with populations of 53,362 and 34,663, respectively. 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 Washtenaw County, the Board of Commissioners appoints a County Administrator who is responsible for daily operations. 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 service area groups (formerly known as communities of interest): civic infrastructure, economic development, emergency preparedness and response, health and human services, land use and environment, public safety and justice, and support services. 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, Water Resources 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 1).

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. Transfers from the capital reserve capital projects fund must be approved solely by the Board of Commissioners for any amount.

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, development and manufacturing, homeland security and defense, information technology, life sciences and health care, optics and sensors, and printing and publishing. 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 over 1,300 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 9.8 percent, and is also below the national average, currently at 8.3 percent. During the last decade, the unemployment rate has increased from a decade low of 2.9 percent (2001). 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 2001, the unemployment rate steadily rose to a decade high of 8.8 percent in 2009 before finally trending downward to 6.6 percent in December, 2010. The rate significantly decreased in 2011 and is currently at 5.5 percent. Unemployment in Washtenaw County is expected to remain below both the state and national averages.

Washtenaw County has maintained strong population and personal income growth over the past decade. This growth is expected to continue in the foreseeable future. Our 2010 U.S. Census population figure was 344,791. The estimated 2035 population is 380,170. According to recent data released by the U.S. Census Bureau, in 2010, Washtenaw County had a median age of 33.3, while Michigan had a 38.9 median age. 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 50% of our residents 25 years and older have completed four or more years of college. The median household income (as of 2010) of our residents is over \$10,000 higher than that of the State of Michigan. Personal income figures for our citizens have risen significantly over the last decade, over 16% since 2001. 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 33% over the last ten years. The equalized value of taxable property has realized an average 8.0% increase in growth per year for the period of 2001 through 2007. In 2008, the County saw its first ever decline in the total equalized value for taxable property. From 2008 through 2011, the equalized value for taxable property fell approximately 15.9%. The County's total equalized value of taxable property for 2011 was approximately \$15.5 billion, a decrease over the prior year of \$780 million, or roughly 4.8%. Even though other statistics indicate a strong local economy, the economic base of the County has decreased for the third consecutive year. These decreases are not nearly as dramatic as others experienced in the region.

Long-Term Financial Planning

Total fund balance in the general fund (14.2% 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 at least 8.0% of general fund expenditures and transfers out.

The Board of Commissioners has committed to ensure the long-term fiscal stability of the County. The County completes long-term projections of at least two budget cycles (four years), and updates them frequently to ensure that the full impact of decisions are understood. 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, not since the Great Depression (from 1929 through 1941) have we experienced such profound economic loss.

The budget is a set of complex and interrelated assumptions, but nobody can predict the future. The County's projections on property taxes will be tested, once again, come April of 2012 when the 2012 Equalization Report is published. Through development and adoption of the 2012/13 budget, a review of revenue opportunities was conducted, resulting in \$1.6 million in enhanced revenues. Each department identified proposals to reduce expenditures resulting in anticipated savings of \$4.6 million. Finally, a review of the organizational structure and non-department specific expenditures was conducted. The result was another \$1.5 million in expenditure reductions. The projections for 2014/15 still reveal a long-term structural deficit. Projections are developed with an attempt to balance the short-term with the long-term, both from a fiscal perspective and community impact perspective.

On the revenue side, the major assumption is that property tax revenue will continue to decline. Currently, the County is estimating a reduction of 5% in 2012 and 2% in 2013 in taxable value. Other revenues including fees and fines are estimated to remain relatively flat. The State of Michigan has struggled to balance its budgets in recent years, and although we have seen some positive actions taken, the impact on the County is uncertain. The most pressing concern comes in 2013 when the County's revenue sharing reserve special revenue fund is depleted. Long-term projections assume the State of Michigan will reinstate the County revenue sharing as originally promised when the reserve funds were established though it may be at a reduced level. However, the County must proceed in developing options if this does not occur.

For expenditures, the assumptions take into consideration recent employee concessions made through labor negotiations but with growing fringe rates based on trends. Other operating costs are projected to be relatively neutral as it is assumed the organization will continue to operate with a constant pressure to contain costs as much as possible. Next to personnel costs, the largest portion of the general fund budget comes through its appropriations to programs outside the general fund. The projections are built on a revised policy to no longer automatically provide appropriations increases for personnel cost growth except where required by statute. This is a significant policy adjustment given these economic times. It has helped to reduce the projected deficit within the general fund, and yet this shift in approach may be difficult to realize if these non-general fund programs are faced with drastic service reductions if the general fund does not provide additional support. This scenario which may be upon us in the next couple years only highlights the necessity for clear priorities and direction for the organization.

The County has already begun planning for the 2014 and 2015 budgets. The strategies for long-term fiscal stability revolve around revenue growth and reform through strategic leveraging and economic stabilization; minimizing the growth of personnel costs through innovative solutions, employee cost-sharing and partnerships with labor units; organizational restructurings for efficiency and determination of core services; community collaborations to bring forth consolidations with reduced costs of doing business; and evaluating cost allocation of indirect services and maintaining an investment in infrastructure and reserves.

Relevant Financial Policies

As mentioned above, the Washtenaw County Board of Commissioners adopted a specific policy, which states that the Board shall plan future budgets to meet the goal of a reserve for subsequent years representing at least 8.0% of general fund expenditures, net of indirect costs. Total fund balance in the general fund in 2011 fell within that policy. This policy remains in place, and had an effect on the development of the 2012/13 budget.

Major Initiatives

The County has been in a mode of reducing the cost of doing business for many years. The magnitude of the economic downturn resulted in budget reductions for the biennial (2012 and 2013) budget. The County addressed the 12/13 shortfall by identifying specific targets. The targets included revenue generation (\$2.0 million), employee compensation and benefits (\$8.0 million), organizational change and baseline reductions (\$8.0 million), and outside agency allocations (\$1.0 million). In addition, the Board of Commissioners developed a set of strategic priorities and budget decision principles to provide direction to the Administration.

Interactive budget sessions with the Board of Commissioners along with staff attendance at several Board of Commissioners retreat sessions resulted in the development of priorities and budget decision principles, which proved to be an asset during the budget development process. In an attempt to carry out these priorities, several budget decision principles were laid out for the organization and used during budget discussions. They included: investment priorities being driven by impacts and outcomes; services being delivered optimally by the right provider; articulation and calculation of social and financial returns on investment; immediate needs and root causes being strategically addressed; programs being evidence and performance-based; support outcomes and impacts be better funded.

This year we have made significant progress in carrying out the objectives set forth by the Board of Commissioners. Our work has been primarily focused on ensuring the continuation of fiscal stability for this organization and managing significant organizational change. We still have some challenges ahead as we continue through the 2012/13 budget cycle and gear up for 2014/15. Cooperation and collaboration are likely to be at the forefront of our planning efforts moving forward. We can no longer be everything to everyone; rather we must have a targeted approach for making the greatest positive impact on this community. Working with organizations in all sectors of the economy provides an opportunity to address the needs of citizens while providing the County with much needed financial relief. As Administrator, I am looking forward to seeking out and taking advantage of these opportunities in the coming years.

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, 2010. This was the 21st 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.

The County also received the GFOA's Distinguished Budget Presentation Award for its budget for the biennium period beginning January 1, 2010. 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 2010 PAFR was the County's fifth citation. Washtenaw County is one of four 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, Water Resources 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
Roberta Allen
Terry Ballantyne
Don Bilbey
Sue Bos

Jennifer Brassow
Peter Collinson
Janet Egeler
Janet Gilkey
Marie Irwin

Kirsten Osborn
Stefanie Thacker
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,



Verna J. McDaniel
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, 2010

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

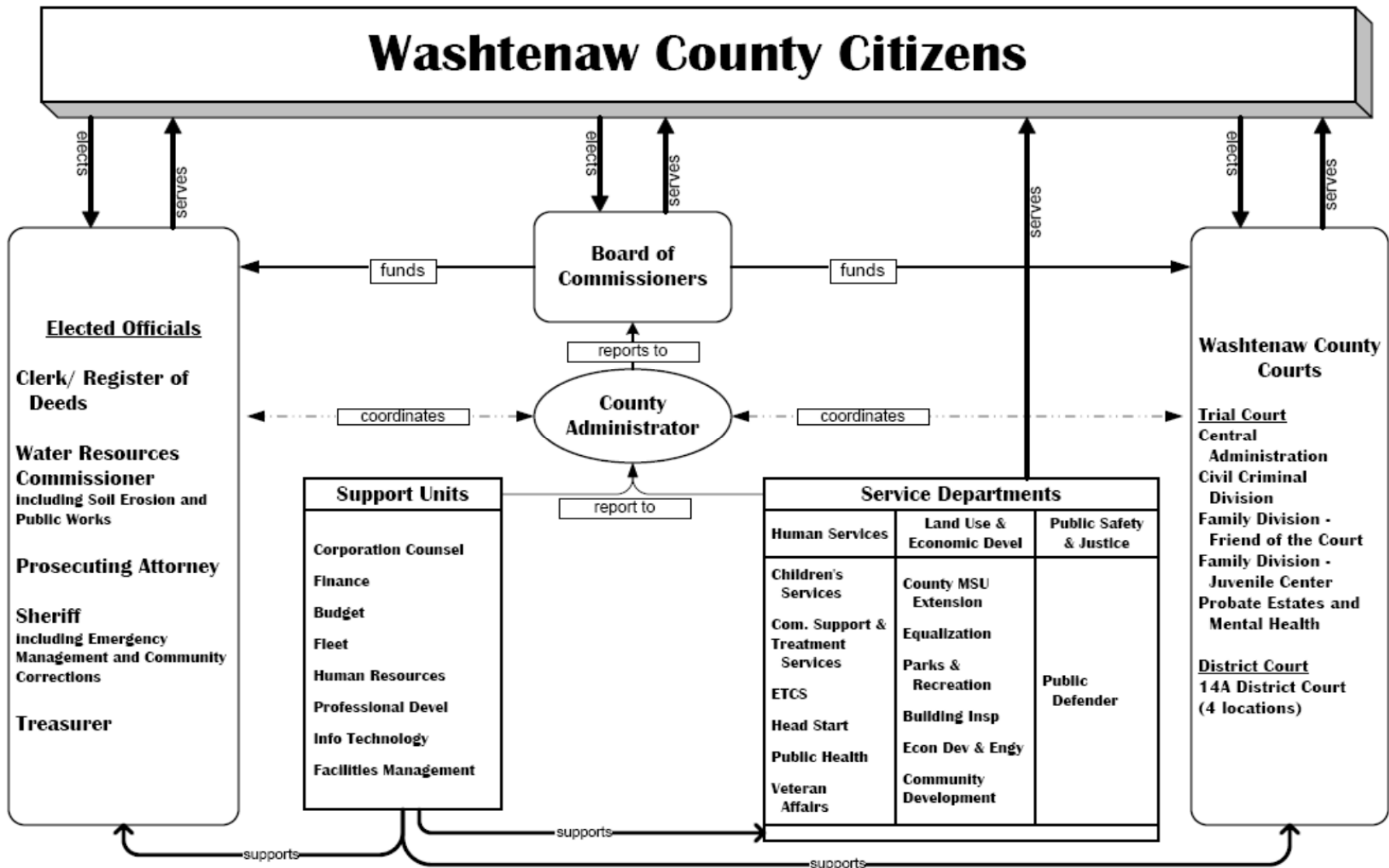


Linda C. Davison

President

Jeffrey R. Enos

Executive Director



WASHTENAW COUNTY

PRINCIPAL OFFICIALS

At December 31, 2011

Board of Commissioners

Conan Smith, Chair

Barbara Levin Bergman
Leah Gunn
Rob Turner
Dan Smith
Alicia Ping

Ronnie Peterson
Felicia Brabec
Wesley Prater
Yousef Rabhi
Rolland Sizemore, Jr.

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

Water Resources Commissioner

Janis A. Bobrin

Prosecuting Attorney

Brian Mackie

Sheriff

Jerry L. Clayton

Treasurer

Catherine McClary

County Administrator

Verna J. McDaniel

This Page Intentionally Left Blank



Financial Section

This Page Intentionally Left Blank

INDEPENDENT AUDITORS' REPORT

April 18, 2011

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, 2011, 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 (ETCS) special revenue fund, which represents 1.6% of the assets and 6.1% of the revenues of the aggregate remaining fund information and 0.6% of the assets and 6.0% of the revenues of the governmental activities. Also, we did not audit the financial statements of the Washtenaw County Road Commission, which represents 75.0% of the assets and 75.5% 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 ETCS special revenue 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, 2011, 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 April 18, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 25 and the schedules of funding progress and employer contributions on pages 93 to 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical tables 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 do not express an opinion or provide any assurance 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**

This Page Intentionally Left Blank

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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 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 \$222,821,163 (net assets). Of this amount, \$27,300,628 (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 \$7,524,081 during 2011.
- 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 \$85,754,787, a decrease of \$2,744,183 in comparison with the prior year. Eighty-three percent of the ending fund balances, \$71,228,689, are subject to the underlying limitations applicable to the particular special revenue, debt service and capital project funds. Seventeen percent of this total amount, \$14,526,098, is available for spending at the government's discretion only (general fund unassigned fund balance).
- The general fund had a net decrease in fund balance of \$791,059 for 2011. At the end of the year, total fund balance for the general fund was \$14,526,098, or approximately 14.2 percent of total general fund expenditures and transfers out.
- The County's investment in capital assets (net of accumulated depreciation) increased by \$1,326,229 during 2011.
- The County's total bonded debt, excluding delinquent tax notes, decreased by \$7,760,000 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 2011, the net assets of the County increased by \$7.5 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 five legally separate entities in its financial statements: the Washtenaw County Department of Public Works Projects, the Washtenaw County Water Resources Commissioner, the Washtenaw County Hazardous Materials Response Authority, the Washtenaw County Road Commission and the Washtenaw County Brownfield Redevelopment Authority. 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 27-29 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 more than 30 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 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 30-42 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 43-46 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 47-48 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 51-91 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 93-95 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 98-132 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 \$222,821,163 at December 31, 2011.

By far, the largest portion of the County's net assets, \$133,843,438 (60.1 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, \$27,300,628 (12.2 percent), unrestricted net assets, may be used to meet the government's ongoing obligations to citizens and creditors. The remaining balance of \$61,677,097 (27.7 percent) represents resources that are subject to external restrictions on how they may be used.

Washtenaw County's Net Assets

	Governmental activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 124,227,569	\$ 134,032,416	\$ 41,213,711	\$ 43,188,648	\$ 165,441,280	\$ 177,221,064
Capital assets	196,783,340	195,448,456	11,124	19,779	196,794,464	195,468,235
Total assets	321,010,909	329,480,872	41,224,835	43,208,427	362,235,744	372,689,299
Long-term liabilities	87,373,129	90,462,773	24,526,804	26,027,267	111,899,933	116,490,040
Other liabilities	27,431,731	40,856,962	82,917	45,215	27,514,648	40,902,177
Total liabilities	114,804,860	131,319,735	24,609,721	26,072,482	139,414,581	157,392,217
Net assets:						
Invested in capital assets, net of related debt	133,832,314	125,860,677	11,124	19,779	133,843,438	125,880,456
Restricted	45,073,107	49,940,207	16,603,990	17,116,166	61,677,097	67,056,373
Unrestricted	27,300,628	22,360,253	-	-	27,300,628	22,360,253
Total net assets	\$ 206,206,049	\$ 198,161,137	\$ 16,615,114	\$ 17,135,945	\$ 222,821,163	\$ 215,297,082

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets (unrestricted, restricted and invested in capital assets, net of related debt), 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.

The County's net assets increased by \$7.5 million during the current fiscal year; approximately \$8.0 million increase for governmental activities and \$0.5 million decrease for business-type activities.

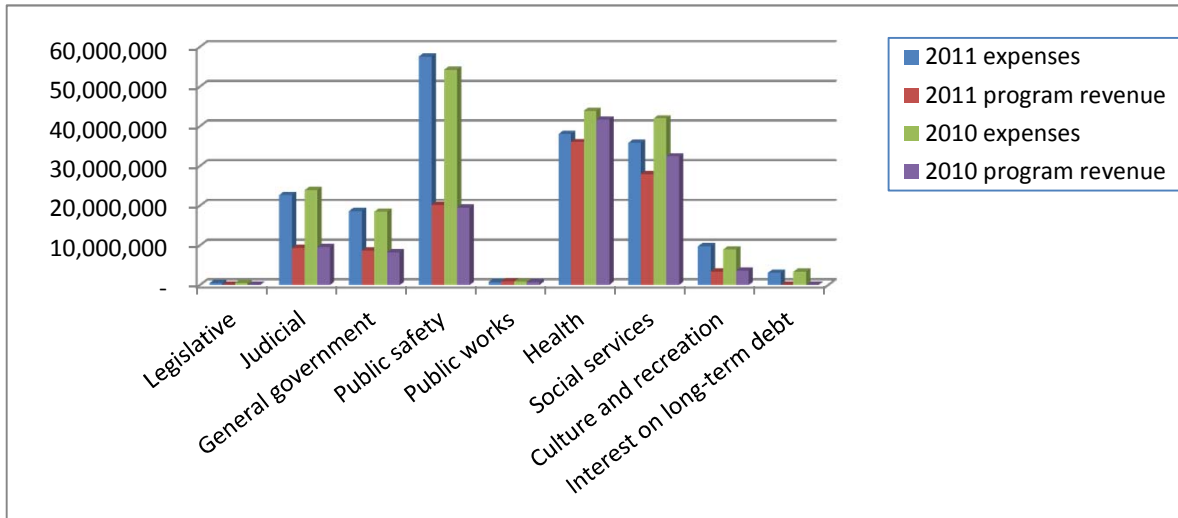
Governmental Activities. Overall, total revenues and transfers exceeded total expenses by over \$8.0 million during 2011. Total revenues for governmental activities were \$11.6 million less than the prior year. Key elements of the net decrease were as follows:

- Charges for services revenues increased by \$0.6 million during 2011 due primarily to additional revenues being received in the Sheriff's Office and the Clerk/Register of Deeds Office.
- Operating grants and contributions for governmental activities decreased by \$10.0 million (11.9 percent) during the year. The major components of this were as follows: \$3.1 million decrease in CSTS due to certain activities being accounted for in the Washtenaw County Health Organization (WCHO) during 2011, \$3.4 million decrease in ETCS due to fewer federal dollars being awarded (including ARRA monies) during 2011, and \$1.3 million drop in Public Health due primarily to the termination of H1N1 grant monies and reduction in vaccines supplied by the federal government through the State.

- Property taxes decreased in 2011 by approximately \$2.6 million (3.2 percent). This resulted from continued taxable value declines due to decreased housing values and the economic downturn.

	Governmental activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue						
Program revenue:						
Charges for services	\$ 31,700,891	\$ 31,130,459	\$ 6,815,385	\$ 7,296,651	\$ 38,516,276	\$ 38,427,110
Operating grants and contributions	74,135,727	84,101,904	-	-	74,135,727	84,101,904
Capital grants and contributions	501,837	557,446	-	-	501,837	557,446
General revenue:						
Property taxes	76,744,940	79,314,216	-	-	76,744,940	79,314,216
Accommodations taxes restricted for tourist programs	3,993,639	3,539,013	-	-	3,993,639	3,539,013
Grants and contributions not restricted to specific programs	1,340,281	1,245,565	-	-	1,340,281	1,245,565
Investment earnings	502,567	474,069	164,008	132,538	666,575	606,607
Gain on sale of capital assets	44,220	181,341	-	-	44,220	181,341
Total revenue	188,964,102	200,544,013	6,979,393	7,429,189	195,943,495	207,973,202
Expenses						
Legislative	477,251	526,142	-	-	477,251	526,142
Judicial	22,688,793	23,900,492	-	-	22,688,793	23,900,492
General government	18,654,907	18,483,213	-	-	18,654,907	18,483,213
Public safety	57,583,782	54,263,600	-	-	57,583,782	54,263,600
Public works	750,515	844,588	-	-	750,515	844,588
Health	38,020,491	43,899,534	-	-	38,020,491	43,899,534
Social services	35,795,507	41,959,629	-	-	35,795,507	41,959,629
Culture and recreation	9,785,702	8,981,545	-	-	9,785,702	8,981,545
Interest on long-term debt	3,059,884	3,322,673	-	-	3,059,884	3,322,673
Delinquent tax collections and related activities	-	-	1,621,084	1,394,780	1,621,084	1,394,780
Total expenses	186,816,832	196,181,416	1,621,084	1,394,780	188,437,916	197,576,196
Increase in net assets						
before transfers	2,147,270	4,362,597	5,358,309	6,034,409	7,505,579	10,397,006
Transfers	5,897,642	5,938,657	(5,879,140)	(5,733,075)	18,502	205,582
Increase in net assets	8,044,912	10,301,254	(520,831)	301,334	7,524,081	10,602,588
Net assets - beginning	198,161,137	187,859,883	17,135,945	16,834,611	215,297,082	204,694,494
Net assets - ending	\$ 206,206,049	\$ 198,161,137	\$ 16,615,114	\$ 17,135,945	\$ 222,821,163	\$ 215,297,082

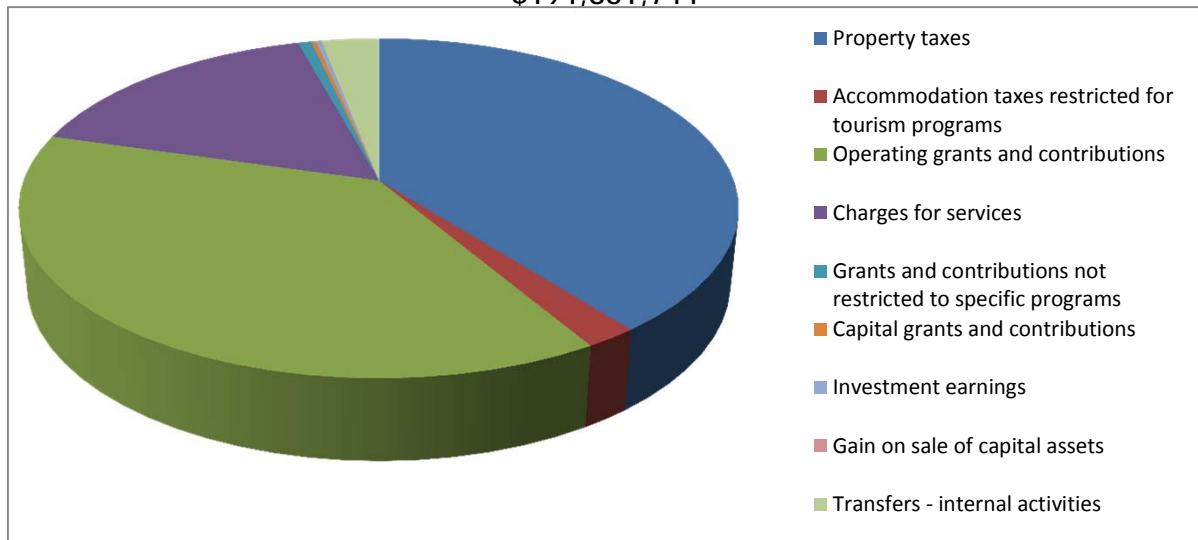
2011 & 2010 Expenses and Program Revenue - Governmental Activities



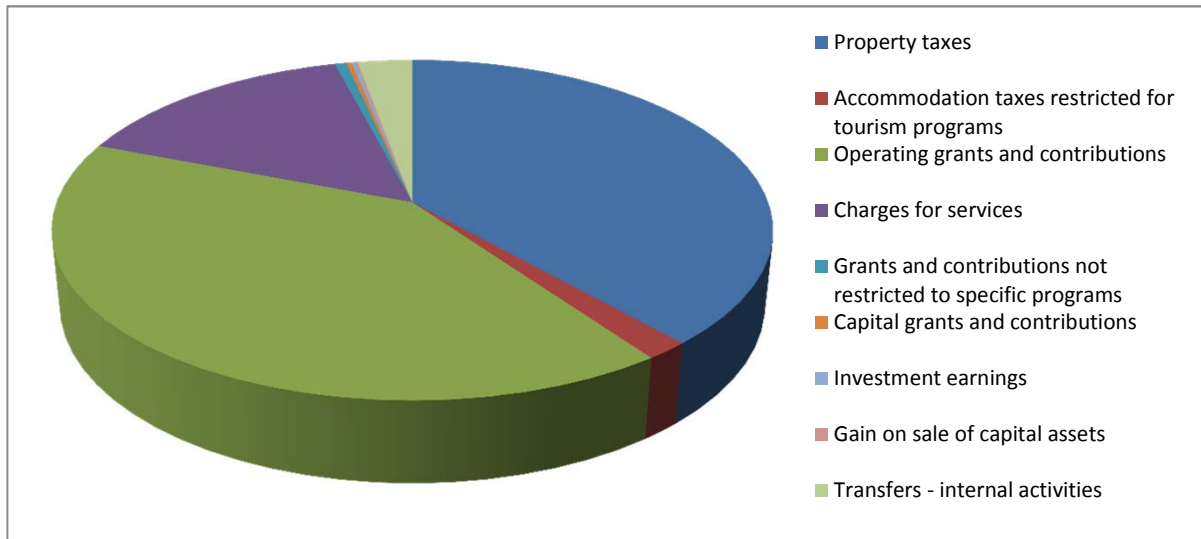
Overall, total expenses for governmental activities decreased \$9.4 million (4.8 percent) during the year. Judicial expenses decreased \$1.2 million. Health expenses decreased \$5.9 million: \$3.8 million due to certain CSTS activities being accounted for in the Washtenaw County Health Organization (WCHO) during 2011 and \$1.4 million due to the termination of the H1N1 grant monies and reduction in vaccines supplied by the federal government through the State of Michigan as described above. Social services expenses declined \$6.2 million: \$1.4 million attributable to child care expenses, \$0.9 million in the community development area, and \$3.6 million due to fewer federal dollars being available to spend related to the employment training, weatherization and other human services areas. Public safety expenses increased \$3.3 million due to increased personnel costs related to the jail expansion as well as increases in mandated medical expenses for inmates.

2011 Revenue by Source - Governmental Activities

\$194,861,744



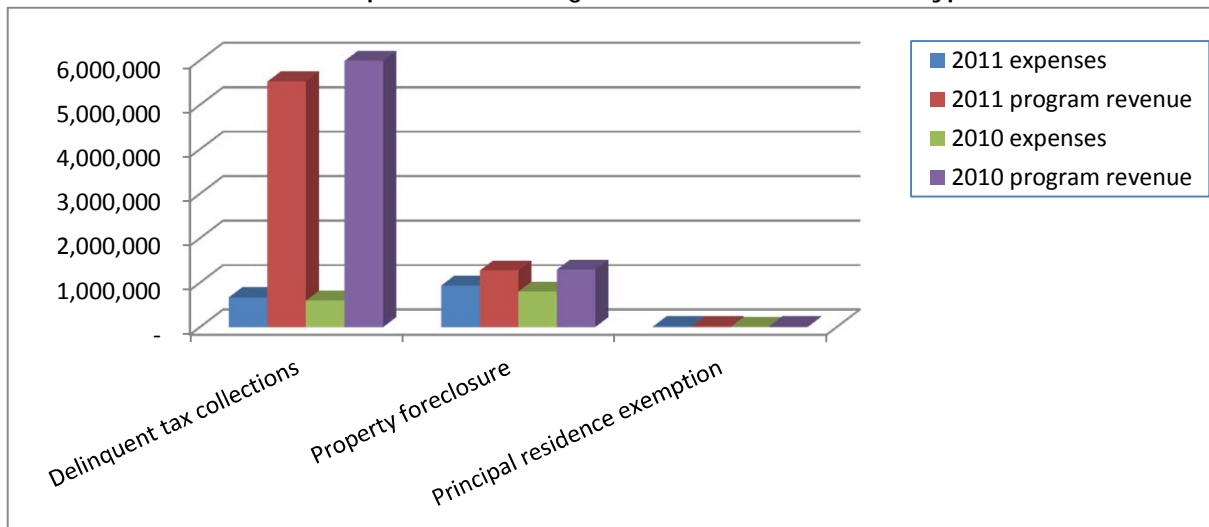
2010 Revenue by Source - Governmental Activities
\$206,482,670



Business-type Activities. Business-type activities decreased the County’s net assets by approximately \$0.5 million. Key elements of the current year decrease are as follows:

- Charges for services revenue decreased by \$481,266 (6.6 percent) in 2011, due in part to property owners paying delinquent taxes more promptly resulting in lower interest charges. Expenditures increased by \$226,304 (16.2 percent) due to an increase in the allowance for doubtful accounts for certain delinquent taxes owed to the County as well as more properties being involved in the foreclosure process during 2011 resulting in increased auction expenses and losses from the sale of foreclosed properties.
- The other general revenue category increased by \$31,470 (23.7 percent) during the year due to an increase in investment earnings.

2011 & 2010 Expenses and Program Revenues - Business-type Activities



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 \$85,754,787, a decrease of \$2,744,183 (3.1 percent) in comparison with the prior year. Eighty-three percent of the ending fund balances is subject to the underlying limitations applicable to the particular special revenue, debt service and capital project funds and is not available for new spending because it has already been restricted or committed for community support and treatment services' activities, land acquisition under the natural area preservation program, parks and recreation activities, replacement for state revenue sharing, enhancements to emergency communication systems and for improvements to existing assets and new construction for capital projects, long-term advances, as well as other external constraints. The other seventeen percent of this total amount, \$14,526,098, is available for spending at the government's discretion (general fund unassigned fund balance).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the general fund was \$14,526,098. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 14.2 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. The fund balance of the general fund declined by \$791,059 during the current fiscal year. This decline was considerably less than had been planned for in the 2011 original budget due to increased property tax and other revenue collections as well as expenditure savings that were realized during the year.

During 2011 the financial position of the community support and treatment services fund declined slightly. Total fund balance at the end of the year is \$343,050.

The parks and recreation fund had a total fund balance of \$29,795,437, which increased \$0.8 million in the current year. This increase was due to voter-approved millages to fund parks and recreation programs and activities and land acquisitions meeting the criteria of the natural areas preservation program. Fund balance will be used in subsequent years for these purposes.

The revenue sharing reserve fund had a total fund balance of \$10,850,815 at December 31, 2011, a decrease of \$6.6 million compared to the prior year. This fund is mandated by the State of Michigan. It was established to account for accelerated property tax collections that were authorized by State statute as a temporary replacement for state revenue sharing payments to counties which were suspended by the State during 2004. Annual tax payments, each equal to 1/3 of the annual property tax levy, were placed in this fund over a three year period beginning in 2004. At the same time, the County began transferring monies from this fund to the general fund according to a schedule established by the Michigan Department of Treasury. This fund will transfer approximately \$6.6 million to the general fund during 2012 and approximately \$4.2 million in 2013, at which time the fund balance will be depleted. It is hoped that the State will then resume paying revenue sharing monies to the County, though the amount is not fully determinable at this time.

The enhanced emergency communication system millage fund had a fund balance of \$2,257,710 at year-end, a decrease of \$132,055 during 2011. This fund accounts for the revenues provided by a voter-approved 10-year millage which began in 2006. This fund accounts for the payment of principal and interest on the long-term general obligation debt issued to finance the construction of the new digital emergency communication system for the County as well as the ongoing maintenance costs of the system.

The county capital projects fund accounts for the renovations and modifications of existing facilities, new capital construction projects and the purchase of capital equipment, as well as maintenance to existing facilities (such as replacement of roof systems, carpeting, and other interior finishes). The county capital projects fund had a fund balance of \$20,096,110 at year-end. Its fund balance increased during 2011 by \$3,064,148, due primarily to a larger than anticipated annual transfer from the delinquent tax fund.

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

Restricted and unrestricted net assets of the delinquent tax, other enterprise activities and internal service funds at the end of the year amounted to \$15,002,352, \$1,601,638 and \$6,316,973, respectively. The delinquent tax fund had a decrease in net assets for the year of \$866,690, whereas the other enterprise activities had an increase of \$345,859 and the internal service funds had an increase of \$2,570,321. Other factors concerning the financial position of the delinquent tax fund have already been addressed in the discussion of the County's business type activities.

General Fund Budgetary Highlights

There was a net increase of \$3.3 million (3.3%) to general fund revenues (including other financing sources as well as the budgeted planned use of fund balance) from the original to the final budget. Taxes increased \$3.5 million (5.9%) because the current year property tax revenues were higher as the decline in the tax base was only -2.7% rather than the projected decline of -8.5% when the budget was adopted. Furthermore, the improved property tax projections allowed for the budgeted planned use of fund balance to be reduced by \$2.3 million (42.3%).

Charges for services increased \$0.7 million (3.9%) for sheriff revenues for police services, foreclosures and abandoned vehicle activities, Trial Court for circuit court fees and costs, and substance abuse prevention and treatment services. Intergovernmental revenues increased \$0.3 million (5.2%) for state liquor tax and other anticipated community reimbursements. Other small increases and decreases in revenue budgets also took place.

Other financing sources for capital leases increased \$1.4 million (100%) as a result of new information and technology equipment. There was a decrease of \$0.3 million (4.2%) for transfers in because no property foreclosure dollars were available to be transferred into the general fund.

There was a corresponding \$3.3 million (3.3%) net increase between the original and final amended expenditure budget (including transfers out). There was a budget increase of \$1.2 million (8.0%) for judicial activities for court functions and public defender activities. In addition, there was a \$1.2 million (6.6%) increase in the other financial uses budget for transfers out. This was offset by a decrease in the reserve for subsequent year's budget and the undesignated allocation for coordinated funding activities monitored by the Office of Community and Economic Development.

There was a net budget increase of \$0.7 million (7.9%) for general government activities for information technology leased capital equipment (as mentioned previously) and corporation counsel for attorney fees. Also, related to the capital equipment are the debt service payments associated with the lease, which resulted in a budget increase of \$0.4 million (100%) for the principal, interest and finance charges associated with the annual payments. Finally, public safety increased \$0.2 million (0.5%) for sheriff activities for increased police services contracts. Other small increases and decreases in expenditure budgets also took place.

Finally, there was a \$0.5 million (8.0%) budget decrease in the other unallocated expenditure category because of personnel adjustments and budgeted lump sum reductions. The original budget included planned reductions. As savings were identified or realized departmental budgets were adjusted to allocate the cost savings to the appropriate activity.

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 lower than actual expenditures. This resulted in a decrease in the actual fund balance of \$791,059 which was \$2,250,710 less than the final budget amount.

Capital Asset and Debt Administration

Capital Assets. The County’s investment in capital assets for its governmental activities at December 31, 2011, was \$196,783,340 (net of accumulated depreciation), an increase of \$1.3 million (0.7 percent) over last year end. This investment in capital assets includes land, buildings, easement property, improvements, and machinery and equipment. The County’s business-type activities have a nominal investment in capital assets of \$11,124 (net of accumulated depreciation) at December 31, 2011.

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

- Parks and recreation spent \$4 million on various capital acquisitions and improvements during 2011, including \$2.3 million for Phase I of the Rolling Hills Master Plan project which includes a 1.5 mile paved interior road circling the park, approximately 3 miles of paved pedestrian walk way, 5 new soccer fields and a paved parking lot for more than 100 cars. In addition, a bridge and pedestrian trail was completed in the Village of Dexter as part of the Border-To-Border Trail. Parks and recreation also acquired land for approximately \$0.9 million under the Natural Areas Preservation Program.

Washtenaw County's Capital Assets
(net of depreciation)

	Governmental activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 38,859,300	\$ 37,839,053	\$ -	\$ -	\$ 38,859,300	\$ 37,839,053
Construction in progress	221,326	92,370	-	-	221,326	92,370
Buildings and easement property	111,972,171	114,637,754	-	-	111,972,171	114,637,754
Improvements other than buildings	35,097,202	32,036,141	-	-	35,097,202	32,036,141
Machinery and equipment	10,633,341	10,843,138	11,124	19,779	10,644,465	10,862,917
Total	\$ 196,783,340	\$ 195,448,456	\$ 11,124	\$ 19,779	\$ 196,794,464	\$ 195,468,235

Additional information on the County’s capital assets can be found in note 6 on pages 68-70 of this report.

Long term Debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$92,505,000. This entire amount comprises debt backed by the full faith and credit of the County.

Washtenaw County's Outstanding Debt General Obligation

	Governmental activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 68,005,000	\$ 75,765,000	\$ -	\$ -	\$ 68,005,000	\$ 75,765,000
Delinquent tax notes	-	-	24,500,000	26,000,000	24,500,000	26,000,000
Total	\$ 68,005,000	\$ 75,765,000	\$ 24,500,000	\$ 26,000,000	\$ 92,505,000	\$ 101,765,000

The County’s total debt decreased by \$9,260,000 (9.1 percent) during the current fiscal year. The County retired debt of \$7,760,000 in general obligation bonds and \$29,000,000 in delinquent tax notes during 2011 and issued \$27,500,000 in delinquent tax notes. Debt service requirements for general obligation bonds of \$7,370,000 and interest of \$2,232,237 are payable during 2012. The principal payment for delinquent tax notes of \$17,000,000 and an interest payment of \$239,000 are due during 2012.

The County has an “Aa1” rating for general obligation bonds from Moody’s. The County has an “AA+” rating for its general obligation bonds and an SP-1+ rating for its delinquent tax notes from Standard & Poor’s. Finally, the County has a “F1+” rating for general obligation tax notes, an AA+ for existing general obligation bonds, and an implied AAA rating from Fitch. The rating outlook for the County from each of these agencies is stable.

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 \$1,548,017,612 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 9 on pages 73-77 of this report.

Economic Factors and Next Year’s Budget and Rates

The Michigan economic downturn, housing market and stock market declines have a continuing impact on the County’s fiscal operations. The following factors were considered in preparing the County’s budget for 2012/13:

- The County completed labor negotiations regarding economic concessions for wage and benefit modifications for 2012 and 2013. The partnership agreements cancelled across-the-board salary increases, eliminated pay for performance, implemented ten banked leave days each year, and most of the union bargaining units and nonunion employees have approved premium sharing, deductible and increased co-pays for medical benefits.

- To limit the County's liability to the defined benefit retirement system, a cost-sharing model was negotiated capping the employer rate at 10% and increasing the employee contribution from 7.5% to 10%. This will assist with the potential cost increases within the pension system for 2012-13.
- The unemployment rate for the County is currently 6.6%, lower than a year ago. This compares favorably to the state's average unemployment rate of 10.3% and the national average rate of 8.9%.
- 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 2011 the applicable inflation rate was 1.7%, but the actual change in taxable value was -2.7%. Therefore, due to the laws that limit growth, the economy and housing market declines, as well as the shutdown of operations by two of the largest taxpayers in the County, property tax revenues are budgeted to decline by -5.0% in 2012 and -2.0% in 2013.
- The County continues to operate with great uncertainty as the State of Michigan struggles to find solutions to balance the State's budget. An impact on the County is certain. The most pressing concern comes in 2013 when our Revenue Sharing Reserve fund is depleted. The 2013 budget assumes that the State of Michigan will not reinstate county revenue sharing when the reserve fund is depleted. The budget assumes a flat level of revenue for 2012.
- The County has committed to maintaining a general fund balance that is at least 8.0% of operating expenditures. The 2012 fiscal year budget includes a projected surplus to be carried forward and used to balance the 2013 fiscal year budget.
- Overall, financial trends in the region compare mixed in relation 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 fiscal condition. 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.

This Page Intentionally Left Blank



Basic Financial Statements



Government-wide Financial Statements

WASHTENAW COUNTY

Statement of Net Assets December 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and pooled investments	\$ 90,686,751	\$ 10,851,619	\$ 101,538,370	\$ 17,128,194
Receivables, net	30,797,844	30,362,092	61,159,936	47,853,104
Prepaid items and other assets	2,742,974	-	2,742,974	2,352,095
Capital assets not being depreciated	39,080,626	-	39,080,626	29,245,825
Capital assets being depreciated, net	157,702,714	11,124	157,713,838	253,823,584
Total assets	321,010,909	41,224,835	362,235,744	350,402,802
Liabilities				
Accounts payable and accrued expenses	11,218,525	56,437	11,274,962	9,747,571
Accrued interest payable	600,251	26,480	626,731	296,857
Unearned revenue	15,612,955	-	15,612,955	-
Long-term liabilities:				
Due within one year	10,359,967	17,003,183	27,363,150	3,815,759
Due in more than one year	72,805,181	7,523,621	80,328,802	39,528,685
Other noncurrent liability - net other postemployment benefit liability	4,207,981	-	4,207,981	470,388
Total liabilities	114,804,860	24,609,721	139,414,581	53,859,260
Net assets				
Invested in capital assets, net of related debt	133,832,314	11,124	133,843,438	268,248,479
Restricted for:				
Debt service	-	15,002,352	15,002,352	562,793
Capital projects	-	-	-	11,063,745
State revenue sharing	10,850,815	-	10,850,815	-
Public safety	3,016,086	-	3,016,086	-
Health	578,597	-	578,597	-
Social services	128,238	-	128,238	-
Culture and recreation	30,436,296	-	30,436,296	-
Economic development	63,075	-	63,075	-
Property foreclosure	-	1,575,664	1,575,664	-
Principal residence exemption	-	25,974	25,974	-
Unrestricted	27,300,628	-	27,300,628	16,668,525
Total net assets	\$ 206,206,049	\$ 16,615,114	\$ 222,821,163	\$ 296,543,542

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

WASHTENAW COUNTY

Statement of Activities Year Ended December 31, 2011

Functions / Programs	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 477,251	\$ -	\$ -	\$ -	\$ (477,251)
Judicial	22,688,793	3,552,654	5,740,717	-	(13,395,422)
General government	18,654,907	5,000,000	3,640,868	-	(10,014,039)
Public safety	57,583,782	16,322,063	3,390,758	501,837	(37,369,124)
Public works	750,515	80,308	783,785	-	113,578
Health	38,020,491	2,938,582	33,049,525	-	(2,032,384)
Social services	35,795,507	523,708	27,416,286	-	(7,855,513)
Culture and recreation	9,785,702	3,283,576	113,788	-	(6,388,338)
Interest on long-term debt	3,059,884	-	-	-	(3,059,884)
Total governmental activities	186,816,832	31,700,891	74,135,727	501,837	(80,478,377)
Business-type activities:					
Delinquent tax collection	670,127	5,525,120	-	-	4,854,993
Property foreclosure	932,123	1,269,367	-	-	337,244
Principal residence exemption	18,834	20,898	-	-	2,064
Total business-type activities	1,621,084	6,815,385	-	-	5,194,301
Total primary government	\$ 188,437,916	\$ 38,516,276	\$ 74,135,727	\$ 501,837	\$ (75,284,076)
Component units					
Department of Public Works Projects	\$ 1,509,103	\$ -	\$ -	\$ 6,483,333	\$ 4,974,230
Water Resources Commissioner	2,383,477	208,581	-	3,639,265	1,464,369
Hazardous Materials Response Authority	69,199	53,626	25,820	-	10,247
Road Commission	31,691,457	-	34,200,365	-	2,508,908
Brownfield Redevelopment Authority	204,792	-	-	-	(204,792)
Total component units	\$ 35,858,028	\$ 262,207	\$ 34,226,185	\$ 10,122,598	\$ 8,752,962

Continued...

WASHTENAW COUNTY

Statement of Activities (Concluded) Year Ended December 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (80,478,377)	\$ 5,194,301	\$ (75,284,076)	\$ 8,752,962
General revenues:				
Property taxes	76,744,940	-	76,744,940	662,703
Accommodation taxes restricted for tourism programs	3,993,639	-	3,993,639	-
Grants and contributions not restricted to specific programs	1,340,281	-	1,340,281	-
Unrestricted investment earnings	502,567	164,008	666,575	110,245
Gain on sale of capital assets	44,220	-	44,220	5,851
Transfers - internal activities	5,897,642	(5,879,140)	18,502	-
Total general revenues and transfers	88,523,289	(5,715,132)	82,808,157	778,799
Change in net assets	8,044,912	(520,831)	7,524,081	9,531,761
Net assets, beginning of year	198,161,137	17,135,945	215,297,082	287,011,781
Net assets, end of year	\$ 206,206,049	\$ 16,615,114	\$ 222,821,163	\$ 296,543,542

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



Fund Financial Statements

This Page Intentionally Left Blank

WASHTENAW COUNTY

Balance Sheet - Governmental Funds December 31, 2011

	General	Community Support and Treatment Services	Parks and Recreation	Revenue Sharing Reserve	Enhanced Emergency Communication System Millage
Assets					
Cash and pooled investments	\$ 13,519,450	\$ -	\$ 32,008,413	\$ 10,850,815	\$ 2,681,239
Receivables:					
Taxes - current	-	-	8,306,349	-	2,330,298
Taxes - delinquent	219,611	-	-	-	-
Accounts	659,013	1,936,834	2,000	-	-
Interfund receivable	-	-	-	-	-
Due from other governments	2,777,496	12,830	4,215	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 17,175,570	\$ 1,949,664	\$ 40,320,977	\$ 10,850,815	\$ 5,011,537
Liabilities					
Accounts payable	\$ 366,242	\$ 11,806	\$ 591,139	\$ -	\$ -
Accrued liabilities	2,063,619	417,601	113,263	-	-
Due to other governments	-	-	-	-	-
Interfund payable	-	1,177,207	-	-	-
Deferred revenue	219,611	-	9,821,138	-	2,753,827
Advances from other governments	-	-	-	-	-
Total liabilities	2,649,472	1,606,614	10,525,540	-	2,753,827
Fund balances					
Nonspendable for advances	-	-	-	-	-
Restricted for:					
Revenue sharing reserve	-	-	-	10,850,815	-
Economic development	-	-	-	-	-
Public safety	-	-	-	-	2,257,710
Health	-	-	-	-	-
Social services	-	-	-	-	-
Culture and recreation	-	-	29,795,437	-	-
Capital projects	-	-	-	-	-
Committed for:					
Economic development	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health	-	343,050	-	-	-
Social services	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Unassigned	14,526,098	-	-	-	-
Total fund balances	14,526,098	343,050	29,795,437	10,850,815	2,257,710
Total liabilities and fund balances	\$ 17,175,570	\$ 1,949,664	\$ 40,320,977	\$ 10,850,815	\$ 5,011,537

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

County Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 16,691,895	\$ 6,324,372	\$ 82,076,184
-	873,862	11,510,509
-	-	219,611
77,009	1,184,997	3,859,853
3,742,516	-	3,742,516
-	7,912,815	10,707,356
6,789	-	6,789
<u>\$ 20,518,209</u>	<u>\$ 16,296,046</u>	<u>\$ 112,122,818</u>

\$ 389,430	\$ 1,409,661	\$ 2,768,278
32,669	721,973	3,349,125
-	820,066	820,066
-	2,565,309	3,742,516
-	2,815,470	15,610,046
-	78,000	78,000
<u>422,099</u>	<u>8,410,479</u>	<u>26,368,031</u>

6,789	-	6,789
-	-	10,850,815
-	703,934	703,934
-	758,376	3,016,086
-	578,597	578,597
-	148,337	148,337
-	-	29,795,437
6,056,735	-	6,056,735
-	156,075	156,075
-	1,595,789	1,595,789
-	739,366	739,366
-	1,138,589	1,481,639
-	2,065,938	2,065,938
-	566	566
14,032,586	-	14,032,586
-	-	14,526,098
<u>20,096,110</u>	<u>7,885,567</u>	<u>85,754,787</u>
<u>\$ 20,518,209</u>	<u>\$ 16,296,046</u>	<u>\$ 112,122,818</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, 2011

Fund balances - total governmental funds	\$ 85,754,787
Amounts reported for <i>governmental activities</i> 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	253,084,103
Deduct - accumulated depreciation	(59,357,717)
Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.	
	4,030,804
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	41,314
Deduct - bond premiums	(296,847)
Deferred charges for bond issuance costs are currently expensed in the governmental funds, whereas they are capitalized and amortized for net assets.	
	1,018,981
Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net assets (and netted against bonds payable).	
	555,609
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.	
	9,373,927
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	(69,463,641)
Deduct - accrued interest on bonds payable	(600,251)
Deduct - other postemployment benefit obligation	(4,207,981)
Deduct - accrued compensated absences	(13,727,039)
Net assets of governmental activities	<u>\$ 206,206,049</u>

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

This Page Intentionally Left Blank

WASHTENAW COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year Ended December 31, 2011

	General	Community Support and Treatment Services	Parks and Recreation	Revenue Sharing Reserve	Enhanced Emergency Communication System Millage
Revenues					
Property taxes	\$ 63,038,787	\$ -	\$ 9,988,330	\$ -	\$ 2,772,459
Accommodation taxes	-	-	-	-	-
Licenses and permits	254,479	-	-	-	-
Intergovernmental	5,703,092	23,671,580	-	-	-
Charges for services	19,282,538	1,074,081	3,283,576	-	19,500
Fines and forfeits	956,065	-	-	-	-
Investment income	124,460	-	197,397	-	19,141
Other	2,666,887	82,074	62,937	-	-
Total revenues	92,026,308	24,827,735	13,532,240	-	2,811,100
Expenditures					
Current:					
Legislative	477,736	-	-	-	-
Judicial	16,489,919	-	-	-	-
General government	7,885,475	-	-	-	-
Public safety	49,163,370	-	-	-	59,895
Public works	226,092	-	-	-	-
Health	-	25,231,838	-	-	-
Social services	326,365	-	-	-	-
Culture and recreation	622,288	-	12,760,436	-	-
Other unallocated	5,589,384	-	-	-	-
Debt service:					
Principal	345,192	-	-	-	-
Interest and fiscal charges	42,804	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	81,168,625	25,231,838	12,760,436	-	59,895
Revenues over (under) expenditures	10,857,683	(404,103)	771,804	-	2,751,205
Other financing sources (uses)					
Capital leases	1,302,837	-	-	-	-
Transfers in	7,879,448	404,103	-	-	-
Transfers out	(20,831,027)	(3,414)	-	(6,649,114)	(2,883,260)
Total other sources (uses)	(11,648,742)	400,689	-	(6,649,114)	(2,883,260)
Net change in fund balances	(791,059)	(3,414)	771,804	(6,649,114)	(132,055)
Fund balances:					
Beginning of year	15,317,157	346,464	29,023,633	17,499,929	2,389,765
End of year	\$ 14,526,098	\$ 343,050	\$ 29,795,437	\$ 10,850,815	\$ 2,257,710

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

County Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 945,364	\$ 76,744,940
-	3,993,639	3,993,639
-	1,942,036	2,196,515
164,423	40,717,228	70,256,323
1,047,138	3,190,351	27,897,184
-	127,419	1,083,484
78,460	23,665	443,123
381,496	4,255,517	7,448,911
<u>1,671,517</u>	<u>55,195,219</u>	<u>190,064,119</u>
-	-	477,736
-	5,442,543	21,932,462
-	5,071,791	12,957,266
-	5,962,415	55,185,680
-	570,188	796,280
-	12,866,217	38,098,055
-	34,052,553	34,378,918
-	85,504	13,468,228
-	-	5,589,384
-	7,779,476	8,124,668
-	2,937,853	2,980,657
3,727,764	-	3,727,764
<u>3,727,764</u>	<u>74,768,540</u>	<u>197,717,098</u>
<u>(2,056,247)</u>	<u>(19,573,321)</u>	<u>(7,652,979)</u>
-	-	1,302,837
12,686,807	22,148,823	43,119,181
(7,566,412)	(1,579,995)	(39,513,222)
<u>5,120,395</u>	<u>20,568,828</u>	<u>4,908,796</u>
3,064,148	995,507	(2,744,183)
<u>17,031,962</u>	<u>6,890,060</u>	<u>88,498,970</u>
<u>\$ 20,096,110</u>	<u>\$ 7,885,567</u>	<u>\$ 85,754,787</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, 2011

Net change in fund balances - total governmental funds	\$ (2,744,183)
Amounts reported for <i>governmental activities</i> 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	8,673,043
Deduct - depreciation expense	(6,865,790)
Deduct - loss on disposal of capital assets	(7,963)
Add - gain on sale of capital assets	44,220
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.	(1,339,474)
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.	
Add - principal payments on long-term liabilities	7,779,476
Add - principal payments on capital leases	345,192
Deduct - capital lease proceeds	(1,302,837)
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:	
Add - accrued interest expense	68,690
Deduct - amortization of bond issuance costs	(120,940)
Deduct - amortization of discount on bonds	(4,760)
Add - amortization of premium on bonds	55,442
Deduct - amortization of deferred loss on refunding	(120,462)
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	237,385
Add - interest revenue from governmental internal service funds	59,443
Deduct - net loss on disposal of capital assets in governmental internal service funds	(18,190)
Add - net transfers	2,291,683
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.	
Add - decrease in other postemployment benefit obligation	844,083
Add - decrease in accrual for accrued compensated absences	170,854
Change in net assets of governmental activities	<u>\$ 8,044,912</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 - General Fund Year Ended December 31, 2011

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 59,205,227	\$ 62,681,452	\$ 63,038,787	\$ 357,335
Licenses and permits	199,650	224,650	254,479	29,829
Intergovernmental	5,250,675	5,530,128	5,703,092	172,964
Charges for services	17,860,103	18,564,357	19,282,538	718,181
Fines and forfeits	1,012,100	1,012,100	956,065	(56,035)
Investment income	124,400	124,400	124,460	60
Other	1,817,724	1,818,107	2,666,887	848,780
Total revenues	85,469,879	89,955,194	92,026,308	2,071,114
Expenditures				
Legislative -				
Board of commissioners	526,504	526,504	477,736	48,768
Judicial:				
Circuit court	3,121,015	4,286,405	4,289,131	(2,726)
District court	5,154,699	5,495,015	5,419,375	75,640
Probate court	1,319,684	1,261,712	1,231,420	30,292
Probate court - juvenile	3,038,703	2,807,499	2,736,659	70,840
Probation department	204,705	204,705	183,918	20,787
Public defender	2,630,615	2,655,615	2,629,416	26,199
Total judicial	15,469,421	16,710,951	16,489,919	221,032
General government:				
Information technology	5,170,201	5,729,731	5,220,877	508,854
Building authority	7,085	7,085	4,814	2,271
Clerk / Register	3,865,061	3,793,317	3,657,194	136,123
Human resources	1,621,759	1,641,701	1,581,439	60,262
Water resources commissioner	2,646,114	2,646,114	2,633,640	12,474
Equalization	1,481,855	1,481,855	1,463,600	18,255
Finance	2,530,097	2,540,155	2,259,705	280,450
Corporation counsel	304,092	429,092	392,988	36,104
Treasurer	1,387,374	1,427,374	1,301,254	126,120
Administrator	758,416	758,416	724,382	34,034
Allocated to other departments	(11,079,085)	(11,079,085)	(11,354,418)	275,333
Total general government	8,692,969	9,375,755	7,885,475	1,490,280

Continued...

WASHTENAW COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund Year Ended December 31, 2011

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Public safety:				
Emergency management	\$ 462,766	\$ 463,149	\$ 468,702	\$ (5,553)
Sheriff	43,018,034	43,255,074	43,206,187	48,887
Prosecuting attorney	5,468,159	5,468,159	5,488,481	(20,322)
Total public safety	48,948,959	49,186,382	49,163,370	23,012
Public works	233,489	233,489	226,092	7,397
Social services - Veterans counselor	408,813	408,813	326,365	82,448
Culture - county extension	626,309	626,309	622,288	4,021
Other unallocated expenditures	5,719,011	5,264,114	5,589,384	(325,270)
Debt service:				
Principal	-	345,192	345,192	-
Interest and fiscal charges	-	42,804	42,804	-
Total debt service	-	387,996	387,996	-
Total expenditures	80,625,475	82,720,313	81,168,625	1,551,688
Revenues over expenditures	4,844,404	7,234,881	10,857,683	3,622,802
Other financing sources (uses)				
Capital leases	-	1,374,153	1,302,837	(71,316)
Transfers in	7,976,132	7,644,168	7,879,448	235,280
Transfers out	(18,109,536)	(19,294,971)	(20,831,027)	(1,536,056)
Total other financing uses	(10,133,404)	(10,276,650)	(11,648,742)	(1,372,092)
Net change in fund balance	(5,289,000)	(3,041,769)	(791,059)	2,250,710
Fund balance, beginning of year	15,317,157	15,317,157	15,317,157	-
Fund balance, end of year	\$ 10,028,157	\$ 12,275,388	\$ 14,526,098	\$ 2,250,710

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 and Treatment Services Special Revenue Fund Year Ended September 30, 2011

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 25,786,186	\$ 25,786,186	\$ 23,671,580	\$ (2,114,606)
Charges for services	221,387	221,387	1,074,081	852,694
Other	665,794	665,794	82,074	(583,720)
Total revenues	26,673,367	26,673,367	24,827,735	(1,845,632)
Expenditures				
Health	26,838,557	26,838,557	25,231,838	1,606,719
Revenues under expenditures	(165,190)	(165,190)	(404,103)	(238,913)
Other financing sources				
Transfers in	165,190	165,190	404,103	238,913
Transfers out	-	-	(3,414)	(3,414)
Total other sources (uses)	165,190	165,190	400,689	235,499
Net change in fund balance	-	-	(3,414)	(3,414)
Fund balance, beginning of year	346,464	346,464	346,464	-
Fund balance, end of year	\$ 346,464	\$ 346,464	\$ 343,050	\$ (3,414)

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, 2011

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ 9,821,986	\$ 9,821,986	\$ 9,988,330	\$ 166,344
Charges for services	2,644,000	2,644,000	3,283,576	639,576
Investment income	500,000	500,000	197,397	(302,603)
Other	187,500	187,500	62,937	(124,563)
Total revenues	13,153,486	13,153,486	13,532,240	378,754
Expenditures				
Culture and recreation	21,576,902	21,576,902	12,760,436	8,816,466
Net change in fund balance	(8,423,416)	(8,423,416)	771,804	9,195,220
Fund balance, beginning of year	29,023,633	29,023,633	29,023,633	-
Fund balance, end of year	\$ 20,600,217	\$ 20,600,217	\$ 29,795,437	\$ 9,195,220

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 Special Revenue Fund
 Year Ended December 31, 2011

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Other financing uses				
Transfers out	\$ (6,675,266)	\$ (6,675,266)	\$ (6,649,114)	\$ 26,152
Fund balance, beginning of year	<u>17,499,929</u>	<u>17,499,929</u>	<u>17,499,929</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,824,663</u>	<u>\$ 10,824,663</u>	<u>\$ 10,850,815</u>	<u>\$ 26,152</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, 2011

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ 2,755,653	\$ 2,755,653	\$ 2,772,459	\$ 16,806
Charges for services	19,800	19,800	19,500	(300)
Investment income	-	-	19,141	19,141
Total revenues	2,775,453	2,775,453	2,811,100	35,647
Expenditures				
Public safety	67,034	67,034	59,895	7,139
Revenues over expenditures	2,708,419	2,708,419	2,751,205	42,786
Other financing (uses)				
Transfers out	(2,883,260)	(2,883,260)	(2,883,260)	-
Net change in fund balance	(174,841)	(174,841)	(132,055)	42,786
Fund balance, beginning of year	2,389,765	2,389,765	2,389,765	-
Fund balance, end of year	\$ 2,214,924	\$ 2,214,924	\$ 2,257,710	\$ 42,786

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

WASHTENAW COUNTY

Statement of Net Assets Proprietary Funds December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash and pooled investments	\$ 10,314,868	\$ 536,751	\$ 10,851,619	\$ 8,610,567
Receivables:				
Delinquent taxes	23,212,265	-	23,212,265	-
Interest and collection fees	4,985,172	-	4,985,172	-
Accounts	-	-	-	115,100
Due from other governments	1,016,527	1,148,128	2,164,655	362,675
Inventories	-	-	-	8,693
Prepaid items	-	-	-	1,707,236
Total current assets	<u>39,528,832</u>	<u>1,684,879</u>	<u>41,213,711</u>	<u>10,804,271</u>
Noncurrent assets - capital assets, net	-	11,124	11,124	3,056,954
Total assets	<u>39,528,832</u>	<u>1,696,003</u>	<u>41,224,835</u>	<u>13,861,225</u>
Liabilities				
Current liabilities:				
Accounts payable	-	44,084	44,084	649,665
Accrued liabilities	-	12,353	12,353	113,356
Due to other governments	-	-	-	40,334
Unearned revenue	-	-	-	2,910
Accrued interest payable	26,480	-	26,480	-
Current portion of:				
Accrued compensated absences	-	3,183	3,183	23,960
Claims payable	-	-	-	2,322,250
General obligation notes payable	17,000,000	-	17,000,000	-
Total current liabilities	<u>17,026,480</u>	<u>59,620</u>	<u>17,086,100</u>	<u>3,152,475</u>
Long-term liabilities:				
Accrued compensated absences	-	23,621	23,621	250,584
Claims payable	-	-	-	1,077,450
General obligation notes payable	7,500,000	-	7,500,000	-
Advances from other funds	-	-	-	6,789
Total long-term liabilities	<u>7,500,000</u>	<u>23,621</u>	<u>7,523,621</u>	<u>1,334,823</u>
Total liabilities	<u>24,526,480</u>	<u>83,241</u>	<u>24,609,721</u>	<u>4,487,298</u>
Net assets				
Invested in capital assets	-	11,124	11,124	3,056,954
Restricted for:				
Debt service	15,002,352	-	15,002,352	-
Property foreclosure	-	1,575,664	1,575,664	-
Principal residence exemption	-	25,974	25,974	-
Unrestricted	-	-	-	6,316,973
Total net assets	<u>\$ 15,002,352</u>	<u>\$ 1,612,762</u>	<u>\$ 16,615,114</u>	<u>\$ 9,373,927</u>

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, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
Operating revenues				
Charges for services	\$ -	\$ 1,269,367	\$ 1,269,367	\$ 45,849,315
Interest charges	3,952,816	20,898	3,973,714	-
Collection fees on taxes	1,572,304	-	1,572,304	-
Total operating revenues	5,525,120	1,290,265	6,815,385	45,849,315
Operating expenses				
Personnel services	-	352,495	352,495	2,562,565
Contractual services	63,467	93,939	157,406	842,034
Supplies	16	108,131	108,147	1,549,068
Occupancy	-	-	-	2,523,946
Auction expenses	-	83,324	83,324	-
Fees	-	58,108	58,108	-
P.A. 123 foreclosure loss	-	160,197	160,197	-
Title research	-	80,665	80,665	-
Telephone	-	763	763	781,116
Equipment repair and rental	-	2,502	2,502	626,406
Building repair and rental	-	-	-	190,252
Benefits and insurance premiums	-	-	-	29,003,071
Other	178,823	2,178	181,001	6,380,240
Depreciation	-	8,655	8,655	1,153,232
Total operating expenses	242,306	950,957	1,193,263	45,611,930
Operating income	5,282,814	339,308	5,622,122	237,385
Nonoperating income (expense)				
Investment earnings	157,457	6,551	164,008	59,443
Interest expense and fiscal charges	(427,821)	-	(427,821)	-
Loss on sale of equipment	-	-	-	(18,190)
Total nonoperating income (expense)	(270,364)	6,551	(263,813)	41,253
Income before transfers	5,012,450	345,859	5,358,309	278,638
Transfers in	-	-	-	3,016,683
Transfers out	(5,879,140)	-	(5,879,140)	(725,000)
Change in net assets	(866,690)	345,859	(520,831)	2,570,321
Net assets, beginning of year	15,869,042	1,266,903	17,135,945	6,803,606
Net assets, end of year	\$ 15,002,352	\$ 1,612,762	\$ 16,615,114	\$ 9,373,927

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

WASHTENAW COUNTY

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
Cash flows from operating activities				
Cash received from customers	\$ 38,630,571	\$ 1,196,725	\$ 39,827,296	\$ -
Cash received from interfund services	-	-	-	45,906,532
Cash payments for delinquent taxes	(32,448,249)	-	(32,448,249)	-
Cash payments to employees	-	(354,372)	(354,372)	(2,545,739)
Cash payments to suppliers	(242,306)	(542,962)	(785,268)	(49,277,468)
Cash payments for interfund services	-	-	-	(34,925)
Net cash provided (used) by operating activities	5,940,016	299,391	6,239,407	(5,951,600)
Cash flows from noncapital financing activities				
Transfers in	-	-	-	3,016,683
Transfers out	(5,879,140)	-	(5,879,140)	(725,000)
Advances from other funds	-	-	-	(14,934)
Proceeds from issuing long term debt	27,500,000	-	27,500,000	-
Principal paid on long term debt	(29,000,000)	-	(29,000,000)	-
Interest paid on long term debt	(435,550)	-	(435,550)	-
Net cash provided (used) by noncapital financing activities	(7,814,690)	-	(7,814,690)	2,276,749
Cash flows from capital and related financing activities				
Proceeds from sale of equipment	-	-	-	157,553
Payments for equipment acquisitions	-	-	-	(1,186,277)
Net cash used by capital and related financing activities	-	-	-	(1,028,724)
Cash flows from investing activities				
Investment income	157,457	6,551	164,008	59,443
Change in cash and cash equivalents	(1,717,217)	305,942	(1,411,275)	(4,644,132)
Cash and cash equivalents, beginning of year	12,032,085	230,809	12,262,894	13,254,699
Cash and cash equivalents, end of year	\$ 10,314,868	\$ 536,751	\$ 10,851,619	\$ 8,610,567

Continued...

WASHTENAW COUNTY

Statement of Cash Flows (Concluded)

Proprietary Funds

Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 5,282,814	\$ 339,308	\$ 5,622,122	\$ 237,385
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	8,655	8,655	1,153,232
Changes in assets and liabilities:				
Receivables	1,642,729	-	1,642,729	55,745
Due from other governments	(1,016,527)	(93,540)	(1,110,067)	1,472
Due from component units	31,000	-	31,000	-
Inventories	-	-	-	24,013
Prepaid items	-	-	-	(475,963)
Accounts payable	-	44,084	44,084	(7,170,254)
Accrued liabilities	-	1,347	1,347	25,617
Interest payable	-	-	-	40,334
Interfund payable	-	-	-	2,910
Claims payable	-	-	-	162,700
Accrued compensated absences	-	(463)	(463)	(8,791)
Net cash provided (used) by operating activities	<u>\$ 5,940,016</u>	<u>\$ 299,391</u>	<u>\$ 6,239,407</u>	<u>\$ (5,951,600)</u>

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

WASHTENAW COUNTY

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2011

	Pension and Other Employee Benefit Trust Funds	Agency Fund
Assets		
Cash and pooled investments	\$ 907,877	\$ 32,349,663
Investments, at fair value:		
Equities	108,889,500	-
United States treasuries	4,721,054	-
United States treasury strips	15,638,591	-
United States agencies	27,277,972	-
Corporate securities	18,988,006	-
Multi-strategy limited partnership	4,365,523	-
Real estate limited partnership	17,281,201	-
Hedge funds	3,443,992	-
Mutual funds	52,187,198	-
Money market funds	20,966,011	-
Accounts receivable	64,714	-
Accrued interest and dividends	370,111	-
Total assets	\$ 275,101,750	\$ 32,349,663
Liabilities		
Accounts payable	245,107	-
Accrued liabilities	924,669	-
Undistributed receipts	-	32,349,663
Total liabilities	1,169,776	\$ 32,349,663
Net assets		
Held in trust for pension and other employee benefits	\$ 273,931,974	

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, 2011

Additions

Investment income (loss):

From investing activities:

Net appreciation in fair value of investments	\$ 3,121,133
Interest and dividends	5,264,218
Investment management fees	(1,190,476)
Net income from investing activities	<u>7,194,875</u>

From securities lending activities:

Gross earnings	48,022
Borrower rebates	10,565
Securities fees	(21,419)
Net income from securities lending activities	<u>37,168</u>

Total net investment income 7,232,043

Contributions:

Employer	21,503,274
Employees	4,352,928
On behalf - federal Medicare Part D subsidy	970,602
Total contributions	<u>26,826,804</u>

Other additions - retiree medical premiums 8,129

Total additions 34,066,976

Deductions

Participant benefits	27,992,243
Payments to terminated participants	212,815
Administrative expenses	661,418
Participant refunds	1,138,617
Total deductions	<u>30,005,093</u>

Net additions (deductions) to net assets held in trust

Employees' pension benefits	\$ 1,330,392
Postemployment healthcare benefits	3,075,449
Other employee benefits	<u>(343,958)</u>
Total net additions to net assets held in trust	4,061,883

Net assets held in trust for benefits, beginning of year 269,870,091

Net assets held in trust for benefits, end of year

Restricted for employees' pension benefits	207,734,317
Restricted for employees' postemployment healthcare benefits	66,153,673
Restricted for other employees' benefits	<u>43,984</u>

Total net assets held in trust for benefits, end of year \$273,931,974

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

WASHTENAW COUNTY

Combining Statement of Net Assets Discretely Presented Component Units December 31, 2011

	Department of Public Works Projects	Water Resources Commissioner	Hazardous Materials Response Authority	Road Commission	Brownfield Redevelopment Authority	Total
Assets						
Cash and pooled investments	\$ 1,001,926	\$ 8,557,835	\$ 93,633	\$ 6,983,649	\$ 491,151	\$ 17,128,194
Receivables, net	33,749,390	10,078,220	-	4,025,494	-	47,853,104
Prepaid items and other assets	475,565	285,325	-	1,591,205	-	2,352,095
Capital assets not being depreciated	-	2,836,637	-	26,409,188	-	29,245,825
Capital assets being depreciated, net	-	30,013,806	-	223,809,778	-	253,823,584
Total assets	35,226,881	51,771,823	93,633	262,819,314	491,151	350,402,802
Liabilities						
Accounts payable / accrued expenses	50,008	6,929,857	-	2,767,706	-	9,747,571
Accrued interest payable	177,348	93,103	-	26,406	-	296,857
Long-term liabilities:						
Due within one year	1,950,000	933,021	-	932,738	-	3,815,759
Due in more than one year	25,875,735	11,792,909	-	1,860,041	-	39,528,685
Other noncurrent liability - net other postemployment benefit liability	-	-	-	470,388	-	470,388
Total liabilities	28,053,091	19,748,890	-	6,057,279	-	53,859,260
Net assets						
Invested in capital assets, net of related debt	-	20,124,513	-	248,123,966	-	268,248,479
Restricted for:						
Debt service	19,688	543,105	-	-	-	562,793
Capital projects	7,154,102	3,909,643	-	-	-	11,063,745
Unrestricted	-	7,445,672	93,633	8,638,069	491,151	16,668,525
Total net assets	\$ 7,173,790	\$ 32,022,933	\$ 93,633	\$256,762,035	\$ 491,151	\$296,543,542

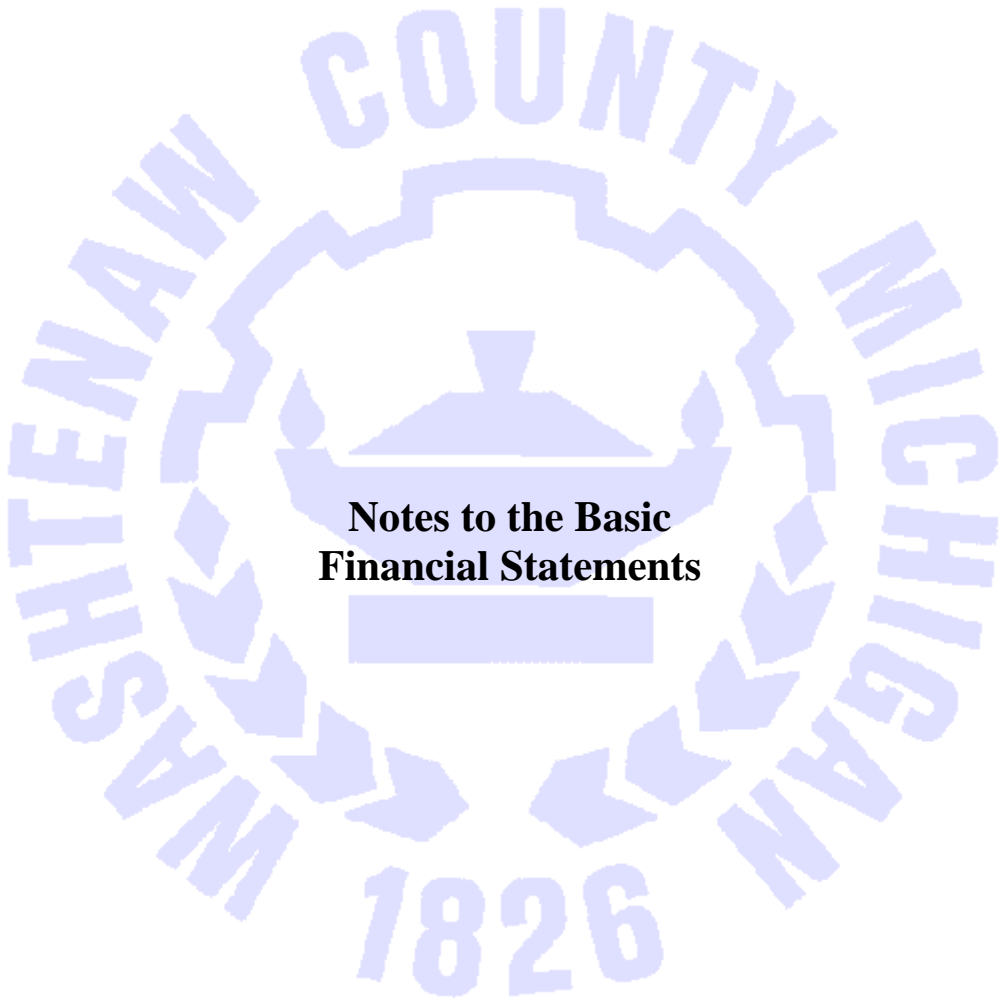
The accompanying notes are an integral part of these financial statements.

WASHTENAW COUNTY

Combining Statement of Activities
Discretely Presented Component Units
Year Ended December 31, 2011

	Department of Public Works Projects	Water Resources Commissioner	Hazardous Materials Response Authority	Road Commission	Brownfield Redevelopment Authority	Total
Expenses						
Public safety	\$ -	\$ -	\$ 69,199	\$ -	\$ -	\$ 69,199
Public works	1,509,103	2,383,477	-	-	204,792	4,097,372
Highways and streets	-	-	-	31,691,457	-	31,691,457
Total expenses	1,509,103	2,383,477	69,199	31,691,457	204,792	35,858,028
Program revenues						
Charges for services	-	208,581	53,626	-	-	262,207
Operating grants and contributions	-	-	25,820	34,200,365	-	34,226,185
Capital grants and contributions	6,483,333	3,639,265	-	-	-	10,122,598
Total program revenues	6,483,333	3,847,846	79,446	34,200,365	-	44,610,990
Net program (expense) revenue	4,974,230	1,464,369	10,247	2,508,908	(204,792)	8,752,962
General revenues						
Property taxes	-	-	-	-	662,703	662,703
Unrestricted investment earnings	6,393	51,738	539	50,108	1,467	110,245
Gain on sale of capital assets	-	-	-	5,851	-	5,851
Total general revenues	6,393	51,738	539	55,959	664,170	778,799
Change in net assets	4,980,623	1,516,107	10,786	2,564,867	459,378	9,531,761
Net assets, beginning of year	2,193,167	30,506,826	82,847	254,197,168	31,773	287,011,781
Net assets, end of year	\$ 7,173,790	\$ 32,022,933	\$ 93,633	\$ 256,762,035	\$ 491,151	\$ 296,543,542

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



**Notes to the Basic
Financial Statements**

This Page Intentionally Left Blank

WASHTENAW COUNTY

Notes to the Financial Statements

Index

	<u>Page</u>
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
Reporting Entity	52
Government-wide and Fund Financial Statements	53
Measurement Focus, Basis of Accounting and Financial Statement Presentation	54
Assets, Liabilities and Net Assets or Equity	56
2. BUDGETARY INFORMATION	58
3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS	59
4. DEPOSITS, INVESTMENTS AND SECURITIES LENDING	60
5. RECEIVABLES	67
6. CAPITAL ASSETS	68
7. PAYABLES	70
8. LEASES	72
9. LONG-TERM DEBT	73
10. NET ASSETS INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	77
11. OTHER INFORMATION	78
Risk Management	78
Contingent Liabilities	78
Property Taxes	79
Joint Venture	79
Jointly Governed Organizations	80
12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS	81

WASHTENAW COUNTY

Notes To Financial Statements

1. 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.

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 Water Resources 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 Water Resources Commissioner, the Chair of the County Board of Commissioners, and one other member of the Board of Commissioners. The Water Resources 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.

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.

WASHTENAW COUNTY

Notes To Financial Statements

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.

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 by the Economic Development and Energy Department, whose budget is approved by the County Board of Commissioners. No separate financial report was issued. Financial statements are included herein in the supplementary information section.

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 or Water Resources 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
---	---	---

Funds with Another Year End

The community support and treatment services and public health funds (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. The environmental health special revenue fund is also now reported on a September 30 year end instead of a December 31 year end as in previous years.

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.

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 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.

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 special revenue fund* accounts for the activities of delivering an array of mental health services to residents.

The *parks and recreation special revenue 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 special revenue 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 special revenue fund* accounts for the resources accumulated, including a voter-approved millage that began in 2006, 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.

WASHTENAW COUNTY

Notes To Financial Statements

The government reports the following major proprietary fund:

The *delinquent tax revolving enterprise 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.

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 funds* account 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 an agency capacity for other governments and entities. Primarily this includes undistributed collections and withholdings such as state education 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.

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.

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.

WASHTENAW COUNTY

Notes To Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

Assets, Liabilities and Net Assets or Equity

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 for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the governing body, with the assistance of a valuation services; 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.

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.

WASHTENAW COUNTY

Notes To Financial Statements

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.

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 Water Resources 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

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
Other Infrastructure	12 to 50 years

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.

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.

WASHTENAW COUNTY

Notes To Financial Statements

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.

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually require to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification used for a general fund.

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the County's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance, if any.

2. 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.

WASHTENAW COUNTY

Notes To Financial Statements

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.

3. 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.

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

	Final Budget	Actual	Excess
General fund			
Judicial -			
Circuit court	\$ 4,286,405	\$ 4,289,131	\$ 2,726
Public safety:			
Emergency management	463,149	468,702	5,553
Prosecuting attorney	5,468,159	5,488,481	20,322
Transfers out	19,294,971	20,831,027	1,536,056
Nonmajor special revenue funds			
Accommodation ordinance tax - general government	3,233,525	3,679,419	445,894
Building services - public safety	542,867	549,822	6,955
E-911 - transfers out	1,008,054	1,247,768	239,714
Head start - transfers out	140,083	178,629	38,546
Inmate concessions- public safety	270,972	422,780	151,808
Sheriff's grants - public safety	454,644	560,102	105,458
Veterans' trust - social services	385,679	417,698	32,019
Water resources commissioner grants - public works	108,457	130,756	22,299

These over-expenditures were funded by available fund balance.

WASHTENAW COUNTY

Notes To Financial Statements

4. DEPOSITS, INVESTMENTS AND SECURITIES LENDING

Following is a reconciliation of deposits and investments as of December 31, 2011:

	Primary Government	Component Units	Total
Statement of Net Assets:			
Cash and pooled investments	\$ 101,538,370	\$ 17,128,194	\$ 118,666,564
Statement of Fiduciary Net Assets:			
Cash and pooled investments	33,257,540	-	33,257,540
Investments	273,759,048	-	273,759,048
Total	\$ 408,554,958	\$ 17,128,194	\$ 425,683,152
Deposits and Investments:			
Bank deposits (checking accounts and certificates of deposit)			\$ 47,458,260
Investments in securities, mutual funds and similar vehicles:			
Treasurer's investment pool			108,954,900
Employees retirement system			206,649,925
Money purchase pension plan			959,644
Voluntary employees beneficiary association			66,149,479
Cash on hand			41,381
Net effect of funds with different fiscal year ends			(4,530,437)
Total			\$ 425,683,152

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 unlimited coverage on non-interest bearing checking accounts. The County had \$28,765,941 of insured deposits through this coverage. At December 31, 2011, of the County's total bank balance of \$46,108,667 (total book balance was \$47,458,260), \$17,342,726 was exposed to custodial credit risk as it was uninsured and uncollateralized.

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 Treasurer's investment pool holdings as of December 31, 2011:

U.S. agencies	\$ 14,532,290
Michigan municipal bonds and notes	33,241,826
Commercial paper	16,967,330
Money market funds	44,213,454
Total	\$ 108,954,900

WASHTENAW COUNTY

Notes To Financial Statements

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, 2011, 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 either A1 or A2 by S&P and either P1 or P2 by Moody's. Of the County's investments in money market funds, \$33,096,255 was rated AAAM by S&P, \$287,884 was rated A2 by S&P and the remaining \$10,829,315 was not rated. The County's investment in Michigan municipal bonds and notes are rated in the top tier by at least one rating agency.

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, 2011, the Treasurer's investment pool had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
U.S. agencies	Federal Home Loan Bank	9.95%
Michigan tax notes	Washtenaw County Tax Note 2011	5.39%

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, 2011, maturities of the County's debt securities were as follows:

	Fair Value	Investment maturities (fair value by years)			
		Less Than 1	1 - 5	6 - 10	Over 10
U.S. agencies	\$ 14,532,290	\$ 10,999,820	\$ 3,532,470	\$ -	\$ -
Michigan municipal bonds and notes	33,241,826	26,031,136	7,210,690	-	-
Commercial paper	16,967,330	16,967,330	-	-	-
Total	\$ 64,741,446	\$ 53,998,286	\$ 10,743,160	\$ -	\$ -

WASHTENAW COUNTY

Notes To Financial Statements

Employees' Retirement System Investments

The Michigan Public Employee Retirement System 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, 2011: (investments at fair value, as determined by quoted market price):

Equities:	
Not on securities loan	\$ 71,570,826
On securities loan	11,497,985
U.S. treasuries	4,721,054
U.S. treasury strips	15,638,591
U.S. agencies:	
Not on securities loan	26,577,576
On securities loan	700,396
Corporate securities	18,723,735
Real estate investment trusts	16,311,278
Mutual funds	28,197,070
Money market funds	<u>12,711,414</u>
 Total investments	 <u><u>\$ 206,649,925</u></u>

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 each manager's 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, the System's investments in securities of U.S. agencies that were implicitly guaranteed (\$3,255,553 of U.S. agencies were explicitly guaranteed as of December 31, 2011) by the U.S. government were rated AA by Standard & Poor's.

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

AAA	\$ 2,800,880
AA	2,020,103
A	5,627,373
BBB	3,690,842
BB	34,507
D	30,750
Not rated	<u>4,519,280</u>
	<u><u>\$ 18,723,735</u></u>

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

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 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 were not exposed to custodial credit risk since the securities were 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: 35% of its assets be invested in large cap equities, 15% in mid cap equities, 15% in small cap equities, 15% in international equities, 10% in real estate and 35% in fixed income securities.

At December 31, 2011, the System's investment portfolio was concentrated as follows:

Investment Type	Issuer	% of Portfolio
Large cap equities	D. E. Shaw Group, LLC	26.72%
Fixed income	Federal National Mortgage Association	8.01%

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, 2011, maturities of the System's debt securities were as follows:

	Fair Value	Investment maturities (fair value by years)			
		Less Than 1	1 - 5	6 - 10	Over 10
U.S. treasuries	\$ 4,721,054	\$ 784,594	\$ 1,560,608	\$ 1,012,734	\$ 1,363,118
U.S. treasury strips	15,638,591	-	8,697,050	5,476,394	1,465,147
U.S. agencies	27,277,972	1,502	1,308,334	8,000,043	17,968,093
Corporate securities	18,723,735	858,230	6,285,971	4,357,427	7,222,107
Total	\$ 66,361,352	\$ 1,644,326	\$ 17,851,963	\$ 18,846,598	\$ 28,018,465

Of the above balances, \$8,637,235 of the U.S. agencies securities and \$13,464,497 of corporate securities were callable.

The System's portfolio of U.S. agencies and corporate securities includes certain collateralized mortgage obligations (with interest-only and principal-only strips), mortgage pass-through asset-backed securities, variable-rate securities, and inverse variable-rate securities. The fair value of these investments was summarized as follows at December 31:

Collateralized mortgage obligations:	
Interest-only strips	\$ 1,160,875
Principal-only strips	1,830,805
Mortgage pass-through asset-backed securities	9,521,643
Variable-rate securities	2,336,583
Inverse variable-rate securities	1,604,731

WASHTENAW COUNTY

Notes To Financial Statements

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 increased prepayments by mortgagees, which may result from a decline in interest rates. If interest rates decline, the value of interest-only strips declines. If interest rates increase, the value of interest-only strips increases.

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 decreased mortgage prepayments that may result from rising interest rates. If interest rates increase, the value of principal-only strips declines. If interest rates decrease, the value of principal-only strips increases.

The System invests in mortgage pass-through asset-backed securities issued by Fannie Mae (Federal National Mortgage Association), Ginnie Mae (Government National Mortgage Association), and Freddie Mac (Federal Home Loan Mortgage Corporation), in order to reduce the fair value sensitivity of its fixed-income portfolio to changes in interest rates. These securities are sensitive to increased mortgage prepayments that may result from declining interest rates, thus decreasing the fair value of these investments.

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, 2011, the System held 44 variable-rate investments with a fair value of \$2,336,583. The coupon rates for these investments ranged from 0.33% to 4.51%; the benchmark indexes included one-month, three-month, six-month, and twelve-month LIBOR, 11th District Monthly Weighted Average Cost of Funds Index (San Francisco), Federal Reserve US H.15 Treasury Note Constant Maturity One Year, and one-year treasury rate; the reset frequency was monthly, quarterly, semi-annually, or annually; the coupon payment frequency was monthly or quarterly; and the coupon multiplier was 1.0 times the benchmark index, plus 0.1% to 2.25%, with a cap ranging from 6.75% to 13.511% and a floor ranging from 0.0% to 3.25%.

As of December 31, 2011, the System held 72 inverse variable-rate investments with a fair value of \$1,604,731. With inverse variable-rate securities, coupon payments decline as interest rates increase. The coupon rates for these investments ranged from 8.90% to 1,153.49%; the benchmark indexes included one-month LIBOR, 11th District Monthly Weighted Average Cost of Funds Index (San Francisco), and three-month treasury rate; the reset and coupon payment frequency was monthly; and coupon multipliers ranged from negative 1,500 to negative 1.0 times the benchmark index, plus 5.05% to 15,573.50%, 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

Money Purchase Pension Plan Investments

The Michigan Public Employee Retirement System 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 including mutual funds, subject to certain limitations.

The Plan's investments were held by its trustee, a third-party financial institution. The management agreement between the Plan and the trustee required 13 separate mutual funds, including ten stock funds, one balanced fund, one bond fund, and one guaranteed interest fund. Participants selected the particular funds into which their contributions and the related County matching contributions were made. All of the Plan's investments totaling \$959,644 were 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, 2011 the Plan's bond mutual fund was not rated by a nationally recognized statistical rating organization. The Plan's investment policy did 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 did 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, 2011, the effective maturity of the Plan's bond mutual fund was 8.93 years. The Plan's investment policy did not address interest rate risk.

Voluntary Employees Beneficiary Association (VEBA) Investments

The Michigan Public Employee Retirement System 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.

The VEBA's investments were held by an independent investment management company. Following is a summary of its investments as of December 31, 2011:

Investments at fair value, as determined by quoted market prices	
Equities	\$ 25,820,689
Corporate securities	264,271
Multi-strategy limited partnership	4,365,523
Real estate limited partnership	969,923
Hedge funds limited partnership	3,443,992
Bond mutual fund	23,030,484
Money market funds	8,254,597
	<hr/>
Total investments	\$ 66,149,479

WASHTENAW COUNTY

Notes To Financial Statements

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, 2011, the VEBA's investments in money market funds were rated AAA by Standard & Poor's. The VEBA's investment in its bond mutual fund was not rated at December 31, 2011. The VEBA's investments in corporate securities were rated by Standard & Poor's as follows:

B	\$	84,240
CCC+		92,625
CCC		36,180
CCC-		24,579
Not rated		26,647
		26,647
	\$	264,271

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, 2011, the VEBA's investment portfolio was concentrated as follows:

Investment Type	Issuer	% of Portfolio
Multi-strategy	Hatteras Core Alternatives TEI Institutional Fund, Limited Partnership	6.60%
Hedge funds	Pinehurst Institutional Limited Partnership	5.21%

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The VEBA's 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 were as follows:

WASHTENAW COUNTY

Notes To Financial Statements

	Investment maturities (fair value by years)				
	Fair Value	Less Than 1	1 - 5	6 - 10	Over 10
Corporate securities	\$ 264,271	\$ -	\$ 87,406	\$ -	\$ 176,865

Money market funds had a rolling maturity date of less than 60 days as of December 31, 2011. One of the bond mutual funds had a weighted average maturity of 5.7 years as of December 31, 2011; the other had a weighted average maturity of 2.8 years. Of the above balances, \$213,045 of the corporate securities was callable as of December 31, 2011.

5. RECEIVABLES

Receivables in the governmental activities, of which \$2,641,251 of leases receivable are not expected to be collected within one year, are as follows:

Taxes	\$ 11,730,120
Accounts	3,976,889
Leases	4,030,803
Intergovernmental	11,070,032
Less: allowance for uncollectible accounts	<u>(10,000)</u>
	<u>\$ 30,797,844</u>

Receivables for the business-type activities are composed of amounts due from taxpayers for delinquent taxes and related interest and collection fees (92.9 percent) and amounts due from other governments for chargebacks of uncollected delinquent taxes (7.1 percent), which are net of an allowance for uncollectibles from Sylvan Township of approximately \$178,823 (15.0 percent) on receivables of \$1,192,153.

Component unit receivables totaling \$47.9 million are comprised of leases receivable (58.50 percent), special assessments receivable (27.34 percent), accounts receivable (14.15 percent) and due from other governments (.02 percent).

Governmental funds report deferred revenue in connection with receivables that are not available to liquidate liabilities of the current period (unavailable) and/or for resources that have been received, but not earned or that are intended to finance a future period (unearned). At year-end, the components of deferred revenue and unearned revenue reported in the governmental and internal services funds were as follows:

	Unearned	Unavailable
Property taxes:		
General Fund	\$ 219,611	\$ -
Parks and recreation fund	9,821,138	-
Enhanced emergency communication system	2,753,827	-
Nonmajor governmental funds	1,032,685	-
Grant drawdowns prior to meeting all eligibility requirements	<u>1,785,694</u>	<u>-</u>
	<u>\$ 15,612,955</u>	<u>\$ -</u>

WASHTENAW COUNTY

Notes To Financial Statements

6. CAPITAL ASSETS

Primary Government. Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 37,839,053	\$ 1,020,247	\$ -	\$ 38,859,300
Construction in progress	92,370	221,326	(92,370)	221,326
	<u>37,931,423</u>	<u>1,241,573</u>	<u>(92,370)</u>	<u>39,080,626</u>
Capital assets, being depreciated:				
Buildings and improvements	154,977,201	709,459	-	155,686,660
Improvement other than buildings	38,597,942	5,262,330	-	43,860,272
Machinery and equipment	21,552,621	2,738,328	(2,912,967)	21,377,982
	<u>215,127,764</u>	<u>8,710,117</u>	<u>(2,912,967)</u>	<u>220,924,914</u>
Less accumulated depreciation for:				
Buildings and improvements	(40,339,447)	(3,375,042)	-	(43,714,489)
Improvement other than buildings	(6,561,801)	(2,201,269)	-	(8,763,070)
Machinery and equipment	(10,709,483)	(2,442,711)	2,407,553	(10,744,641)
	<u>(57,610,731)</u>	<u>(8,019,022)</u>	<u>2,407,553</u>	<u>(63,222,200)</u>
Total capital assets being depreciated, net	<u>157,517,033</u>	<u>691,095</u>	<u>(505,414)</u>	<u>157,702,714</u>
Governmental activities capital assets, net	<u>\$ 195,448,456</u>	<u>\$ 1,932,668</u>	<u>\$ (597,784)</u>	<u>\$ 196,783,340</u>
Business-type activities				
Capital assets, being depreciated:				
Machinery and equipment	\$ 46,643	\$ -	\$ -	\$ 46,643
Less accumulated depreciation for:				
Machinery and equipment	(26,864)	(8,655)	-	(35,519)
Business-type activities capital assets, net	<u>\$ 19,779</u>	<u>\$ (8,655)</u>	<u>\$ -</u>	<u>\$ 11,124</u>

WASHTENAW COUNTY

Notes To Financial Statements

Depreciation and amortization expenses were charged to activities of the primary government as follows:

Governmental activities	
Legislative	\$ 5,529
Judicial	1,070,386
General government	800,758
Public safety	2,745,221
Public works	417
Health	321,266
Social services	423,706
Culture and recreation	1,498,507
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,153,232</u>
Total depreciation expense - governmental activities	<u>\$ 8,019,022</u>
Business-type activities	<u>\$ 8,655</u>

Discretely Presented Component Units

Water Resources Commissioner. Capital asset activity for the Water Resources Commissioner for the year ended December 31, 2011 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 7,811,197	\$ 4,890,215	\$ (9,864,775)	\$ 2,836,637
Capital assets, being depreciated:				
Infrastructure	28,905,210	9,864,775	-	38,769,985
Machinery and equipment	363,649	-	-	363,649
	<u>29,268,859</u>	<u>9,864,775</u>	<u>-</u>	<u>39,133,634</u>
Less accumulated depreciation for:				
Infrastructure	(8,376,316)	(578,102)	-	(8,954,418)
Machinery and equipment	(117,968)	(47,442)	-	(165,410)
	<u>(8,494,284)</u>	<u>(625,544)</u>	<u>-</u>	<u>(9,119,828)</u>
Total capital assets being depreciated, net	<u>20,774,575</u>	<u>9,239,231</u>	<u>-</u>	<u>30,013,806</u>
Water Resources Commissioner capital assets, net	<u>\$ 28,585,772</u>	<u>\$ 14,129,446</u>	<u>\$ (9,864,775)</u>	<u>\$ 32,850,443</u>

WASHTENAW COUNTY

Notes To Financial Statements

Road Commission. Capital asset activity for the Road Commission for the year ended December 31, 2011 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated - Land and land improvements	\$ 26,340,648	\$ 68,540	\$ -	\$ 26,409,188
Capital assets, being depreciated:				
Buildings and storage bins	13,988,710	43,421	-	14,032,131
Road equipment	12,943,451	387,900	(125,969)	13,205,382
Other equipment	2,084,722	135,597	-	2,220,319
Brine wells and gravel pits	136,386	-	-	136,386
Infrastructure	354,135,628	16,449,419	-	370,585,047
	<u>383,288,897</u>	<u>17,016,337</u>	<u>(125,969)</u>	<u>400,179,265</u>
Less accumulated depreciation for:				
Buildings and storage bins	(4,845,895)	(370,997)	-	(5,216,892)
Road equipment	(11,018,704)	(579,127)	125,239	(11,472,592)
Other equipment	(1,857,798)	(60,755)	-	(1,918,553)
Brine wells and gravel pits	(136,386)	-	-	(136,386)
Infrastructure	(143,656,847)	(13,968,217)	-	(157,625,064)
	<u>(161,515,630)</u>	<u>(14,979,096)</u>	<u>125,239</u>	<u>(176,369,487)</u>
Total capital assets being depreciated, net	<u>221,773,267</u>	<u>2,037,241</u>	<u>(730)</u>	<u>223,809,778</u>
Road Commission capital assets, net	<u>\$ 248,113,915</u>	<u>\$ 2,105,781</u>	<u>\$ (730)</u>	<u>\$ 250,218,966</u>

7. PAYABLES

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

Accounts	\$ 3,417,944
Wages, fringe benefits and other accrued liabilities	6,940,181
Intergovernmental	<u>860,400</u>
Total	<u>\$ 11,218,525</u>

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2011, is as follows:

	Due from Other Funds	Due to Other Funds
Advances to/from other funds		
County capital projects fund	\$ 6,789	\$ -
Internal service funds	<u>-</u>	<u>6,789</u>
Totals	<u>\$ 6,789</u>	<u>\$ 6,789</u>

WASHTENAW COUNTY

Notes To Financial Statements

	Due from Other Funds	Due to Other Funds
Interfund receivable/payable		
Community support and treatment services	\$ -	\$ 1,177,207
County capital projects fund	3,742,516	-
Nonmajor governmental funds	-	2,565,309
	<u>3,742,516</u>	<u>2,565,309</u>
Totals	<u>\$ 3,742,516</u>	<u>\$ 3,742,516</u>

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.

A summary of interfund transfers for the year ended December 31, 2011, is as follows:

	Transfers In					Totals
	General	CSTS	County Capital Projects	Nonmajor Governmental	Internal Service Funds	
Transfers Out						
General	\$ -	\$ 404,103	\$ 4,737,446	\$ 12,796,470	\$ 2,893,008	\$ 20,831,027
CSTS	-	-	-	3,414	-	3,414
RSR	6,649,114	-	-	-	-	6,649,114
EECS	-	-	-	2,883,260	-	2,883,260
CCP	-	-	1,148,850	6,293,887	123,675	7,566,412
NMGF	1,126,134	-	300,571	153,290	-	1,579,995
DTR	104,200	-	5,774,940	-	-	5,879,140
ISF	-	-	725,000	-	-	725,000
Timing	-	-	-	18,502	-	18,502
	<u>\$ 7,879,448</u>	<u>\$ 404,103</u>	<u>\$ 12,686,807</u>	<u>\$ 22,148,823</u>	<u>\$ 3,016,683</u>	<u>\$ 46,135,864</u>

CSTS - community support and treatment services special revenue fund
 RSR - revenue sharing reserve special revenue fund
 EECS - enhanced emergency communication system special revenue fund
 CCP - county capital projects fund
 NMGF - nonmajor government funds
 DTR - delinquent tax revolving enterprise fund
 ISF - internal service funds

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 \$46,135,864 and total transfers out were \$46,117,362. The difference between these amounts, \$18,502, is attributable to transactions with September 30 year-end funds. As such, this is reported as an uneliminated internal balance in the statement of activities.

WASHTENAW COUNTY

Notes To Financial Statements

8. LEASES

Capital Lease - During 2011, the County entered into a lease agreement as lessee for financing the acquisition of information and technology computer equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The asset acquired through this capital lease in governmental activities is as follows:

Machinery and equipment	\$ 1,302,837
Less accumulated depreciation	<u>(109,462)</u>
Total	<u>\$ 1,193,375</u>

The net present value of future minimum lease payments as of December 31, 2011, were as follows:

2012	\$ 352,477
2013	352,477
2014	352,477
2015	<u>352,477</u>
Total minimum lease payments	1,409,908
Less: amount representing interest	<u>(107,071)</u>
Present value of minimum lease payments	<u>\$ 1,302,837</u>

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

2012	\$ 862,776
2013	748,888
2014	587,447
2015	366,322
2016	373,822
2017	373,822
2018	111,322
2019	<u>97,822</u>
Total	<u>\$ 3,522,221</u>

In addition, for the year ended December 31, 2011, the County leased 350 spaces for employee parking that cost \$350,000; 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 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 2011 and continuing for the next nine years.

WASHTENAW COUNTY

Notes To Financial Statements

9. 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 \$29.0 million issued in prior years. During the year general obligation tax notes totaling \$27.5 million 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:

Purpose	Interest Rates	Amount
Governmental activities	2.0 - 4.75%	\$ 56,285,000
Governmental activities - refunding	1.75 - 4.75%	11,720,000
Business-type activities	1.2 - 2.0%	24,500,000
		<u>\$ 92,505,000</u>

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

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 7,370,000	\$ 2,232,237	\$ 17,000,000	\$ 239,000
2013	8,760,000	2,397,784	6,000,000	74,625
2014	7,220,000	2,077,435	1,500,000	12,375
2015	7,660,000	1,802,346	-	-
2016	6,950,000	1,521,377	-	-
2017-2021	15,290,000	4,861,979	-	-
2022-2026	11,690,000	2,090,679	-	-
2027-2028	3,065,000	137,449	-	-
	<u>\$ 68,005,000</u>	<u>\$ 17,121,286</u>	<u>\$ 24,500,000</u>	<u>\$ 326,000</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, 2011 is \$155,804. 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. All of 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 April 1, 2028 and bear interest at varying rates from 1.625% to 5.000%. Such bonds currently outstanding are summarized as follows:

Purpose	Interest Rates	Amount
Governmental activities	1.625 - 5.0%	\$ 12,352,279
Governmental activities - refunding	2.0 - 4.25%	<u>15,640,000</u>
		<u>\$ 27,992,279</u>

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

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2012	\$ 1,950,000	\$ 939,717
2013	1,950,000	872,797
2014	2,640,000	797,968
2015	2,635,000	713,313
2016	2,665,000	624,210
2017-2021	9,852,279	1,925,470
2022-2026	5,885,000	566,650
2027-2028	<u>415,000</u>	<u>6,784</u>
	<u>\$ 27,992,279</u>	<u>\$ 6,446,909</u>

Water Resources Commissioner. General obligation drain improvement bonds and notes are issued to finance certain drainage district construction projects. The original amount of general obligation bonds and notes issued in prior years was \$17,339,940. During the year, general obligation bonds of \$2,203,313 were issued. Installment obligations of \$180,708 outstanding (for drain maintenance equipment) are due in annual installments of \$46,079 to \$150,000 through June 1, 2013 with interest of 4.75%.

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:

Purpose	Interest Rates	Amount
Governmental activities	1.625 - 5.0%	\$ 12,784,548

WASHTENAW COUNTY

Notes To Financial Statements

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

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2012	\$ 933,021	\$ 368,590
2013	1,140,757	331,145
2014	906,216	293,914
2015	780,950	267,034
2016	720,950	246,954
2017-2021	3,594,800	967,469
2022-2026	3,927,962	514,894
2027-2031	2,825,000	101,625
2032	152,000	83
	<u>14,981,656</u>	<u>3,091,708</u>
Less amount able to draw	<u>(2,197,108)</u>	<u>-</u>
	<u>\$ 12,784,548</u>	<u>\$ 3,091,708</u>

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:

Purpose	Interest Rates	Amount
Governmental activities	0.5 - 4.5%	\$ 2,095,000

Annual principal and interest maturities as of December 31, 2011 are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2012	\$ 809,000	\$ 67,418
2013	547,000	37,521
2014	106,000	19,802
2015	106,000	17,311
2016	105,000	14,656
2017-2021	422,000	29,220
	<u>\$ 2,095,000</u>	<u>\$ 185,928</u>

WASHTENAW COUNTY

Notes To Financial Statements

Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Loan from State of Michigan	\$ 175,280	\$ -	\$ (19,476)	\$ 155,804	\$ 19,476
Capital leases	711,121	1,302,837	(711,121)	1,302,837	325,968
General obligation bonds	75,765,000	-	(7,760,000)	68,005,000	7,370,000
Less deferred amounts for:					
Issuance discounts	(46,074)	-	4,760	(41,314)	-
Issuance premiums	352,289	-	(55,442)	296,847	-
Refunding loss	(676,071)	-	120,462	(555,609)	-
Compensated absences	14,181,228	8,589,947	(8,769,592)	14,001,583	2,644,523
Total governmental activities	\$ 90,462,773	\$ 9,892,784	\$ (17,190,409)	\$ 83,165,148	\$ 10,359,967
Business-type activities					
Delinquent tax revolving - General obligation notes	\$ 26,000,000	\$ 27,500,000	\$ (29,000,000)	\$ 24,500,000	\$ 17,000,000
Compensated absences	27,267	15,903	(16,363)	26,804	3,183
Total business-type activities	\$ 26,027,267	\$ 27,515,903	\$ (29,016,363)	\$ 24,526,804	\$ 17,003,183
Component units					
<i>Department of Public Works</i>					
General obligation bonds	\$ 29,882,279	\$ -	\$ (1,890,000)	\$ 27,992,279	\$ 1,950,000
Less deferred amounts for:					
Issuance discounts	(61,199)	-	5,834	(55,365)	-
Issuance premiums	209,398	-	(20,477)	188,921	-
Refunding gain	786	-	(79)	707	-
Refunding loss	(333,998)	-	33,191	(300,807)	-
Total Department of Public Works	\$ 29,697,266	\$ -	\$ (1,871,531)	\$ 27,825,735	\$ 1,950,000
<i>Water Resources</i>					
<i>Commissioner</i>					
General obligation bonds	\$ 10,064,927	\$ 2,203,313	\$ (544,000)	\$ 11,724,240	\$ 634,000
Notes payable	1,107,550	-	(227,950)	879,600	263,217
Installment obligation	216,512	-	(35,804)	180,708	35,804
Less deferred amounts for:					
Issuance discounts	(62,850)	-	4,232	(58,618)	-
Total Water Resources Commissioner	\$ 11,326,139	\$ 2,203,313	\$ (803,522)	\$ 12,725,930	\$ 933,021

WASHTENAW COUNTY

Notes To Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<i>Road Commission</i>					
Michigan transportation fund notes	\$ 600,000	\$ -	\$ (300,000)	\$ 300,000	\$ 300,000
Special assessment	651,000	349,000	(55,000)	945,000	99,000
Lease payable	1,245,000	-	(395,000)	850,000	410,000
Less deferred amounts for:					
Refunding loss	(40,641)	-	13,547	(27,094)	-
Compensated absences	901,975	665,034	(842,136)	724,873	123,738
Total Road Commission	\$ 3,357,334	\$ 1,014,034	\$ (1,578,589)	\$ 2,792,779	\$ 932,738

Internal service funds predominantly serve the governmental funds; accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year end, \$274,544 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences and net pension and other postemployment benefits obligations are generally liquidated by the general fund.

10. NET ASSETS INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

Following is a summary of net assets invested in capital assets, net of related debt, as of December 31, 2011:

	Governmental Activities	Business-type Activities	Total
Capital assets			
Capital assets not being depreciated	\$ 39,080,626	\$ -	\$ 39,080,626
Capital assets being depreciated, net	157,702,714	11,124	157,713,838
Total capital assets	196,783,340	11,124	196,794,464
Related debt			
General obligation bonds and notes	68,005,000	-	68,005,000
Unspent bond proceeds	(6,056,735)	-	(6,056,735)
Capital leases payable	1,302,837	-	1,302,837
Issuance discounts	(41,314)	-	(41,314)
Issuance premiums	296,847	-	296,847
Refunding loss	(555,609)	-	(555,609)
Total related debt	62,951,026	-	62,951,026
Net assets investment in capital assets, net	\$ 133,832,314	\$ 11,124	\$ 133,843,438

WASHTENAW COUNTY

Notes To Financial Statements

11. OTHER INFORMATION

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 \$400,000 for each general liability, police liability or property claim. The internal service funds also provide coverage up to \$400,000 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 \$250,000 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.

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 \$3,399,700 reported in the funds at December 31, 2011, 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:

	2011	2010
Balance at the beginning of year	\$ 3,237,000	\$ 2,958,000
Current year claims and changes in estimates	25,942,773	22,662,979
Claims paid	(25,780,073)	(22,383,979)
Balance at end of year	<u>\$ 3,399,700</u>	<u>\$ 3,237,000</u>

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.

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.

WASHTENAW COUNTY

Notes To Financial Statements

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.

Property Taxes

County general operating 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 requires property taxes to be levied based on the taxable value of the underlying property. Annual increases in taxable value are limited to the lesser of 5% or the rate of inflation. Taxable value reverts to 50% of true cash value when the property is sold. Taxable value is determined by using such factors as equalized, assessed and capped values, along with a value change multiplier.

The taxable value of real and personal property for the July 1, 2011 general operating levy was \$14.1 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, and 0.2000 mills for enhancements to emergency communications system, as well as Board of Commissioner approved levies of 0.0250 mills for veterans relief purposes and .0500 mills to promote the agricultural, industrial and tourist advantages of Washtenaw County pursuant to Public Act 88 of 1913 (MCLA 46.161), on the December 1, 2011 voter-approved levy.

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 (\$19.6 million at December 31, 2011, 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.

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.

WASHTENAW COUNTY

Notes To Financial Statements

Jointly Governed Organizations

The Aerotropolis Development Corporation (ADC) was created by an intergovernmental agreement under the Urban Cooperation Act (P.A. 7 of 1967). The creation of the ADC is an exciting initiative being implemented by Washtenaw County, Detroit Renaissance, Wayne County, Wayne County Airport Authority, leading business executives in Michigan, and the following seven local communities surrounding Detroit Metropolitan and Willow Run airports: the cities of Belleville, Romulus and Ypsilanti, and the townships of Huron, Taylor, Van Buren and Ypsilanti. The Aerotropolis is a proposed airport city encompassing approximately 60,000 acres of land in Wayne and Washtenaw counties. The airport city concept involves the clustering of air-commerce linked business adjacent to and surrounding the airports. As vested stakeholders, all participating entities have embraced the regional collaboration necessary for member governments to work as partners to attract businesses, to create jobs, to master plan, and to work cooperatively to build a better future for the region and the State of Michigan.

The County has no significant influence over the management of the ADC. The agreement includes financial support from local governments and businesses. Therefore, the ADC is not included in the County's financial report. Separate financial statements for the ADC may be obtained by writing to the Aerotropolis Development Corporation, 600 Randolph, Third Floor, Detroit, Michigan 48226.

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 Fowlerville, City of Howell, City of Milan, City of Saline, City of Ypsilanti, Eastern Michigan University, Green Oak Township, 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.

Separate financial statements for LAWNET 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, 2011. Public safety dispatching services for the Sheriff's Department, Northfield Township Police and the Michigan State Police were provided by the County during 2011.

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 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 a board made up of representatives from all member agencies.

WASHTENAW COUNTY

Notes To Financial Statements

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 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 may 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.

The Washtenaw Urban County was created by a formal cooperation agreement between the County, City of Ann Arbor, City of Ypsilanti and the following townships: Ann Arbor, Bridgewater, Northfield, Pittsfield, Salem, Scio, Superior, York and Ypsilanti. The Urban County jurisdictions receive HOME (Home Investment Partnership Program) funds, CDBG (Community Development Block Grant), CDBG NSP (Neighborhood Stabilization Program), CDBG-R (Community Development Block Grant - Recovery), and ESG (Emergency Shelter Grant) 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, CDBG and ESG 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.

12. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The County provides pension and postemployment health care benefits to eligible employees through three County administered plans - the Employees' Retirement System (ERS), Money Purchase Pension Plan (MPPP), and Voluntary Employees' Beneficiary Association (VEBA) - and a separate plan through the 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.

WASHTENAW COUNTY

Notes To Financial Statements

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 were required to contribute 8.0% and 7.5%, 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, 2011, represents 1,717.51% and 8.67%, respectively, of annual covered payroll.

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

Annual required contribution / retirement benefit cost	\$ 7,387,597
Contributions made	<u>7,387,597</u>
Increase (decrease) in net retirement benefit obligation	-
Net retirement benefit obligation, beginning of year	<u>-</u>
 Net retirement benefit obligation, end of year	 <u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of the December 31, 2009, actuarial valuation using the aggregate cost actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities.

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
12/31/2009	\$ 6,752,093	100%	\$ -
12/31/2010	6,516,006	100%	-
12/31/2011	7,387,597	100%	-

Funded Status and Funding Progress. The funded status of the System as of December 31, 2010, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 283,335,493	
Actuarial value of assets	(2)	<u>199,082,987</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 84,252,506</u>	(1) - (2)
Funded ratio	(4)	<u>70.3%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 57,091,642</u>	
UAAL as % of covered payroll	(6)	<u>147.6%</u>	(3) / (5)

WASHTENAW COUNTY

Notes To Financial Statements

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 and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. 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.

Actuarial Methods and Assumptions. 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 a long-term perspective.

Additional information as of the latest actuarial valuation includes:

Valuation date	12/31/10
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 28 years. Sheriff's division liabilities were amortized over eight years using level dollar method.
Asset valuation method	Market value with 5-year smoothing of gains and losses
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

Money Purchase Pension Plan. 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 2009 and enroll in ERS. Accordingly, MPPP member account balances were transferred to ERS. Plan members were required to contribute 7.5% of covered salary. The County was 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 \$3,429 each for the year ended December 31, 2011. At December 31, 2011, there was one member.

Voluntary Employees’ Beneficiary Association. 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, 2011 were \$12,972,265. Although an actuarial valuation of the Plan was completed during 2010, 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, 2011, 762 members received healthcare benefits under the Plan, and the cost of those benefits amounted to \$7,884,050.

Annual OPEB Cost and Net OPEB Obligation. The County’s annual other postemployment benefits (OPEB) cost 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 over a period not to exceed 30 years.

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	\$ 12,001,663
Interest on net OPEB obligation	378,904
Adjustment to annual required contribution	<u>(252,384)</u>
Net OPEB cost (expense)	12,128,183
Contributions made	<u>(12,972,265)</u>
Decrease in net OPEB obligation	(844,082)
Net OPEB obligation, beginning of year	<u>5,052,063</u>
Net OPEB obligation, end of year	<u>\$ 4,207,981</u>

WASHTENAW COUNTY

Notes To Financial Statements

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, 2011, and the two preceding years, were as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 10,946,582	93.8%	\$ 5,415,176
12/31/2010	12,216,072	103.0%	5,052,063
12/31/2011	12,128,183	107.0%	4,207,981

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 210,172,475	
Actuarial value of assets	(2)	<u>60,423,474</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 149,749,001</u>	(1) - (2)
Funded ratio	(4)	<u>28.7%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 75,538,228</u>	
UAAL as % of covered payroll	(6)	<u>198.2%</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, 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:

WASHTENAW COUNTY

Notes To Financial Statements

Valuation date	12/31/2010
Actuarial cost method	Entry-age
Amortization method	Level percentage of pay, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	5.0%
Healthcare cost trend rate	9% initial; 5% ultimate
Inflation rate	2.5%
Post-retirement benefit increases	None

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.

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 for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of applicable boards, with the assistance of a valuation service.

WASHTENAW COUNTY

Notes To Financial Statements

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 were 7.48% for the Police Officers Association of Michigan (POAM) and 8.89% for the Command Officers Association of Michigan (COAM), of their annual covered payrolls. The POAM and COAM employees were required to contribute 9.00% 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.

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

Annual required contribution / retirement benefit cost	\$ 1,531,043
Contributions made	<u>1,531,043</u>
Increase (decrease) in net retirement benefit obligation	-
Net retirement benefit obligation, beginning of year	<u>-</u>
Net retirement benefit obligation, end of year	<u><u>\$ -</u></u>

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age normal 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 1.0% 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 27 years.

WASHTENAW COUNTY

Notes To Financial Statements

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
12/31/2009	\$ 1,546,281	100%	\$ -
12/31/2010	2,169,087	100%	-
12/31/2011	1,531,043	100%	-

Funded Status and Funding Progress. The funded status of the MERS as of December 31, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 49,354,128	
Actuarial value of assets	(2)	<u>44,474,881</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 4,879,247</u>	(1) - (2)
Funded ratio	(4)	<u>90.1%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 18,976,106</u>	
UAAL as % of covered payroll	(6)	<u>25.7%</u>	(3) / (5)

A 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.

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	12/31/2010
Actuarial cost method	Entry age normal cost
Amortization method	Level percentage 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	8.00%
Projected salary increases	1.0% to 9.4% (including 1.0% inflation)
Cost of living adjustments	None

WASHTENAW COUNTY

Notes To Financial Statements

Component Unit - Pension Plan

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, 2011, the Road Commission's annual pension cost of \$1,254,454 for the plan was equal to the Road Commission's actual contribution which was determined as part of actuarial valuations at December 31, 2009, 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 2.0% to 10.4% per year from 2010 to 2014 and from 4.5% to 12.9% per year thereafter, which includes an inflation component of 4.5% for all years except 2010 to 2014, when the inflation component included is 2%; 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 ten-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The amortization period is 28 years. Employees are required to contribute 5.0% of their annual covered payroll.

The valuation's computed contributions and actual funding were summarized as follows:

Annual required contribution	\$ 1,254,454
Amounts contributed / pension cost	<u>1,254,454</u>
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

Funded Status and Funding Progress. The funded status as of December 31, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1) \$ 48,576,366	
Actuarial value of assets	(2) <u>33,152,973</u>	
Unfunded AAL (UAAL)	(3) <u>\$ 15,423,393</u>	(1) - (2)
Funded ratio	(4) <u>68.2%</u>	(2) / (1)
Covered payroll	(5) <u>\$ 7,190,527</u>	
UAAL as % of covered payroll	(6) <u>214.5%</u>	(3) / (5)

Complete disclosures regarding the Road commission's MERS plan are presented in the Road Commission's financial report (see page 42 for contact information).

WASHTENAW COUNTY

Notes To Financial Statements

Component Unit - Other Postemployment Benefit Plan

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 OPEB cost is calculated based on the annual required contribution 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 over a period not to exceed 30 years.

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	\$ 1,905,624
Interest on net OPEB obligation	22,231
Adjustment to annual required contribution	<u>(45,900)</u>
Annual OPEB cost	1,881,955
Contributions:	
Payments of current premiums	(1,269,089)
Advance funding	<u>(450,000)</u>
Increase in net OPEB obligation	162,866
Net OPEB obligation, beginning of year	<u>307,522</u>
Net OPEB obligation, end of year	<u><u>\$ 470,388</u></u>

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, 2011, and for the two previous years, were as follows:

Three-Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	\$ 1,761,559	99.94%	\$ 262,556
12/31/2010	1,868,502	97.59%	307,522
12/31/2011	1,881,955	91.35%	470,388

WASHTENAW COUNTY

Notes To Financial Statements

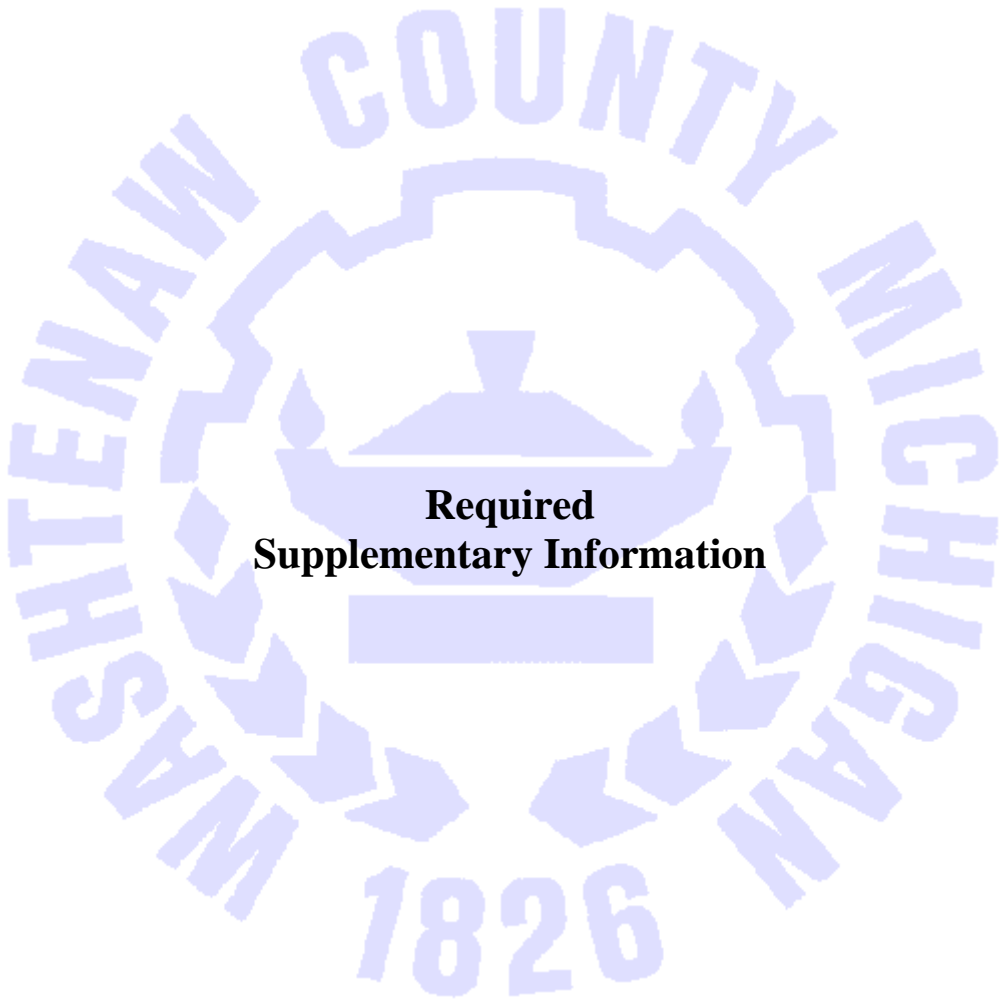
Funded Status and Funding Progress. The funded status of the system as of December 31, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 28,469,954	
Actuarial value of assets	(2)	<u>3,779,084</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 24,690,870</u>	(1) - (2)
Funded ratio	(4)	<u>13.27%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 7,190,527</u>	
UAAL as % of covered payroll	(6)	<u>343.38%</u>	(3) / (5)

Complete disclosures regarding the Road Commission's OPEB plan are presented in the Road Commission's financial report (see page 53 for contact information).



This Page Intentionally Left Blank



**Required
Supplementary Information**

This Page Intentionally Left Blank

WASHTENAW COUNTY

Employees' Retirement System Required Supplementary Information

Schedule of Funding Progress - Pension Only

Actuarial Valuation Date December 31	(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)
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%
2008	209,556,482	270,299,282	60,742,800	77.5%	61,746,106	98.4%
2009	201,112,644	271,514,028	70,401,384	74.1%	58,041,444	121.3%
2010	199,082,987	283,335,493	84,252,506	70.3%	57,091,642	147.6%

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 and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. 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 December 31	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2002	\$ 1,456,780	\$ 1,456,780	100%
2003	1,651,416	1,651,416	100%
2004	2,451,764	2,451,764	100%
2005	2,700,525	2,700,525	100%
2006	3,845,384	3,845,384	100%
2007	4,827,249	4,827,249	100%
2008	5,359,824	5,359,824	100%
2009	6,752,093	6,752,093	100%
2010	6,516,006	6,516,006	100%
2011	7,387,597	7,387,597	100%

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%
12/31/08	48,980,535	194,580,255	145,599,720	25.2%	79,802,651	182.4%
12/31/09	52,375,567	192,041,852	139,666,285	27.3%	75,950,342	183.9%
12/31/10	60,423,474	210,172,475	149,749,001	28.7%	75,538,228	198.2%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
2006	\$ 12,013,367	66.9%
2007	11,952,578	80.7%
2008	13,329,469	82.2%
2009	10,807,274	95.0%
2010	12,073,876	100.0%
2011	12,001,663	100.0%

WASHTENAW COUNTY

Municipal Employees' Retirement System of Michigan
Required Supplementary Information

Schedule of Funding Progress - Pension Only						
Actuarial Valuation Date December 31	(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)
2001	\$ 10,576,339	\$ 12,361,200	\$ 1,784,861	85.6%	\$ 11,020,092	16.2%
2002	12,389,117	15,438,644	3,049,527	80.2%	13,046,728	23.4%
2003	15,087,281	18,117,442	3,030,161	83.3%	14,256,334	21.3%
2004	17,732,213	22,080,360	4,348,147	80.3%	15,616,254	27.8%
2005	20,743,229	25,523,316	4,780,087	81.3%	15,716,990	30.4%
2006	24,068,415	33,442,555	9,374,140	72.0%	17,188,529	54.5%
2007	28,502,361	39,234,595	10,732,234	72.6%	18,526,314	57.9%
2008	32,923,716	45,653,463	12,729,747	72.1%	18,192,992	70.0%
2009	38,243,998	43,001,103	4,757,105	88.9%	17,808,892	26.7%
2010	44,474,881	49,354,128	4,879,247	90.1%	18,976,106	25.7%

Schedule of Employer Contributions			
Year Ended December 31	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
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%
2009	1,546,281	1,546,281	100.0%
2010	2,169,087	2,169,087	100.0%
2011	1,531,043	1,531,043	100.0%

This Page Intentionally Left Blank



Supplementary Information

This Page Intentionally Left Blank

This Page Intentionally Left Blank

WASHTENAW COUNTY

Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2011

	Special Revenue Funds					
	Accommodation Ordinance Tax	Aerial Photo	Building Services	Child Care	Community Corrections	Community Development
Assets						
Cash and pooled investments	\$ 620,810	\$ 134,515	\$ 176,081	\$ -	\$ 130,147	\$ -
Receivables:						
Taxes - current	-	-	-	-	-	-
Accounts	220,342	-	-	-	-	-
Due from other governments	-	-	619	823,399	98,191	1,568,930
Total assets	<u>\$ 841,152</u>	<u>\$ 134,515</u>	<u>\$ 176,700</u>	<u>\$ 823,399</u>	<u>\$ 228,338</u>	<u>\$ 1,568,930</u>
Liabilities						
Accounts payable	\$ 199,250	\$ 1,614	\$ 198	\$ 12,482	\$ 44,035	\$ 222,916
Accrued liabilities	1,043	-	14,450	134,132	17,289	31,837
Due to other governments	-	-	-	-	-	-
Interfund payable	-	-	-	114,867	-	832,701
Deferred revenue	-	-	-	-	-	379,872
Advances from other governments	-	-	-	-	-	-
Total liabilities	<u>200,293</u>	<u>1,614</u>	<u>14,648</u>	<u>261,481</u>	<u>61,324</u>	<u>1,467,326</u>
Fund balances						
Restricted for:						
Economic development	640,859	-	-	-	-	-
Public safety	-	-	162,052	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Committed for:						
Economic development	-	132,901	-	-	-	-
Public safety	-	-	-	-	167,014	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	561,918	-	101,604
Debt service	-	-	-	-	-	-
Total fund balances	<u>640,859</u>	<u>132,901</u>	<u>162,052</u>	<u>561,918</u>	<u>167,014</u>	<u>101,604</u>
Total liabilities and fund balances	<u>\$ 841,152</u>	<u>\$ 134,515</u>	<u>\$ 176,700</u>	<u>\$ 823,399</u>	<u>\$ 228,338</u>	<u>\$ 1,568,930</u>

Special Revenue Funds								
Department of Human Services	E-911	Economic Development and Energy	Economic Development Millage	Employment Training and Community Services	Environmental Health	Friend of the Court	Head Start	HIDTA Grant
\$ 71,166	\$ 183,844	\$ 27,365	\$ 174,633	\$ -	\$ 930,316	\$ -	\$ -	\$ -
-	-	-	582,575	-	-	-	-	-
-	463,798	-	-	8,064	44	-	-	-
41,377	-	-	-	1,830,132	-	803,302	467,630	349,065
<u>\$ 112,543</u>	<u>\$ 647,642</u>	<u>\$ 27,365</u>	<u>\$ 757,208</u>	<u>\$ 1,838,196</u>	<u>\$ 930,360</u>	<u>\$ 803,302</u>	<u>\$ 467,630</u>	<u>\$ 349,065</u>
\$ -	\$ 231,979	\$ 560	\$ -	\$ 540,118	\$ -	\$ 1,760	\$ 19,751	\$ 552
-	3,629	3,631	5,676	68,822	-	131,923	65,869	22,095
-	-	-	-	-	-	1,822	-	-
-	-	-	-	231,875	-	667,436	242,256	142,128
-	-	-	688,457	349,566	-	360	-	-
78,000	-	-	-	-	-	-	-	-
<u>78,000</u>	<u>235,608</u>	<u>4,191</u>	<u>694,133</u>	<u>1,190,381</u>	<u>-</u>	<u>803,301</u>	<u>327,876</u>	<u>164,775</u>
-	-	-	63,075	-	-	-	-	-
-	412,034	-	-	-	-	-	-	184,290
-	-	-	-	-	-	-	-	-
-	-	-	-	20,099	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	23,174	-	-	-	-	-	-
-	-	-	-	-	-	1	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	930,360	-	-	-
34,543	-	-	-	627,716	-	-	139,754	-
-	-	-	-	-	-	-	-	-
<u>34,543</u>	<u>412,034</u>	<u>23,174</u>	<u>63,075</u>	<u>647,815</u>	<u>930,360</u>	<u>1</u>	<u>139,754</u>	<u>184,290</u>
<u>\$ 112,543</u>	<u>\$ 647,642</u>	<u>\$ 27,365</u>	<u>\$ 757,208</u>	<u>\$ 1,838,196</u>	<u>\$ 930,360</u>	<u>\$ 803,302</u>	<u>\$ 467,630</u>	<u>\$ 349,065</u>

Continued...

WASHTENAW COUNTY

Combining Balance Sheet - Nonmajor Governmental Funds (Concluded)
December 31, 2011

	Special Revenue Funds					
	Homeland Security Grants	Inmate Concessions	Juvenile Grants	Mental Health Donation	Other Special Revenue Funds	Prosecuting Attorney Grants
Assets						
Cash and pooled investments	\$ -	\$ 173,199	\$ 4,970	\$ 578,597	\$ 565,115	\$ 267,384
Receivables:						
Taxes - current	-	-	-	-	-	-
Accounts	-	-	-	-	10	-
Due from other governments	371,499	-	54,482	-	63,110	90,216
Total assets	\$ 371,499	\$ 173,199	\$ 59,452	\$ 578,597	\$ 628,235	\$ 357,600
Liabilities						
Accounts payable	\$ 10,529	\$ -	\$ 1,372	\$ -	\$ -	\$ -
Accrued liabilities	4,364	-	2,185	-	69,874	16,078
Due to other governments	-	-	-	-	-	250
Interfund payable	334,046	-	-	-	-	-
Deferred revenue	-	-	2,476	-	11,377	-
Advances from other governments	-	-	-	-	-	-
Total liabilities	348,939	-	6,033	-	81,251	16,328
Fund balances						
Restricted for:						
Economic development	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	578,597	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Committed for:						
Economic development	-	-	-	-	-	-
Public safety	22,560	173,199	-	-	-	341,272
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	53,419	-	546,984	-
Debt service	-	-	-	-	-	-
Total fund balances	22,560	173,199	53,419	578,597	546,984	341,272
Total liabilities and fund balances	\$ 371,499	\$ 173,199	\$ 59,452	\$ 578,597	\$ 628,235	\$ 357,600

Special Revenue Funds					Debt Service		Total Other Governmental Funds
Public Health	Public Works Solid Waste Program	Sheriff's Grants	Veterans' Trust	Water Resources Commissioner Grants	County	Building Authority	
\$ 895,782	\$ 351,064	\$ 669,768	\$ 191,007	\$ 178,043	\$ 565	\$ 1	\$ 6,324,372
-	-	-	291,287	-	-	-	873,862
267,919	162,737	-	-	62,083	-	-	1,184,997
1,089,202	4,886	256,775	-	-	-	-	7,912,815
<u>\$ 2,252,903</u>	<u>\$ 518,687</u>	<u>\$ 926,543</u>	<u>\$ 482,294</u>	<u>\$ 240,126</u>	<u>\$ 565</u>	<u>\$ 1</u>	<u>\$ 16,296,046</u>
\$ 101,931	\$ 1,778	\$ 11,477	\$ 7,359	\$ -	\$ -	\$ -	\$ 1,409,661
106,451	7,359	12,600	2,469	197	-	-	721,973
814,833	-	3,161	-	-	-	-	820,066
-	-	-	-	-	-	-	2,565,309
1,021,459	-	7,562	344,228	10,113	-	-	2,815,470
-	-	-	-	-	-	-	78,000
<u>2,044,674</u>	<u>9,137</u>	<u>34,800</u>	<u>354,056</u>	<u>10,310</u>	<u>-</u>	<u>-</u>	<u>8,410,479</u>
-	-	-	-	-	-	-	703,934
-	-	-	-	-	-	-	758,376
-	-	-	-	-	-	-	578,597
-	-	-	128,238	-	-	-	148,337
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	156,075
-	-	891,743	-	-	-	-	1,595,789
-	509,550	-	-	229,816	-	-	739,366
208,229	-	-	-	-	-	-	1,138,589
-	-	-	-	-	-	-	2,065,938
-	-	-	-	-	565	1	566
<u>208,229</u>	<u>509,550</u>	<u>891,743</u>	<u>128,238</u>	<u>229,816</u>	<u>565</u>	<u>1</u>	<u>7,885,567</u>
<u>\$ 2,252,903</u>	<u>\$ 518,687</u>	<u>\$ 926,543</u>	<u>\$ 482,294</u>	<u>\$ 240,126</u>	<u>\$ 565</u>	<u>\$ 1</u>	<u>\$ 16,296,046</u>

WASHTENAW COUNTY

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Governmental Funds
Year Ended December 31, 2011

	Special Revenue Funds					
	Accommodation Ordinance Tax	Aerial Photo	Building Services	Child Care	Community Corrections	Community Development
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	3,993,639	-	-	-	-	-
Licenses and permits	-	-	658,919	-	-	-
Intergovernmental	-	-	-	3,963,504	423,821	6,074,942
Charges for services	-	28,730	513	-	239,539	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	3,880	722	583	-	-	(1)
Other	-	-	-	523,710	14,643	866,366
Total revenues	3,997,519	29,452	660,015	4,487,214	678,003	6,941,307
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	3,679,419	20,156	-	-	-	378,720
Public safety	-	-	549,822	-	895,039	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	8,321,631	-	7,734,222
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	3,679,419	20,156	549,822	8,321,631	895,039	8,112,942
Revenues over (under) expenditures	318,100	9,296	110,193	(3,834,417)	(217,036)	(1,171,635)
Other financing sources (uses)						
Transfers in	-	-	-	3,807,552	215,983	1,195,920
Transfers out	-	-	-	(1,656)	-	-
Total other sources (uses)	-	-	-	3,805,896	215,983	1,195,920
Net change in fund balances	318,100	9,296	110,193	(28,521)	(1,053)	24,285
Fund balances, beginning of year	322,759	123,605	51,859	590,439	168,067	77,319
Fund balances, end of year	\$ 640,859	\$ 132,901	\$ 162,052	\$ 561,918	\$ 167,014	\$ 101,604

Special Revenue Funds								
Department of Human Services	E-911	Economic Development and Energy	Economic Development Millage	Employment Training and Community Service	Environmental Health	Friend of the Court	Head Start	HIDTA Grant
\$ -	\$ -	\$ -	\$ 598,596	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,283,117	-	-	-
511,223	-	-	-	11,373,774	883,689	3,575,135	4,022,512	1,231,461
-	2,290,231	68,663	-	-	-	237,821	-	-
-	-	-	-	-	5,533	4,305	-	-
-	3,673	1	-	-	-	-	-	541
-	45,211	-	-	261,437	8,666	2,624	480,092	183,750
<u>511,223</u>	<u>2,339,115</u>	<u>68,664</u>	<u>598,596</u>	<u>11,635,211</u>	<u>2,181,005</u>	<u>3,819,885</u>	<u>4,502,604</u>	<u>1,415,752</u>
-	-	-	-	-	-	5,429,804	-	-
-	-	354,155	610,516	-	-	-	-	-
-	1,188,249	-	-	-	-	-	-	1,231,462
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,168,710	-	-	-
568,595	-	-	-	11,708,063	-	-	4,861,951	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>568,595</u>	<u>1,188,249</u>	<u>354,155</u>	<u>610,516</u>	<u>11,708,063</u>	<u>2,168,710</u>	<u>5,429,804</u>	<u>4,861,951</u>	<u>1,231,462</u>
(57,372)	1,150,866	(285,491)	(11,920)	(72,852)	12,295	(1,609,919)	(359,347)	184,290
52,259	121,633	299,063	-	267,488	461,710	1,609,920	528,000	-
-	(1,247,768)	-	-	-	-	-	(178,629)	-
<u>52,259</u>	<u>(1,126,135)</u>	<u>299,063</u>	<u>-</u>	<u>267,488</u>	<u>461,710</u>	<u>1,609,920</u>	<u>349,371</u>	<u>-</u>
(5,113)	24,731	13,572	(11,920)	194,636	474,005	1	(9,976)	184,290
39,656	387,303	9,602	74,995	453,179	456,355	-	149,730	-
<u>\$ 34,543</u>	<u>\$ 412,034</u>	<u>\$ 23,174</u>	<u>\$ 63,075</u>	<u>\$ 647,815</u>	<u>\$ 930,360</u>	<u>\$ 1</u>	<u>\$ 139,754</u>	<u>\$ 184,290</u>

Continued...

WASHTENAW COUNTY

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds (Concluded)
Year Ended December 31, 2011

	Special Revenue Funds					
	Homeland Security Grants	Inmate Concessions	Juvenile Grants	Mental Health Donation	Other Special Revenue Funds	Prosecuting Attorney Grants
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	501,837	-	207,949	-	3,570	415,257
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	8,500	6,984
Investment income (loss)	(1)	1,569	-	1,347	2,979	-
Other	-	379,170	13,859	577,250	77,792	-
Total revenues	501,836	380,739	221,808	578,597	92,841	422,241
Expenditures						
Current:						
Judicial	-	-	-	-	12,739	-
General government	-	-	-	-	28,825	-
Public safety	501,837	422,780	-	-	-	613,124
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	225,786	-	214,607	-
Culture and recreation	-	-	-	-	85,504	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	501,837	422,780	225,786	-	341,675	613,124
Revenues over (under) expenditures	(1)	(42,041)	(3,978)	578,597	(248,834)	(190,883)
Other financing sources (uses)						
Transfers in	-	-	1,656	-	144,028	174,493
Transfers out	-	-	-	-	(131,942)	-
Total other sources (uses)	-	-	1,656	-	12,086	174,493
Net change in fund balances	(1)	(42,041)	(2,322)	578,597	(236,748)	(16,390)
Fund balances, beginning of year	22,561	215,240	55,741	-	783,732	357,662
Fund balances, end of year	\$ 22,560	\$ 173,199	\$ 53,419	\$ 578,597	\$ 546,984	\$ 341,272

Public Health	Special Revenue Funds				Debt Service		Total Other Governmental Funds
	Public Works Solid Waste Program	Sheriff's Grants	Veterans' Trust	Water Resources Commissioner Grants	County	Building Authority	
\$ -	\$ -	\$ -	\$ 346,768	\$ -	\$ -	\$ -	\$ 945,364
-	-	-	-	-	-	-	3,993,639
-	-	-	-	-	-	-	1,942,036
5,608,077	43,090	267,905	7,760	62,083	1,539,639	-	40,717,228
253,743	-	71,111	-	-	-	-	3,190,351
-	-	102,097	-	-	-	-	127,419
-	1,729	4,536	1,444	682	(21)	2	23,665
153,485	654,081	3,850	-	9,531	-	-	4,255,517
<u>6,015,305</u>	<u>698,900</u>	<u>449,499</u>	<u>355,972</u>	<u>72,296</u>	<u>1,539,618</u>	<u>2</u>	<u>55,195,219</u>
-	-	-	-	-	-	-	5,442,543
-	-	-	-	-	-	-	5,071,791
-	-	560,102	-	-	-	-	5,962,415
-	439,432	-	-	130,756	-	-	570,188
10,697,507	-	-	-	-	-	-	12,866,217
-	-	-	417,698	-	-	-	34,052,553
-	-	-	-	-	-	-	85,504
-	-	-	-	-	6,729,476	1,050,000	7,779,476
-	-	-	-	-	2,753,966	183,887	2,937,853
<u>10,697,507</u>	<u>439,432</u>	<u>560,102</u>	<u>417,698</u>	<u>130,756</u>	<u>9,483,442</u>	<u>1,233,887</u>	<u>74,768,540</u>
<u>(4,682,202)</u>	<u>259,468</u>	<u>(110,603)</u>	<u>(61,726)</u>	<u>(58,460)</u>	<u>(7,943,824)</u>	<u>(1,233,885)</u>	<u>(19,573,321)</u>
3,977,686	-	-	3,000	111,285	7,943,734	1,233,413	22,148,823
-	-	-	(3,000)	(17,000)	-	-	(1,579,995)
<u>3,977,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,285</u>	<u>7,943,734</u>	<u>1,233,413</u>	<u>20,568,828</u>
(704,516)	259,468	(110,603)	(61,726)	35,825	(90)	(472)	995,507
912,745	250,082	1,002,346	189,964	193,991	655	473	6,890,060
<u>\$ 208,229</u>	<u>\$ 509,550</u>	<u>\$ 891,743</u>	<u>\$ 128,238</u>	<u>\$ 229,816</u>	<u>\$ 565</u>	<u>\$ 1</u>	<u>\$ 7,885,567</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, 2011

	Accommodation Ordinance Tax			Aerial Photo		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	3,400,000	3,993,639	593,639	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	39,000	28,730	(10,270)
Fines and forfeits	25,000	-	(25,000)	-	-	-
Investment income (loss)	-	3,880	3,880	-	722	722
Other	-	-	-	-	-	-
Total revenues	3,425,000	3,997,519	572,519	39,000	29,452	(9,548)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	3,233,525	3,679,419	(445,894)	110,000	20,156	89,844
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	3,233,525	3,679,419	(445,894)	110,000	20,156	89,844
Revenues over (under) expenditures	191,475	318,100	126,625	(71,000)	9,296	80,296
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	-	-	-	-	-	-
Net change in fund balances	191,475	318,100	126,625	(71,000)	9,296	80,296
Fund balances, beginning of year	322,759	322,759	-	123,605	123,605	-
Fund balances, end of year	\$ 514,234	\$ 640,859	\$ 126,625	\$ 52,605	\$ 132,901	\$ 80,296

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, 2011

	Building Services			Child Care		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	542,867	658,919	116,052	-	-	-
Intergovernmental	-	-	-	4,650,603	3,963,504	(687,099)
Charges for services	-	513	513	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	583	583	-	-	-
Other	-	-	-	511,465	523,710	12,245
Total revenues	542,867	660,015	117,148	5,162,068	4,487,214	(674,854)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	542,867	549,822	(6,955)	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	10,123,202	8,321,631	1,801,571
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	542,867	549,822	(6,955)	10,123,202	8,321,631	1,801,571
Revenues over (under) expenditures	-	110,193	110,193	(4,961,134)	(3,834,417)	1,126,717
Other financing sources (uses)						
Transfers in	-	-	-	4,980,749	3,807,552	(1,173,197)
Transfers out	-	-	-	(19,615)	(1,656)	17,959
Total other sources (uses)	-	-	-	4,961,134	3,805,896	(1,155,238)
Net change in fund balances	-	110,193	110,193	-	(28,521)	(28,521)
Fund balances, beginning of year	51,859	51,859	-	590,439	590,439	-
Fund balances, end of year	\$ 51,859	\$ 162,052	\$ 110,193	\$ 590,439	\$ 561,918	\$ (28,521)

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, 2011

	Community Corrections			Community Development		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	458,274	423,821	(34,453)	6,739,738	6,074,942	(664,796)
Charges for services	290,589	239,539	(51,050)	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	(1)	(1)
Other	5,301	14,643	9,342	1,082,827	866,366	(216,461)
Total revenues	754,164	678,003	(76,161)	7,822,565	6,941,307	(881,258)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	766,900	378,720	388,180
Public safety	1,047,647	895,039	152,608	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	8,244,022	7,734,222	509,800
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	1,047,647	895,039	152,608	9,010,922	8,112,942	897,980
Revenues over (under) expenditures	(293,483)	(217,036)	76,447	(1,188,357)	(1,171,635)	16,722
Other financing sources (uses)						
Transfers in	215,983	215,983	-	1,188,357	1,195,920	7,563
Transfers out	-	-	-	-	-	-
Total other sources (uses)	215,983	215,983	-	1,188,357	1,195,920	7,563
Net change in fund balances	(77,500)	(1,053)	76,447	-	24,285	24,285
Fund balances, beginning of year	168,067	168,067	-	77,319	77,319	-
Fund balances, end of year	\$ 90,567	\$ 167,014	\$ 76,447	\$ 77,319	\$ 101,604	\$ 24,285

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, 2011

	Department of Human Services			E-911		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	800,000	511,223	(288,777)	-	-	-
Charges for services	-	-	-	2,100,000	2,290,231	190,231
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	3,673	3,673
Other	-	-	-	36,000	45,211	9,211
Total revenues	800,000	511,223	(288,777)	2,136,000	2,339,115	203,115
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	1,238,088	1,188,249	49,839
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	854,109	568,595	285,514	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	854,109	568,595	285,514	1,238,088	1,188,249	49,839
Revenues over (under) expenditures	(54,109)	(57,372)	(3,263)	897,912	1,150,866	252,954
Other financing sources (uses)						
Transfers in	54,109	52,259	(1,850)	110,142	121,633	11,491
Transfers out	-	-	-	(1,008,054)	(1,247,768)	(239,714)
Total other sources (uses)	54,109	52,259	(1,850)	(897,912)	(1,126,135)	(228,223)
Net change in fund balances	-	(5,113)	(5,113)	-	24,731	24,731
Fund balances, beginning of year	39,656	39,656	-	387,303	387,303	-
Fund balances, end of year	\$ 39,656	\$ 34,543	\$ (5,113)	\$ 387,303	\$ 412,034	\$ 24,731

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, 2011

	Economic Development and Energy			Economic Development Millage		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 611,000	\$ 598,596	\$ (12,404)
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	35,000	68,663	33,663	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	1	1	-	-	-
Other	-	-	-	-	-	-
Total revenues	35,000	68,664	33,664	611,000	598,596	(12,404)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	384,063	354,155	29,908	611,000	610,516	484
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	384,063	354,155	29,908	611,000	610,516	484
Revenues over (under) expenditures	(349,063)	(285,491)	63,572	-	(11,920)	(11,920)
Other financing sources (uses)						
Transfers in	349,063	299,063	(50,000)	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	349,063	299,063	(50,000)	-	-	-
Net change in fund balances	-	13,572	13,572	-	(11,920)	(11,920)
Fund balances, beginning of year	9,602	9,602	-	74,995	74,995	-
Fund balances, end of year	\$ 9,602	\$ 23,174	\$ 13,572	\$ 74,995	\$ 63,075	\$ (11,920)

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, 2011

	Employment Training and Community Services			Environmental Health		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	1,090,710	1,283,117	192,407
Intergovernmental	13,940,492	11,373,774	(2,566,718)	862,699	883,689	20,990
Charges for services	-	-	-	750	-	(750)
Fines and forfeits	-	-	-	5,422	5,533	111
Investment income (loss)	-	-	-	-	-	-
Other	175,625	261,437	85,812	4,483	8,666	4,183
Total revenues	14,116,117	11,635,211	(2,480,906)	1,964,064	2,181,005	216,941
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	2,455,824	2,168,710	287,114
Social services	14,383,605	11,708,063	2,675,542	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	14,383,605	11,708,063	2,675,542	2,455,824	2,168,710	287,114
Revenues over (under) expenditures	(267,488)	(72,852)	194,636	(491,760)	12,295	504,055
Other financing sources (uses)						
Transfers in	267,488	267,488	-	440,960	461,710	20,750
Transfers out	-	-	-	-	-	-
Total other sources (uses)	267,488	267,488	-	440,960	461,710	20,750
Net change in fund balances	-	194,636	194,636	(50,800)	474,005	524,805
Fund balances, beginning of year	453,179	453,179	-	456,355	456,355	-
Fund balances, end of year	\$ 453,179	\$ 647,815	\$ 194,636	\$ 405,555	\$ 930,360	\$ 524,805

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, 2011

	Friend of the Court			Head Start		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	3,596,434	3,575,135	(21,299)	4,247,522	4,022,512	(225,010)
Charges for services	230,682	237,821	7,139	-	-	-
Fines and forfeits	-	4,305	4,305	-	-	-
Investment income (loss)	-	-	-	-	-	-
Other	-	2,624	2,624	546,137	480,092	(66,045)
Total revenues	3,827,116	3,819,885	(7,231)	4,793,659	4,502,604	(291,055)
Expenditures						
Current:						
Judicial	5,543,995	5,429,804	114,191	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	5,353,836	4,861,951	491,885
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	5,543,995	5,429,804	114,191	5,353,836	4,861,951	491,885
Revenues over (under) expenditures	(1,716,879)	(1,609,919)	106,960	(560,177)	(359,347)	200,830
Other financing sources (uses)						
Transfers in	1,716,879	1,609,920	(106,959)	700,260	528,000	(172,260)
Transfers out	-	-	-	(140,083)	(178,629)	(38,546)
Total other sources (uses)	1,716,879	1,609,920	(106,959)	560,177	349,371	(210,806)
Net change in fund balances	-	1	1	-	(9,976)	(9,976)
Fund balances, beginning of year	-	-	-	149,730	149,730	-
Fund balances, end of year	\$ -	\$ 1	\$ 1	\$ 149,730	\$ 139,754	\$ (9,976)

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, 2011

	HIDTA Grant			Homeland Security Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,535,221	1,231,461	(303,760)	2,137,790	501,837	(1,635,953)
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	541	541	-	(1)	(1)
Other	-	183,750	183,750	-	-	-
Total revenues	1,535,221	1,415,752	(119,469)	2,137,790	501,836	(1,635,954)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	1,535,221	1,231,462	303,759	2,137,790	501,837	1,635,953
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	1,535,221	1,231,462	303,759	2,137,790	501,837	1,635,953
Revenues over (under) expenditures	-	184,290	184,290	-	(1)	(1)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	184,290	184,290	-	(1)	(1)
Fund balances, beginning of year	-	-	-	22,561	22,561	-
Fund balances, end of year	\$ -	\$ 184,290	\$ 184,290	\$ 22,561	\$ 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, 2011

	Inmate Concessions			Juvenile Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	363,581	207,949	(155,632)
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	1,569	1,569	-	-	-
Other	270,972	379,170	108,198	20,000	13,859	(6,141)
Total revenues	270,972	380,739	109,767	383,581	221,808	(161,773)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	270,972	422,780	(151,808)	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	406,388	225,786	180,602
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	270,972	422,780	(151,808)	406,388	225,786	180,602
Revenues over (under) expenditures	-	(42,041)	(42,041)	(22,807)	(3,978)	18,829
Other financing sources (uses)						
Transfers in	-	-	-	22,807	1,656	(21,151)
Transfers out	-	-	-	-	-	-
Total other sources (uses)	-	-	-	22,807	1,656	(21,151)
Net change in fund balances	-	(42,041)	(42,041)	-	(2,322)	(2,322)
Fund balances, beginning of year	215,240	215,240	-	55,741	55,741	-
Fund balances, end of year	\$ 215,240	\$ 173,199	\$ (42,041)	\$ 55,741	\$ 53,419	\$ (2,322)

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, 2011

	Mental Health Donation			Other Special Revenue Funds		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	16,200	3,570	(12,630)
Charges for services	-	-	-	140,000	-	(140,000)
Fines and forfeits	-	-	-	8,500	8,500	-
Investment income (loss)	-	1,347	1,347	-	2,979	2,979
Other	-	577,250	577,250	75,000	77,792	2,792
Total revenues	-	578,597	578,597	239,700	92,841	(146,859)
Expenditures						
Current:						
Judicial	-	-	-	20,900	12,739	8,161
General government	-	-	-	16,200	28,825	(12,625)
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	440,000	214,607	225,393
Culture and recreation	-	-	-	92,500	85,504	6,996
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	569,600	341,675	227,925
Revenues over (under) expenditures	-	578,597	578,597	(329,900)	(248,834)	81,066
Other financing sources (uses)						
Transfers in	-	-	-	122,400	144,028	21,628
Transfers out	-	-	-	(150,000)	(131,942)	18,058
Total other sources (uses)	-	-	-	(27,600)	12,086	39,686
Net change in fund balances	-	578,597	578,597	(357,500)	(236,748)	120,752
Fund balances, beginning of year	-	-	-	783,732	783,732	-
Fund balances, end of year	\$ -	\$ 578,597	\$ 578,597	\$ 426,232	\$ 546,984	\$ 120,752

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, 2011

	Prosecuting Attorney Grants			Public Health		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	721,798	415,257	(306,541)	6,361,392	5,608,077	(753,315)
Charges for services	-	-	-	2,745,002	253,743	(2,491,259)
Fines and forfeits	-	6,984	6,984	-	-	-
Investment income (loss)	-	-	-	-	-	-
Other	-	-	-	19,567	153,485	133,918
Total revenues	721,798	422,241	(299,557)	9,125,961	6,015,305	(3,110,656)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	887,622	613,124	274,498	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	12,354,207	10,697,507	1,656,700
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	887,622	613,124	274,498	12,354,207	10,697,507	1,656,700
Revenues over (under) expenditures	(165,824)	(190,883)	(25,059)	(3,228,246)	(4,682,202)	(1,453,956)
Other financing sources (uses)						
Transfers in	165,824	174,493	8,669	2,951,121	3,977,686	1,026,565
Transfers out	-	-	-	-	-	-
Total other sources (uses)	165,824	174,493	8,669	2,951,121	3,977,686	1,026,565
Net change in fund balances	-	(16,390)	(16,390)	(277,125)	(704,516)	(427,391)
Fund balances, beginning of year	357,662	357,662	-	912,745	912,745	-
Fund balances, end of year	\$ 357,662	\$ 341,272	\$ (16,390)	\$ 635,620	\$ 208,229	\$ (427,391)

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, 2011

	Public Works Solid Waste Program			Sheriff's Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	55,000	43,090	(11,910)	406,644	267,905	(138,739)
Charges for services	-	-	-	48,000	71,111	23,111
Fines and forfeits	-	-	-	-	102,097	102,097
Investment income (loss)	200	1,729	1,529	-	4,536	4,536
Other	380,000	654,081	274,081	-	3,850	3,850
Total revenues	435,200	698,900	263,700	454,644	449,499	(5,145)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	454,644	560,102	(105,458)
Public works	455,200	439,432	15,768	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	455,200	439,432	15,768	454,644	560,102	(105,458)
Revenues over (under) expenditures	(20,000)	259,468	279,468	-	(110,603)	(110,603)
Other financing sources (uses)						
Transfers in	20,000	-	(20,000)	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	20,000	-	(20,000)	-	-	-
Net change in fund balances	-	259,468	259,468	-	(110,603)	(110,603)
Fund balances, beginning of year	250,082	250,082	-	1,002,346	1,002,346	-
Fund balances, end of year	\$ 250,082	\$ 509,550	\$ 259,468	\$ 1,002,346	\$ 891,743	\$ (110,603)

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, 2011

	Veterans' Trust			Water Resources Commissioner Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ 362,415	\$ 346,768	\$ (15,647)	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	23,264	7,760	(15,504)	-	62,083	62,083
Charges for services	-	-	-	10,000	-	(10,000)
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	1,444	1,444	-	682	682
Other	-	-	-	-	9,531	9,531
Total revenues	385,679	355,972	(29,707)	10,000	72,296	62,296
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	108,457	130,756	(22,299)
Health	-	-	-	-	-	-
Social services	385,679	417,698	(32,019)	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	385,679	417,698	(32,019)	108,457	130,756	(22,299)
Revenues over (under) expenditures	-	(61,726)	(61,726)	(98,457)	(58,460)	39,997
Other financing sources (uses)						
Transfers in	-	3,000	3,000	115,457	111,285	(4,172)
Transfers out	-	(3,000)	(3,000)	(17,000)	(17,000)	-
Total other sources (uses)	-	-	-	98,457	94,285	(4,172)
Net change in fund balances	-	(61,726)	(61,726)	-	35,825	35,825
Fund balances, beginning of year	189,964	189,964	-	193,991	193,991	-
Fund balances, end of year	\$ 189,964	\$ 128,238	\$ (61,726)	\$ 193,991	\$ 229,816	\$ 35,825

WASHTENAW COUNTY

Combining Statement of Net Assets Nonmajor Enterprise Funds December 31, 2011

	Property Foreclosure	Principal Residence Exemption	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 510,777	\$ 25,974	\$ 536,751
Due from other governments	1,148,128	-	1,148,128
Total current assets	1,658,905	25,974	1,684,879
Noncurrent assets -			
Capital assets, net	11,124	-	11,124
Total assets	1,670,029	25,974	1,696,003
Liabilities			
Current liabilities:			
Accounts payable	44,084	-	44,084
Accrued liabilities	12,353	-	12,353
Accrued compensated absences, current portion	3,183	-	3,183
Total current liabilities	59,620	-	59,620
Long-term liabilities -			
Accrued compensated absences	23,621	-	23,621
Total liabilities	83,241	-	83,241
Net assets			
Invested in capital assets	11,124	-	11,124
Restricted for:			
Property foreclosure	1,575,664	-	1,575,664
Principal residence exemption	-	25,974	25,974
Total net assets	\$ 1,586,788	\$ 25,974	\$ 1,612,762

WASHTENAW COUNTY

Combining Statement of Revenues, Expenses and Changes in Net Assets Nonmajor Enterprise Funds December 31, 2011

	Property Foreclosure	Principal Residence Exemption	Total
Operating revenues			
Charges for services	\$ 1,269,367	\$ -	\$ 1,269,367
Interest charges	-	20,898	20,898
Total operating revenues	<u>1,269,367</u>	<u>20,898</u>	<u>1,290,265</u>
Operating expenses			
Personnel services	333,661	18,834	352,495
Contractual services	93,939	-	93,939
Supplies	108,131	-	108,131
Auction expenses	83,324	-	83,324
Fees	58,108	-	58,108
P.A. 123 foreclosure loss	160,197	-	160,197
Title research	80,665	-	80,665
Telephone	763	-	763
Equipment repair and rental	2,502	-	2,502
Other	2,178	-	2,178
Depreciation	8,655	-	8,655
Total operating expenses	<u>932,123</u>	<u>18,834</u>	<u>950,957</u>
Operating income	<u>337,244</u>	<u>2,064</u>	<u>339,308</u>
Nonoperating income			
Investment income	<u>6,433</u>	<u>118</u>	<u>6,551</u>
Change in net assets	<u>343,677</u>	<u>2,182</u>	<u>345,859</u>
Net assets, beginning of year	<u>1,243,111</u>	<u>23,792</u>	<u>1,266,903</u>
Net assets, end of year	<u>\$ 1,586,788</u>	<u>\$ 25,974</u>	<u>\$ 1,612,762</u>

WASHTENAW COUNTY

Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended December 31, 2011

	Property Foreclosure	Principal Residence Exemption	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,175,827	\$ 20,898	\$ 1,196,725
Cash payments to employees	(334,124)	(20,248)	(354,372)
Cash payments to suppliers	(542,962)	-	(542,962)
Net cash provided by operating activities	298,741	650	299,391
Cash flows from investing activities			
Investment gain	6,433	118	6,551
Net increase in cash and cash equivalents	305,174	768	305,942
Cash and cash equivalents, beginning of year	205,603	25,206	230,809
Cash and cash equivalents, end of year	\$ 510,777	\$ 25,974	\$ 536,751
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 337,244	\$ 2,064	\$ 339,308
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	8,655	-	8,655
Changes in assets and liabilities:			
Due from other governments	(93,540)	-	(93,540)
Accounts payable	44,084	-	44,084
Accrued liabilities	2,761	(1,414)	1,347
Accrued compensated absences	(463)	-	(463)
Net cash provided by operating activities	\$ 298,741	\$ 650	\$ 299,391

WASHTENAW COUNTY

Combining Statement of Net Assets Internal Service Funds December 31, 2011

	Facilities Management Revolving	Fleet Management Revolving	Fringe Benefit Revolving	General Services Revolving
Assets				
Current assets:				
Cash and pooled investments	\$ 945,875	\$ 802,044	\$ 905,192	\$ 122,769
Accounts receivable	300	-	-	-
Due from other governments	-	-	917	1,691
Inventories	-	-	-	8,693
Prepaid items	-	-	-	50,000
Total current assets	946,175	802,044	906,109	183,153
Noncurrent assets:				
Capital assets, net	-	2,649,770	-	400,444
Total assets	946,175	3,451,814	906,109	583,597
Liabilities				
Current liabilities:				
Accounts payable	98,453	-	283,064	51,521
Accrued liabilities	71,832	4,616	25,887	-
Due to other governments	40,334	-	-	-
Unearned revenue	2,910	-	-	-
Current portion of:				
Compensated absences	19,377	1,366	-	-
Claims payable	-	-	24,700	-
Total current liabilities	232,906	5,982	333,651	51,521
Long-term liabilities:				
Compensated absences , net	225,785	8,033	-	-
Claims payable, net	-	-	-	-
Advances from other funds	-	-	-	-
Total long-term liabilities	225,785	8,033	-	-
Total liabilities	458,691	14,015	333,651	51,521
Net assets				
Invested in capital assets	-	2,649,770	-	400,444
Unrestricted (deficit)	487,484	788,029	572,458	131,632
Total net assets	\$ 487,484	\$ 3,437,799	\$ 572,458	\$ 532,076

Insurance Revolving	Medical Insurance Revolving	Telephone Revolving	Worker's Compensation Revolving	Retiree Health	Total
\$ 1,808,858	\$ 2,912,809	\$ 26,275	\$ 1,086,745	\$ -	\$ 8,610,567
-	-	-	114,800	-	115,100
12,959	347,108	-	-	-	362,675
-	-	-	-	-	8,693
768,626	888,610	-	-	-	1,707,236
2,590,443	4,148,527	26,275	1,201,545	-	10,804,271
-	-	6,740	-	-	3,056,954
2,590,443	4,148,527	33,015	1,201,545	-	13,861,225
72,923	-	26,226	117,478	-	649,665
7,534	-	-	3,487	-	113,356
-	-	-	-	-	40,334
-	-	-	-	-	2,910
3,217	-	-	-	-	23,960
474,750	1,416,000	-	406,800	-	2,322,250
558,424	1,416,000	26,226	527,765	-	3,152,475
16,766	-	-	-	-	250,584
580,250	-	-	497,200	-	1,077,450
-	-	6,789	-	-	6,789
597,016	-	6,789	497,200	-	1,334,823
1,155,440	1,416,000	33,015	1,024,965	-	4,487,298
-	-	6,740	-	-	3,056,954
1,435,003	2,732,527	(6,740)	176,580	-	6,316,973
\$ 1,435,003	\$ 2,732,527	\$ -	\$ 176,580	\$ -	\$ 9,373,927

WASHTENAW COUNTY

Combining Statement of Revenues, Expenses and Changes in Net Assets Internal Service Funds Year Ended December 31, 2011

	Facilities Management Revolving	Fleet Management Revolving	Fringe Benefit Revolving	General Services Revolving
Operating revenues				
Charges for services	\$ 6,718,502	\$ 2,582,258	\$ 4,047,928	\$ 636,593
Operating expenses				
Personnel services	2,055,636	124,934	-	15,037
Contractual services	78,642	9,246	37,951	-
Supplies	419,766	803,269	-	324,655
Occupancy	2,282,392	210,172	-	-
Telephone	32,231	1,823	-	-
Equipment repair and rental	158,838	351,134	-	116,434
Building repair and rental	190,252	-	-	-
Benefit payments and insurance premiums	-	-	3,620,500	-
Other	864,031	66	148,844	-
Depreciation	-	1,006,383	-	130,556
Total operating expenses	6,081,788	2,507,027	3,807,295	586,682
Operating income (loss)	636,714	75,231	240,633	49,911
Nonoperating revenues (expenses)				
Investment income	5,721	2,989	4,990	366
Loss on sale of capital assets	-	(10,167)	-	(8,023)
Total nonoperating revenues (expenses)	5,721	(7,178)	4,990	(7,657)
Income (loss) before transfers	642,435	68,053	245,623	42,254
Transfers in	123,675	53,710	-	-
Transfers out	(725,000)	-	-	-
Change in net assets	41,110	121,763	245,623	42,254
Net assets, beginning of year	446,374	3,316,036	326,835	489,822
Net assets, end of year	\$ 487,484	\$ 3,437,799	\$ 572,458	\$ 532,076

Insurance Revolving	Medical Insurance Revolving	Telephone Revolving	Worker's Compensation Revolving	Retiree Health	Total
\$ 2,409,057	\$ 22,970,658	\$ 762,484	\$ 804,402	\$ 4,917,433	\$ 45,849,315
266,206	-	-	100,752	-	2,562,565
676,184	-	-	40,011	-	842,034
1,340	-	-	38	-	1,549,068
31,382	-	-	-	-	2,523,946
871	-	746,191	-	-	781,116
-	-	-	-	-	626,406
-	-	-	-	-	190,252
1,445,544	23,240,254	-	696,773	-	29,003,071
1,023	-	-	-	5,366,276	6,380,240
-	-	16,293	-	-	1,153,232
2,422,550	23,240,254	762,484	837,574	5,366,276	45,611,930
(13,493)	(269,596)	-	(33,172)	(448,843)	237,385
13,494	17,690	-	4,648	9,545	59,443
-	-	-	-	-	(18,190)
13,494	17,690	-	4,648	9,545	41,253
1	(251,906)	-	(28,524)	(439,298)	278,638
-	2,225,000	-	175,000	439,298	3,016,683
-	-	-	-	-	(725,000)
1	1,973,094	-	146,476	-	2,570,321
1,435,002	759,433	-	30,104	-	6,803,606
\$ 1,435,003	\$ 2,732,527	\$ -	\$ 176,580	\$ -	\$ 9,373,927

WASHTENAW COUNTY

Combining Statement of Cash Flows Internal Service Funds Year Ended December 31, 2011

	Facilities Management Revolving	Fleet Management Revolving	Fringe Benefit Revolving
Cash flows from operating activities			
Cash received from interfund services	\$ 6,740,247	\$ 2,582,258	\$ 4,082,045
Cash payments to employees	(2,052,730)	(123,997)	8,602
Cash payments to suppliers	(4,062,143)	(1,373,887)	(3,686,073)
Cash payments for interfund services	(32,231)	(1,823)	-
Net cash provided (used) by operating activities	<u>593,143</u>	<u>1,082,551</u>	<u>404,574</u>
Cash flows from noncapital financing activities			
Transfers in	123,675	53,710	-
Transfers out	(725,000)	-	-
Advances from other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(601,325)</u>	<u>53,710</u>	<u>-</u>
Cash flows from capital and related financing activities			
Proceeds from sale of equipment	-	157,553	-
Payments for equipment acquisitions	-	(992,443)	-
Net cash used by capital and related financing activities	<u>-</u>	<u>(834,890)</u>	<u>-</u>
Cash flows from investing activities			
Investment income	<u>5,721</u>	<u>2,989</u>	<u>4,990</u>
Net increase (decrease) in cash and pooled investments	(2,461)	304,360	409,564
Cash and pooled investments, beginning of year	<u>948,336</u>	<u>497,684</u>	<u>495,628</u>
Cash and pooled investments, end of year	<u>\$ 945,875</u>	<u>\$ 802,044</u>	<u>\$ 905,192</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 636,714	\$ 75,231	\$ 240,633
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	1,006,383	-
Changes in assets and liabilities:			
Accounts receivable	21,745	-	34,000
Due from other governments	-	-	117
Inventories	-	-	-
Prepaid items	-	-	-
Accounts payable	(111,466)	-	119,022
Accrued liabilities	13,132	937	8,602
Due to other governments	40,334	-	-
Deferred revenue	2,910	-	-
Claims payable	-	-	2,200
Accrued compensated absences	(10,226)	-	-
Net cash provided (used) by operating activities	<u>\$ 593,143</u>	<u>\$ 1,082,551</u>	<u>\$ 404,574</u>

General Services Revolving	Insurance Revolving	Medical Insurance Revolving	Telephone Revolving	Worker's Compensation Revolving	Retiree Health	Total
\$ 636,394	\$ 2,396,098	\$ 22,985,171	\$ 762,484	\$ 804,402	\$ 4,917,433	\$ 45,906,532
(15,037)	(264,457)	-	-	(98,120)	-	(2,545,739)
(488,565)	(2,158,141)	(24,081,864)	(759,882)	(582,035)	(12,084,878)	(49,277,468)
-	(871)	-	-	-	-	(34,925)
<u>132,792</u>	<u>(27,371)</u>	<u>(1,096,693)</u>	<u>2,602</u>	<u>124,247</u>	<u>(7,167,445)</u>	<u>(5,951,600)</u>
-	-	2,225,000	-	175,000	439,298	3,016,683
-	-	-	-	-	-	(725,000)
-	-	-	(14,934)	-	-	(14,934)
-	-	2,225,000	(14,934)	175,000	439,298	2,276,749
-	-	-	-	-	-	157,553
(193,834)	-	-	-	-	-	(1,186,277)
<u>(193,834)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,028,724)</u>
366	13,494	17,690	-	4,648	9,545	59,443
(60,676)	(13,877)	1,145,997	(12,332)	303,895	(6,718,602)	(4,644,132)
183,445	1,822,735	1,766,812	38,607	782,850	6,718,602	13,254,699
<u>\$ 122,769</u>	<u>\$ 1,808,858</u>	<u>\$ 2,912,809</u>	<u>\$ 26,275</u>	<u>\$ 1,086,745</u>	<u>\$ -</u>	<u>\$ 8,610,567</u>
\$ 49,911	\$ (13,493)	\$ (269,596)	\$ -	\$ (33,172)	\$ (448,843)	\$ 237,385
130,556	-	-	16,293	-	-	1,153,232
-	-	-	-	-	-	55,745
(199)	(12,959)	14,513	-	-	-	1,472
24,013	-	-	-	-	-	24,013
(50,000)	23,349	(888,610)	-	-	439,298	(475,963)
(21,489)	(81,517)	-	(13,691)	96,787	(7,157,900)	(7,170,254)
-	314	-	-	2,632	-	25,617
-	-	-	-	-	-	40,334
-	-	-	-	-	-	2,910
-	55,500	47,000	-	58,000	-	162,700
-	1,435	-	-	-	-	(8,791)
<u>\$ 132,792</u>	<u>\$ (27,371)</u>	<u>\$ (1,096,693)</u>	<u>\$ 2,602</u>	<u>\$ 124,247</u>	<u>\$ (7,167,445)</u>	<u>\$ (5,951,600)</u>

WASHTENAW COUNTY

Combining Statement of Fiduciary Net Assets Pension and Other Employee Benefit Trust Funds December 31, 2011

	Employees' Retirement System	Money Purchase Pension Plan	Voluntary Employees Beneficiary Association	Severance Benefits
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 580,535
Investments:				
Equities	83,068,811	-	25,820,689	-
United States treasuries	4,721,054	-	-	-
United States treasury strips	15,638,591	-	-	-
United States agencies	27,277,972	-	-	-
Corporate securities	18,723,735	-	264,271	-
Multi-strategy limited partnership	-	-	4,365,523	-
Real estate limited partnership	16,311,278	-	969,923	-
Hedge funds limited partnership	-	-	3,443,992	-
Mutual funds	28,197,070	959,644	23,030,484	-
Money market funds	12,711,414	-	8,254,597	-
Accounts receivable	-	-	64,714	-
Accrued interest and dividends	369,855	-	-	108
Total assets	207,019,780	959,644	66,214,193	580,643
Liabilities				
Accounts payable	245,107	-	-	-
Accrued liabilities	-	-	60,520	578,169
Total liabilities	245,107	-	60,520	578,169
Net assets				
Net assets held in trust for pension and other employee benefits	\$ 206,774,673	\$ 959,644	\$ 66,153,673	\$ 2,474

(Schedule of funding progress for Employee's Retirement System pension trust fund is presented on page 93.)

Unemployment Benefits	Total
-----------------------	-------

\$ 327,342	\$ 907,877
-	108,889,500
-	4,721,054
-	15,638,591
-	27,277,972
-	18,988,006
-	4,365,523
-	17,281,201
-	3,443,992
-	52,187,198
-	20,966,011
-	64,714
148	370,111
<u>327,490</u>	<u>275,101,750</u>
-	245,107
<u>285,980</u>	<u>924,669</u>
<u>285,980</u>	<u>1,169,776</u>
<u>\$ 41,510</u>	<u>\$ 273,931,974</u>

WASHTENAW COUNTY

Combining Statement of Changes in Fiduciary Net Assets

Pension and Other Employee Benefit Trust Funds

Year Ended December 31, 2011

	Employees' Retirement System	Money Purchase Pension Plan	Voluntary Employees Beneficiary Association
Additions:			
Investment income (loss):			
From investing activities:			
Net appreciation (depreciation) in fair value of investments	\$ 6,036,696	\$ (15,443)	\$ (2,900,120)
Interest and dividends	3,799,649	12,146	1,450,051
Investment management fees	(936,510)	-	(253,966)
Net income from investing activities	<u>8,899,835</u>	<u>(3,297)</u>	<u>(1,704,035)</u>
From securities lending activities:			
Gross earnings	48,022	-	-
Borrower rebates	10,565	-	-
Securities fees	(21,419)	-	-
Net income from securities lending activities	<u>37,168</u>	<u>-</u>	<u>-</u>
Total net investment income	<u>8,937,003</u>	<u>(3,297)</u>	<u>(1,704,035)</u>
Contributions:			
Employer	7,387,597	3,429	12,001,663
Employees	4,349,499	3,429	-
On behalf - federal Medicare Part D subsidy	-	-	970,602
Total contributions	<u>11,737,096</u>	<u>6,858</u>	<u>12,972,265</u>
Other additions	<u>3,175</u>	<u>-</u>	<u>4,954</u>
Total additions	<u>20,677,274</u>	<u>3,561</u>	<u>11,273,184</u>
Deductions:			
Participant benefits	17,651,278	-	7,884,050
Payments to terminated participants	-	212,815	-
Administrative expenses	347,712	21	313,685
Participant refunds	1,138,617	-	-
Total deductions	<u>19,137,607</u>	<u>212,836</u>	<u>8,197,735</u>
Net additions (deductions) to net assets held in trust	1,539,667	(209,275)	3,075,449
Net assets held in trust for benefits:			
Beginning of year	<u>205,235,006</u>	<u>1,168,919</u>	<u>63,078,224</u>
End of year	<u>\$ 206,774,673</u>	<u>\$ 959,644</u>	<u>\$ 66,153,673</u>



Severance Benefits	Unemployment Benefits	Total
\$ -	\$ -	\$ 3,121,133
1,175	1,197	5,264,218
-	-	(1,190,476)
<u>1,175</u>	<u>1,197</u>	<u>7,194,875</u>
-	-	48,022
-	-	10,565
-	-	(21,419)
<u>-</u>	<u>-</u>	<u>37,168</u>
<u>1,175</u>	<u>1,197</u>	<u>7,232,043</u>
1,790,330	320,255	21,503,274
-	-	4,352,928
-	-	970,602
<u>1,790,330</u>	<u>320,255</u>	<u>26,826,804</u>
<u>-</u>	<u>-</u>	<u>8,129</u>
<u>1,791,505</u>	<u>321,452</u>	<u>34,066,976</u>
2,170,935	285,980	27,992,243
-	-	212,815
-	-	661,418
-	-	1,138,617
<u>2,170,935</u>	<u>285,980</u>	<u>30,005,093</u>
(379,430)	35,472	4,061,883
<u>381,904</u>	<u>6,038</u>	<u>269,870,091</u>
<u>\$ 2,474</u>	<u>\$ 41,510</u>	<u>\$ 273,931,974</u>

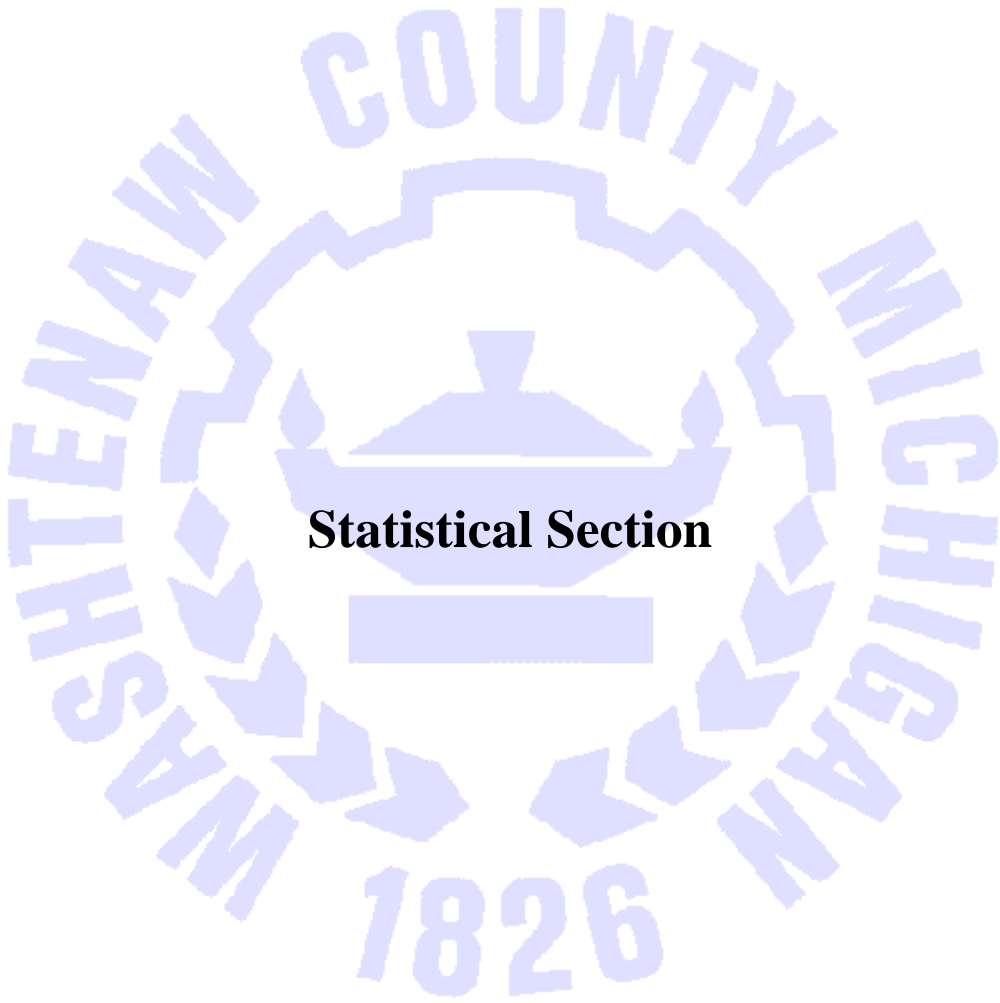
WASHTENAW COUNTY

Combining Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended December 31, 2011

	Balance January 1, 2011	Additions	(Deductions)	Balance December 31, 2011
AGENCY FUND				
ASSETS				
Cash and pooled investments	\$ 21,840,699	\$ 395,116,218	\$ (384,607,254)	\$ 32,349,663
LIABILITIES				
Undistributed receipts	\$ 21,840,699	\$ 395,116,218	\$ (384,607,254)	\$ 32,349,663



Statistical Section

This Page Intentionally Left Blank

WASHTENAW COUNTY

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.

CONTENTS

Page

Financial Trends (schedules 1 thru 5A)

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 134-147

Revenue Capacity (schedules 6 thru 9)

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 148-153

Debt Capacity (schedules 10 thru 12)

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. 154-158

Demographic and Economic Information (schedules 13 and 14)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 159-160

Operating Information (schedules 15 thru 18)

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. 161-168

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 Ten Years (accrual basis of accounting)

	2002	2003	2004	2005
Governmental activities				
Invested in capital assets, net of related debt	\$ 59,489,902	\$ 72,136,855	\$ 75,085,153	\$ 80,756,682
Restricted	10,160,361	11,953,882	31,316,365	46,988,598
Unrestricted	22,243,675	16,265,492	22,322,470	24,759,478
Total governmental activities net assets	\$ 91,893,938	\$ 100,356,229	\$ 128,723,988	\$ 152,504,758
Business-type activities				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Restricted	10,002,441	10,283,817	9,615,484	9,722,818
Unrestricted	-	-	-	-
Total business-type activities net assets	\$ 10,002,441	\$ 10,283,817	\$ 9,615,484	\$ 9,722,818
Primary government				
Invested in capital assets, net of related debt	\$ 59,489,902	\$ 72,136,855	\$ 75,085,153	\$ 80,756,682
Restricted	20,162,802	22,237,699	40,931,849	56,711,416
Unrestricted	22,243,675	16,265,492	22,322,470	24,759,478
Total primary government net assets	\$ 101,896,379	\$ 110,640,046	\$ 138,339,472	\$ 162,227,576

Source: Washtenaw County Finance Department

2006	2007	2008	2009	2010	2011
\$ 92,803,000	\$ 101,729,531	\$ 115,361,105	\$ 118,159,364	\$ 125,860,677	\$ 133,832,314
63,835,365	63,906,783	57,808,326	53,617,234	49,940,207	45,073,107
18,704,601	13,591,588	9,601,250	16,083,285	22,360,253	27,300,628
<u>\$ 175,342,966</u>	<u>\$ 179,227,902</u>	<u>\$ 182,770,681</u>	<u>\$ 187,859,883</u>	<u>\$ 198,161,137</u>	<u>\$ 206,206,049</u>
\$ -	\$ 17,841	\$ 37,090	\$ 28,435	\$ 19,779	\$ 11,124
10,085,873	11,611,001	12,945,120	16,806,176	17,116,166	16,603,990
-	-	-	-	-	-
<u>\$ 10,085,873</u>	<u>\$ 11,628,842</u>	<u>\$ 12,982,210</u>	<u>\$ 16,834,611</u>	<u>\$ 17,135,945</u>	<u>\$ 16,615,114</u>
\$ 92,803,000	\$ 101,747,372	\$ 115,398,195	\$ 118,187,799	\$ 125,880,456	\$ 133,843,438
73,921,238	75,517,784	70,753,446	70,423,410	67,056,373	61,677,097
18,704,601	13,591,588	9,601,250	16,083,285	22,360,253	27,300,628
<u>\$ 185,428,839</u>	<u>\$ 190,856,744</u>	<u>\$ 195,752,891</u>	<u>\$ 204,694,494</u>	<u>\$ 215,297,082</u>	<u>\$ 222,821,163</u>

WASHTENAW COUNTY

Changes in Net Assets Last Ten Years (accrual basis of accounting)

	2002	2003	2004	2005
Expenses				
Governmental activities:				
Legislative	\$ 638,162	\$ 597,651	\$ 647,373	\$ 722,185
Judicial	18,074,212	19,584,218	21,443,309	22,588,152
General government	21,288,509	23,723,024	20,459,640	24,431,995
Public safety	36,228,288	40,927,414	42,748,613	45,341,263
Public works	1,413,125	2,246,625	611,126	608,029
Health	31,477,846	30,669,892	31,869,261	35,694,857
Social services	22,484,108	21,672,601	22,006,150	26,681,106
Culture and recreation	6,382,489	6,634,291	7,064,861	6,891,231
Interest on long-term debt	1,791,363	1,643,952	1,273,833	1,027,653
Total governmental activities expenses	139,778,102	147,699,668	148,124,166	163,986,471
Business-type activities:				
Delinquent tax collection	489,348	180,046	241,083	591,362
Property foreclosure	-	228,598	189,756	314,439
Brownfield revolving loan	-	-	-	-
Principal residence exemption	-	-	-	-
Total business-type activities expenses	489,348	408,644	430,839	905,801
Total primary government expenses	140,267,450	148,108,312	148,555,005	164,892,272
Program revenues				
Governmental activities:				
Charges for services:				
Judicial	3,176,945	3,352,989	3,613,380	3,763,939
General government	5,995,338	7,406,625	6,992,302	7,572,808
Public safety	11,449,421	11,049,685	12,141,274	12,110,959
Public works	1,025,351	187,780	169,811	167,094
Health	3,627,541	3,279,950	3,504,205	4,716,287
Social services	1,219,687	359,584	1,195,278	1,031,688
Culture and recreation	2,601,704	2,958,441	2,823,269	3,253,314
Other activities	724,019	145,126	148,876	150,676
Operating grants and contributions	46,297,193	52,695,000	53,642,415	60,027,293
Capital grants and contributions	1,091,143	3,473,175	960,689	211,159
Total governmental activities program revenues	77,208,342	84,908,355	85,191,499	93,005,217
Business-type activities:				
Charges for services:				
Delinquent tax collection	3,435,482	2,563,993	2,398,603	2,636,271
Property foreclosure	-	646,920	284,980	412,680
Principal residence exemption	-	-	-	-
Operating grants and contributions	-	-	-	27,424
Total business-type activities program revenues	3,435,482	3,210,913	2,683,583	3,076,375
Total primary government program revenues	80,643,824	88,119,268	87,875,082	96,081,592
Net (Expense)/Revenue				
Government activities	(62,559,900)	(62,791,313)	(62,932,667)	(70,981,254)
Business-type activities	2,946,134	2,802,269	2,252,744	2,170,574
Total primary government net expense	(59,613,766)	(59,989,044)	(60,679,923)	(68,810,680)

2006	2007	2008	2009	2010	2011
\$ 539,323	\$ 576,094	\$ 606,763	\$ 593,756	\$ 526,142	\$ 477,251
24,021,026	25,458,987	25,161,986	24,261,496	23,900,492	22,688,793
20,346,898	24,111,811	25,003,419	19,155,496	18,483,213	18,654,907
46,937,810	51,217,621	52,060,983	52,567,442	54,263,600	57,583,782
869,372	757,558	789,934	982,745	844,588	750,515
40,868,460	41,041,193	43,139,351	44,486,741	43,899,534	38,020,491
31,099,614	31,556,019	34,413,953	37,914,200	41,959,629	35,795,507
7,998,879	8,995,250	9,057,274	9,312,142	8,981,545	9,785,702
1,375,511	2,878,426	3,295,572	3,544,774	3,322,673	3,059,884
<u>174,056,893</u>	<u>186,592,959</u>	<u>193,529,235</u>	<u>192,818,792</u>	<u>196,181,416</u>	<u>186,816,832</u>
908,669	1,356,027	1,159,047	605,375	596,092	670,127
288,376	408,209	442,955	801,048	794,981	932,123
11,960	-	-	-	-	-
9,968	29,259	10,265	11,329	3,707	18,834
<u>1,218,973</u>	<u>1,793,495</u>	<u>1,612,267</u>	<u>1,417,752</u>	<u>1,394,780</u>	<u>1,621,084</u>
<u>175,275,866</u>	<u>188,386,454</u>	<u>195,141,502</u>	<u>194,236,544</u>	<u>197,576,196</u>	<u>188,437,916</u>
4,074,640	4,391,210	4,094,645	3,583,580	3,521,234	3,552,654
5,821,567	5,271,252	4,314,215	4,859,331	4,900,363	5,000,000
12,021,420	12,470,668	14,734,612	15,680,018	15,149,724	16,322,063
184,188	-	-	46,464	69,883	80,308
3,227,343	3,872,437	3,797,174	3,084,865	3,715,892	2,938,582
1,042,936	625,262	759,804	590,521	542,702	523,708
3,225,036	3,228,112	3,101,561	2,976,259	3,230,661	3,283,576
141,646	-	-	-	-	-
61,329,306	63,759,215	71,865,991	76,525,122	84,101,904	74,135,727
76,441	428,017	562,620	1,118,781	557,446	501,837
<u>91,144,523</u>	<u>94,046,173</u>	<u>103,230,622</u>	<u>108,464,941</u>	<u>115,789,809</u>	<u>106,338,455</u>
2,896,431	3,722,455	5,216,222	6,764,664	5,989,201	5,525,120
660,333	449,036	382,509	616,929	1,291,039	1,269,367
9,425	13,923	18,253	12,210	16,411	20,898
11,960	-	-	-	-	-
<u>3,578,149</u>	<u>4,185,414</u>	<u>5,616,984</u>	<u>7,393,803</u>	<u>7,296,651</u>	<u>6,815,385</u>
<u>94,722,672</u>	<u>98,231,587</u>	<u>108,847,606</u>	<u>115,858,744</u>	<u>123,086,460</u>	<u>113,153,840</u>
(82,912,370)	(92,546,786)	(90,298,613)	(84,353,851)	(80,391,607)	(80,478,377)
<u>2,359,176</u>	<u>2,391,919</u>	<u>4,004,717</u>	<u>5,976,051</u>	<u>5,901,871</u>	<u>5,194,301</u>
<u>(80,553,194)</u>	<u>(90,154,867)</u>	<u>(86,293,896)</u>	<u>(78,377,800)</u>	<u>(74,489,736)</u>	<u>(75,284,076)</u>

Continued...

WASHTENAW COUNTY

Changes in Net Assets (Concluded) Last Ten Years (accrual basis of accounting)

	2002	2003	2004	2005
General Revenues				
Governmental activities:				
Property taxes	\$ 56,462,144	\$ 60,406,712	\$ 82,991,160	\$ 87,864,506
Accommodation taxes	1,259,747	1,205,356	1,277,988	1,334,932
Unrestricted grants and contributions	7,503,237	6,538,510	3,003,251	457,637
Investment earnings	2,387,051	1,640,730	1,512,323	2,558,336
Gain on sale of capital assets	-	-	-	-
Transfers	3,733,894	2,462,465	2,515,704	2,546,616
Total governmental activities	71,346,073	72,253,773	91,300,426	94,762,027
Business-type activities:				
Investment earnings	1,611,591	(74,699)	(515,993)	(141,666)
Transfers	(3,737,982)	(2,446,194)	(2,405,084)	(1,921,574)
Total business-type activities	(2,126,391)	(2,520,893)	(2,921,077)	(2,063,240)
Total primary government	69,219,682	69,732,880	88,379,349	92,698,787
Change in Net Assets				
Government activities	8,786,173	9,462,460	28,367,759	23,780,773
Business-type activities	819,743	281,376	(668,333)	107,334
Total primary government	\$ 9,605,916	\$ 9,743,836	\$ 27,699,426	\$ 23,888,107

Source: Washtenaw County Finance Department

2006	2007	2008	2009	2010	2011
\$ 95,271,757	\$ 86,549,856	\$ 84,291,171	\$ 82,635,161	\$ 79,314,216	\$ 76,744,940
1,405,408	1,494,702	1,476,545	3,039,774	3,539,013	3,993,639
366,250	544,946	1,050,991	428,646	1,245,565	1,340,281
4,150,209	6,575,702	4,332,145	898,316	474,069	502,567
-	-	-	-	181,341	44,220
2,838,959	1,622,955	2,555,369	2,918,000	5,938,657	5,897,642
<u>104,032,583</u>	<u>96,788,161</u>	<u>93,706,221</u>	<u>89,919,897</u>	<u>90,692,861</u>	<u>88,523,289</u>
763,766	825,864	603,510	84,974	132,538	164,008
(2,759,887)	(1,674,814)	(3,254,859)	(2,208,624)	(5,733,075)	(5,879,140)
<u>(1,996,121)</u>	<u>(848,950)</u>	<u>(2,651,349)</u>	<u>(2,123,650)</u>	<u>(5,600,537)</u>	<u>(5,715,132)</u>
<u>102,036,462</u>	<u>95,939,211</u>	<u>91,054,872</u>	<u>87,796,247</u>	<u>85,092,324</u>	<u>82,808,157</u>
21,120,213	4,241,375	3,407,608	5,566,046	10,301,254	8,044,912
363,055	1,542,969	1,353,368	3,852,401	301,334	(520,831)
<u>\$ 21,483,268</u>	<u>\$ 5,784,344</u>	<u>\$ 4,760,976</u>	<u>\$ 9,418,447</u>	<u>\$ 10,602,588</u>	<u>\$ 7,524,081</u>

WASHTENAW COUNTY

■ Fund Balances - Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2002	2003	2004	2005
General Fund				
Reserved	\$ 2,647,421	\$ 1,140,757	\$ 966,852	\$ 881,264
Unreserved	6,290,358	6,323,675	6,940,364	7,465,485
Unassigned	-	-	-	-
Total general fund	\$ 8,937,779	\$ 7,464,432	\$ 7,907,216	\$ 8,346,749
All Other Governmental Funds				
Reserved	\$ 1,429,691	\$ 2,435,812	\$ 3,950,573	\$ 6,207,220
Unreserved, reported in:				
Special revenue funds	10,007,784	12,312,220	33,461,825	48,621,711
Debt service funds	12,595	12,676	12,976	15,591
Capital projects funds	22,933,029	16,016,182	21,568,510	14,753,918
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total all other governmental funds	\$ 34,383,099	\$ 30,776,890	\$ 58,993,884	\$ 69,598,440

Note - GASB Statement No. 54 was implemented in 2011.

Source: Washtenaw County Finance Department

2006	2007	2008	2009	2010	2011
\$ 141,069	\$ 1,176,336	\$ 64,335	\$ -	\$ 6,667	\$ -
8,352,216	7,481,045	9,123,996	9,773,059	15,310,490	-
-	-	-	-	-	14,526,098
<u>\$ 8,493,285</u>	<u>\$ 8,657,381</u>	<u>\$ 9,188,331</u>	<u>\$ 9,773,059</u>	<u>\$ 15,317,157</u>	<u>\$ 14,526,098</u>
\$ 5,046,822	\$ 8,095,327	\$ 5,024,720	\$ 4,427,403	\$ 5,718,259	\$ -
63,011,160	60,419,597	56,539,750	55,743,317	50,452,188	-
14,815	14,040	15,863	15,144	1,128	-
38,482,509	59,428,860	68,833,507	31,257,471	17,010,238	-
-	-	-	-	-	6,789
-	-	-	-	-	34,242,391
-	-	-	-	-	20,071,959
<u>\$ 106,555,306</u>	<u>\$ 127,957,824</u>	<u>\$ 130,413,840</u>	<u>\$ 91,443,335</u>	<u>\$ 73,181,813</u>	<u>\$ 54,321,139</u>

WASHTENAW COUNTY

Changes in Fund Balances - Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2002	2003	2004	2005
Revenues				
Property taxes	\$ 56,462,144	\$ 60,406,712	\$ 82,991,160	\$ 87,864,506
Accommodation taxes	1,259,747	1,205,356	1,277,988	1,334,932
Licenses and permits	3,489,426	3,417,281	3,582,066	3,413,829
Intergovernmental	55,289,575	55,515,317	53,442,839	56,934,231
Charges for services	20,917,283	23,770,669	23,964,870	27,153,376
Fines and forfeits	1,043,636	1,192,646	1,846,181	1,167,872
Investment income	2,208,254	1,498,295	1,380,964	2,282,039
Other revenues	4,347,661	7,927,593	5,588,048	5,187,022
Total revenues	145,017,726	154,933,869	174,074,116	185,337,807
Expenditures				
Legislative	630,172	578,996	639,574	642,291
Judicial	17,711,346	19,154,639	20,414,926	21,176,406
General government	13,547,020	15,910,534	12,929,577	14,270,733
Public safety	36,324,964	39,767,190	41,600,021	44,163,259
Public works	1,410,098	2,291,765	613,201	600,718
Health	31,222,165	30,148,915	31,486,496	35,254,194
Social services	22,350,481	21,963,095	22,412,894	26,238,219
Culture and recreation	9,474,501	11,120,549	10,234,930	12,382,181
Other unallocated	2,204,195	3,634,853	4,223,737	4,473,369
Capital outlay	13,540,717	13,085,312	5,105,824	11,795,834
Debt service				
Principal	2,985,000	3,605,000	3,475,000	3,449,476
Interest and fiscal charges	1,865,201	1,632,341	1,309,370	1,059,088
Bond issuance costs	-	146,459	294,511	235,176
Total expenditures	153,265,860	163,039,648	154,740,061	175,740,944
Revenues over (under) expenditures	(8,248,134)	(8,105,779)	19,334,055	9,596,863
Other financing sources (uses)				
Issuance of bonds	3,000,000	-	6,365,000	-
Issuance of refunding bonds	-	8,705,000	7,835,000	11,475,000
Discount on bonds	(52,500)	-	-	-
Premium on bonds	-	-	-	-
Premium on refunding bonds	-	151,271	79,167	95,406
Payment to refunding escrow agent	-	(8,748,421)	(7,857,903)	(11,336,730)
Capital leases	-	-	-	-
Transfers in	26,079,580	24,406,361	39,613,259	44,521,956
Transfers out	(21,747,483)	(21,173,427)	(36,708,800)	(43,308,404)
Total other financing sources (uses)	7,279,597	3,340,784	9,325,723	1,447,228
Net changes in fund balances	\$ (968,537)	\$ (4,764,995)	\$ 28,659,778	\$ 11,044,091
Debt services as a percentage of noncapital expenditures	3.5%	3.7%	3.4%	2.9%

Source: Washtenaw County Finance Department

	2006	2007	2008	2009	2010	2011
\$	95,271,757	\$ 86,549,856	\$ 84,291,171	\$ 82,635,161	\$ 79,314,216	\$ 76,744,940
	1,405,408	1,494,702	1,476,545	3,039,774	3,539,013	3,993,639
	2,837,341	2,553,918	2,316,048	2,137,762	2,162,555	2,196,515
	57,906,931	60,185,360	68,574,831	73,925,405	80,607,931	70,256,323
	24,673,031	25,474,636	26,473,441	27,024,216	27,375,355	27,897,184
	1,185,468	1,205,125	1,252,718	1,068,539	1,049,847	1,083,484
	3,759,219	6,334,119	4,077,008	828,910	398,865	443,123
	5,319,978	5,798,659	6,104,802	5,995,242	6,463,798	7,448,911
	<u>192,359,133</u>	<u>189,596,375</u>	<u>194,566,564</u>	<u>196,655,009</u>	<u>200,911,580</u>	<u>190,064,119</u>
	527,328	560,972	597,886	592,975	522,093	477,736
	22,898,849	24,263,382	24,133,352	23,574,691	22,627,356	21,932,462
	13,443,983	16,059,495	13,589,970	11,096,546	9,789,325	12,957,266
	45,998,323	49,495,839	50,947,419	52,112,759	52,947,824	55,185,680
	832,179	743,454	785,662	908,992	851,970	796,280
	37,820,725	39,238,401	42,181,982	44,195,428	43,887,857	38,098,055
	29,687,409	30,124,778	32,409,404	36,144,867	40,634,460	34,378,918
	13,839,071	11,462,934	17,744,932	11,808,558	13,098,438	13,468,228
	4,506,919	5,873,564	6,293,261	7,141,652	5,442,086	5,589,384
	7,203,937	6,911,345	18,335,258	39,663,808	19,674,091	3,727,764
	2,984,476	4,224,476	5,894,476	7,235,185	7,686,172	8,124,668
	1,200,251	2,603,594	2,947,632	3,436,595	3,238,624	2,980,657
	183,585	521,544	365,355	-	-	-
	<u>181,127,035</u>	<u>192,083,778</u>	<u>216,226,589</u>	<u>237,912,056</u>	<u>220,400,296</u>	<u>197,717,098</u>
	<u>11,232,098</u>	<u>(2,487,403)</u>	<u>(21,660,025)</u>	<u>(41,257,047)</u>	<u>(19,488,716)</u>	<u>(7,652,979)</u>
	23,750,000	21,675,000	22,120,000	-	-	-
	-	-	-	-	-	-
	-	-	(22,855)	-	-	-
	236,004	125,147	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	695,122	-	430,117	526,677	1,302,837
	48,305,876	41,145,222	44,464,023	45,197,410	42,441,579	43,119,181
	(46,165,148)	(39,512,668)	(41,914,177)	(42,279,410)	(36,196,964)	(39,513,222)
	<u>26,126,732</u>	<u>24,127,823</u>	<u>24,646,991</u>	<u>3,348,117</u>	<u>6,771,292</u>	<u>4,908,796</u>
\$	<u>37,358,830</u>	<u>\$ 21,640,420</u>	<u>\$ 2,986,966</u>	<u>\$ (37,908,930)</u>	<u>\$ (12,717,424)</u>	<u>\$ (2,744,183)</u>
	<u>2.6%</u>	<u>4.0%</u>	<u>4.8%</u>	<u>5.4%</u>	<u>5.6%</u>	<u>5.9%</u>

WASHTENAW COUNTY

Changes in Fund Balances - General Fund

Last Ten Years

(modified accrual basis of accounting)

	2002	2003	2004	2005
Revenues				
Property taxes	\$ 48,813,596	\$ 52,227,354	\$ 54,883,846	\$ 59,645,096
Licenses and permits	111,912	169,388	171,524	161,907
Intergovernmental	11,714,821	10,563,759	7,758,214	5,641,139
Charges for services	14,974,369	16,262,412	16,165,713	17,521,139
Fines and forfeits	1,003,693	1,125,425	1,226,872	1,106,638
Investment income	824,979	612,244	544,005	628,154
Other revenues	790,671	1,084,307	941,153	1,032,874
Total revenues	78,234,041	82,044,889	81,691,327	85,736,947
Expenditures				
Legislative	630,172	578,996	639,574	642,291
Judicial	12,657,027	13,602,187	14,235,820	14,916,715
General government	11,910,251	13,284,578	9,619,781	10,553,533
Public safety	30,810,238	33,285,150	36,535,457	38,948,971
Public works	406,286	402,840	-	-
Health	1,732,474	-	-	-
Social services	1,100,806	1,243,477	1,178,913	1,263,782
Culture and recreation	709,564	718,738	820,124	628,307
Other unallocated	2,204,195	3,634,853	4,223,737	4,473,369
Debt service:				
Principal	-	-	-	-
Interest and fiscal changes	-	-	-	-
Total expenditures	62,161,013	66,750,819	67,253,406	71,426,968
Revenues over (under) expenditures	16,073,028	15,294,070	14,437,921	14,309,979
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	1,028,662	925,501	4,620,356	6,611,427
Transfers out	(16,837,786)	(16,150,909)	(18,615,493)	(20,481,873)
Total other financing sources (uses)	(15,809,124)	(15,225,408)	(13,995,137)	(13,870,446)
Net changes in fund balances	\$ 263,904	\$ 68,662	\$ 442,784	\$ 439,533

Source: Washtenaw County Finance Department

2006	2007	2008	2009	2010	2011
\$ 66,237,030	\$ 72,803,650	\$ 70,205,639	\$ 68,211,292	\$ 64,703,053	\$ 63,038,787
174,530	271,202	178,489	173,367	205,407	254,479
5,308,246	5,524,930	5,848,199	5,743,226	5,871,026	5,703,092
16,911,965	17,331,774	18,041,878	18,581,479	18,008,529	19,282,538
1,118,938	1,141,280	1,045,732	983,940	933,663	956,065
1,145,749	1,429,478	785,074	185,483	129,650	124,460
917,865	974,130	1,467,791	1,668,811	1,781,630	2,666,887
<u>91,814,323</u>	<u>99,476,444</u>	<u>97,572,802</u>	<u>95,547,598</u>	<u>91,632,958</u>	<u>92,026,308</u>
527,328	560,972	597,886	592,975	522,093	477,736
16,216,012	17,316,916	17,246,115	17,229,218	16,869,266	16,489,919
11,648,323	14,244,201	10,812,812	7,878,754	5,068,342	7,885,475
40,911,096	43,786,137	45,051,719	45,095,753	46,659,680	49,163,370
-	-	-	326,863	237,100	226,092
-	-	-	-	-	-
1,574,522	1,519,638	1,803,863	1,525,431	419,048	326,365
654,343	667,590	809,009	819,549	649,794	622,288
4,506,919	5,873,564	6,293,261	7,141,652	5,442,086	5,589,384
-	-	-	225,709	273,554	345,192
-	-	-	26,129	44,246	42,804
<u>76,038,543</u>	<u>83,969,018</u>	<u>82,614,665</u>	<u>80,862,033</u>	<u>76,185,209</u>	<u>81,168,625</u>
<u>15,775,780</u>	<u>15,507,426</u>	<u>14,958,137</u>	<u>14,685,565</u>	<u>15,447,749</u>	<u>10,857,683</u>
-	695,122	-	430,117	494,924	1,302,837
6,958,254	7,390,700	8,678,199	8,401,218	7,916,188	7,879,448
<u>(22,332,075)</u>	<u>(23,355,340)</u>	<u>(23,105,386)</u>	<u>(22,932,172)</u>	<u>(18,314,763)</u>	<u>(20,831,027)</u>
<u>(15,373,821)</u>	<u>(15,269,518)</u>	<u>(14,427,187)</u>	<u>(14,100,837)</u>	<u>(9,903,651)</u>	<u>(11,648,742)</u>
<u>\$ 401,959</u>	<u>\$ 237,908</u>	<u>\$ 530,950</u>	<u>\$ 584,728</u>	<u>\$ 5,544,098</u>	<u>\$ (791,059)</u>

WASHTENAW COUNTY

Changes in Fund Balances - General Fund (Expenditures by Category) Last Ten Years (modified accrual basis of accounting)

	2002	2003	2004	2005
Revenues				
Property taxes	\$ 48,813,596	\$ 52,227,354	\$ 54,883,846	\$ 59,645,096
Licenses and permits	111,912	169,388	171,524	161,907
Intergovernmental	11,714,821	10,563,759	7,758,214	5,641,139
Charges for services	14,974,369	16,262,412	16,165,713	17,521,139
Fines and forfeits	1,003,693	1,125,425	1,226,872	1,106,638
Investment income	824,979	612,244	544,005	628,154
Other revenues	790,671	1,084,307	941,153	1,032,874
Total revenues	78,234,041	82,044,889	81,691,327	85,736,947
Expenditures				
Personal services	45,912,603	49,903,278	51,764,737	55,129,899
Supplies	1,588,845	1,452,823	1,627,031	1,528,967
Other services and charges	12,457,044	13,118,819	12,179,677	13,345,666
Internal service charges	2,171,613	2,222,890	1,645,145	1,410,187
Capital outlay	30,908	53,009	36,816	12,248
Debt service	-	-	-	-
Total expenditures	62,161,013	66,750,819	67,253,406	71,426,968
Revenues over (under) expenditures	16,073,028	15,294,070	14,437,921	14,309,979
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	1,028,662	925,501	4,620,356	6,611,427
Transfers out	(16,837,786)	(16,150,909)	(18,615,493)	(20,481,873)
Total other financing sources (uses)	(15,809,124)	(15,225,408)	(13,995,137)	(13,870,446)
Net changes in fund balances	\$ 263,904	\$ 68,662	\$ 442,784	\$ 439,533

Source: Washtenaw County Finance Department

2006	2007	2008	2009	2010	2011
\$ 66,237,030	\$ 72,803,650	\$ 70,205,639	\$ 68,211,292	\$ 64,703,053	\$ 63,038,787
174,530	271,202	178,489	173,367	205,407	254,479
5,308,246	5,524,930	5,848,199	5,743,226	5,871,026	5,703,092
16,911,965	17,331,774	18,041,878	18,581,479	18,008,529	19,282,538
1,118,938	1,141,280	1,045,732	983,940	933,663	956,065
1,145,749	1,429,478	785,074	185,483	129,650	124,460
917,865	974,130	1,467,791	1,668,811	1,781,630	2,666,887
<u>91,814,323</u>	<u>99,476,444</u>	<u>97,572,802</u>	<u>95,547,598</u>	<u>91,632,958</u>	<u>92,026,308</u>
58,424,800	63,324,954	63,221,173	61,607,795	60,772,335	63,392,878
1,696,147	1,603,767	1,596,407	1,601,385	1,703,731	1,714,923
14,240,236	16,377,624	15,920,395	16,182,001	12,514,061	12,354,012
1,676,520	2,650,264	1,602,137	779,808	302,685	2,015,979
840	12,409	274,553	439,206	574,597	1,302,837
-	-	-	251,838	317,800	387,996
<u>76,038,543</u>	<u>83,969,018</u>	<u>82,614,665</u>	<u>80,862,033</u>	<u>76,185,209</u>	<u>81,168,625</u>
<u>15,775,780</u>	<u>15,507,426</u>	<u>14,958,137</u>	<u>14,685,565</u>	<u>15,447,749</u>	<u>10,857,683</u>
-	695,122	-	430,117	494,924	1,302,837
6,958,254	7,390,700	8,678,199	8,401,218	7,916,188	7,879,448
(22,332,075)	(23,355,340)	(23,105,386)	(22,932,172)	(18,314,763)	(20,831,027)
<u>(15,373,821)</u>	<u>(15,269,518)</u>	<u>(14,427,187)</u>	<u>(14,100,837)</u>	<u>(9,903,651)</u>	<u>(11,648,742)</u>
<u>\$ 401,959</u>	<u>\$ 237,908</u>	<u>\$ 530,950</u>	<u>\$ 584,728</u>	<u>\$ 5,544,098</u>	<u>\$ (791,059)</u>

WASHTENAW COUNTY

Assessed and Actual Value of Taxable Property

Last Ten Years

(in thousands of dollars)

Year	Residential Property	Commercial Property	Industrial Property	Other	Personal Property
2002	\$ 8,983,153	\$ 2,382,889	\$ 757,346	\$ 433,528	\$ 1,145,185
2003	10,017,580	2,652,147	804,851	478,542	1,092,571
2004	11,016,278	2,820,335	848,380	533,236	1,096,757
2005	11,886,410	3,106,081	885,397	564,140	1,092,596
2006	12,712,166	3,278,326	912,147	559,299	1,083,615
2007	13,180,822	3,454,744	955,905	589,064	1,150,417
2008	12,377,703	3,681,923	882,304	595,774	1,227,324
2009	11,260,432	3,692,630	834,222	578,251	1,163,963
2010	10,619,743	3,541,601	523,123	534,906	1,044,135
2011	10,328,382	3,205,238	461,280	510,726	974,551

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.

Schedule 6
UNAUDITED



Total Assessed Value	Total Actual Value	Total Direct Tax Rate
\$ 13,702,101	\$ 27,492,263	5.6772
15,045,691	30,196,516	5.6186
16,314,986	32,758,847	5.5819
17,534,624	35,184,135	5.5493
18,545,553	37,208,917	5.5024
19,330,952	38,961,637	5.6768
18,765,028	37,678,729	5.7018
17,529,498	35,263,130	5.7418
16,263,508	32,711,793	5.7448
15,480,177	31,228,316	5.7518

WASHTENAW COUNTY

Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$1,000 of taxable value)

		2002	2003	2004	2005	2006	2007
County direct rates							
Operation		4.72	4.67	4.64	4.61	4.57	4.55
County imposed and debt		-	0.49	-	-	-	-
Special voted		0.96	0.46	0.94	0.94	0.93	1.13
Total direct rate		<u>5.68</u>	<u>5.62</u>	<u>5.58</u>	<u>5.55</u>	<u>5.50</u>	<u>5.68</u>
Overlapping rates							
Cities:							
Ann Arbor		17.00	16.87	16.90	16.90	16.82	16.78
Chelsea (1)		-	-	-	-	13.21	15.05
Milan		15.75	15.75	15.75	15.75	15.75	15.50
Saline		9.96	10.96	12.95	13.72	15.53	15.53
Ypsilanti		27.37	27.41	28.28	27.92	29.03	29.58
Townships (average)	(A)	2.72	2.80	2.77	2.97	3.07	3.22
Villages (average)	(B)	13.29	13.23	13.18	12.95	9.77	9.54
School districts (average)	(C)	30.16	30.15	29.39	30.22	29.77	29.55
Intermediate school district		3.11	3.07	3.46	4.04	4.00	3.97
Community college		3.97	3.86	3.83	3.77	3.72	3.70
(A) - Rates range from:							
Low		-	-	-	-	-	-
High		9.75	10.12	9.66	10.53	10.40	10.40
(B) - Rates range from:							
Low		10.00	10.00	10.00	10.00	10.00	10.00
High		15.30	15.67	15.27	15.28	15.39	14.59
(C) - Rates range from:							
Low		25.93	25.26	24.17	23.38	25.26	25.40
High		41.35	34.30	32.65	33.65	36.48	35.69

Source: Washtenaw County Finance Department

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

Schedule 7
UNAUDITED



2008	2009	2010	2011
4.55	4.55	4.55	4.55
-	-	-	-
1.13	1.19	1.20	1.20
<u>5.68</u>	<u>5.74</u>	<u>5.74</u>	<u>5.75</u>
16.78	16.80	16.82	16.47
15.05	14.96	13.16	14.96
15.50	15.50	14.40	14.40
15.53	15.53	15.53	15.53
30.60	30.86	31.53	33.67
3.19	3.40	3.16	3.45
9.56	9.62	9.62	9.80
29.54	30.91	31.04	31.17
3.97	3.97	3.97	3.97
3.69	3.69	3.69	3.72
-	-	-	-
10.40	10.40	10.40	10.40
10.00	10.00	10.00	10.00
14.59	14.92	14.92	14.92
25.40	25.36	25.36	25.36
35.69	34.59	34.59	34.59

WASHTENAW COUNTY

Schedule 8
UNAUDITED

Principal Property Tax Payers
Last Ten Years
Current Year and Nine Years Ago

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Detroit Edison	\$ 144,877,090	1	1.03%	\$ 136,243,384	4	1.20%
McKinley Associates	135,739,874	2	0.96%	-	-	-
Toyota Motor	111,755,540	3	0.79%	42,970,497	8	0.38%
Michigan Consolidated Gas	104,450,502	4	0.74%	78,867,783	5	0.70%
Ford Motor	92,543,774	5	0.66%	-	-	-
Domino's Farm	70,276,461	6	0.50%	46,938,906	7	0.41%
Briarwood Complex	67,192,692	7	0.48%	63,738,446	6	0.56%
ITC	51,220,102	8	0.36%	-	-	-
Hyundai	37,203,122	9	0.26%	-	-	-
Daimler Chrysler	32,202,900	10	0.23%	40,099,138	8	0.35%
Arborland LLC	30,999,300	11	0.22%	19,441,876	15	0.17%
Comcast	30,149,798	12	0.21%	25,147,217	12	0.22%
Mav Development	29,972,515	13	0.21%	-	-	-
Meijer Incorporated	27,969,145	14	0.20%	28,699,016	10	0.25%
Consumers Energy	27,737,897	15	0.20%	-	-	-
	<u>\$ 994,290,712</u>		<u>7.06%</u>	<u>\$ 482,146,263</u>		<u>4.25%</u>

Source: Washtenaw County Equalization Department.

Property Tax Levies and Collections
Last Ten Years

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
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%
2009	86,755,826	82,908,257	95.57%	3,596,050	86,504,307	99.71%
2010	85,172,555	81,368,255	95.53%	3,550,949	84,919,204	99.70%
2011	80,780,558	77,326,315	95.72%	3,234,632	80,560,947	99.73%

Source: Washtenaw County Treasurer's Office

WASHTENAW COUNTY

■ Ratios of Outstanding Debt by Type Last Ten Fiscal Years

	2002	2003	2004	2005	2006
Governmental activities					
General obligation bonds	\$ 37,690,000	\$ 35,035,000	\$ 38,120,000	\$ 35,615,000	\$ 56,400,000
Capital leases	685,608	346,319	136,872	461,948	309,424
Loans	292,133	292,133	292,133	272,658	253,182
Total outstanding debt	<u>\$ 38,667,741</u>	<u>\$ 35,673,452</u>	<u>\$ 38,549,005</u>	<u>\$ 36,349,606</u>	<u>\$ 56,962,606</u>
Total taxable value (000's)	\$ 13,702,101	\$ 15,045,691	\$ 16,314,986	\$ 17,534,624	\$ 18,545,553
Ratio of total debt to taxable value	0.28%	0.24%	0.24%	0.21%	0.31%
Total population	334,351	338,562	338,782	342,124	347,792
Total debt per capita	\$ 115.65	\$ 105.37	\$ 113.79	\$ 106.25	\$ 163.78
% of personal income	0.32%	0.28%	0.29%	0.27%	0.41%

Source: Washtenaw County Finance Department

Further details regarding the County's debt can be found in the notes to the financial statements.

Schedule 10
UNAUDITED

2007	2008	2009	2010	2011
\$ 73,870,000	\$ 90,115,000	\$ 83,125,000	\$ 75,765,000	\$ 68,005,000
829,132	468,072	672,480	711,121	1,302,837
233,707	214,231	194,756	175,280	155,804
<u>\$ 74,932,839</u>	<u>\$ 90,797,303</u>	<u>\$ 83,992,236</u>	<u>\$ 76,651,401</u>	<u>\$ 69,463,641</u>
\$ 19,330,952	\$ 18,765,028	\$ 17,529,498	\$ 16,263,508	\$ 15,480,177
0.39%	0.48%	0.48%	0.47%	0.45%
347,969	344,767	347,563	344,791	344,791
\$ 215.34	\$ 263.36	\$ 241.66	\$ 222.31	\$ 201.47
0.53%	0.67%	0.64%	0.58%	0.53%

Ratios of Net 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			
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	0.52%	0.38%	212.29
2008	90,115,000	-	90,115,000	0.67%	0.48%	261.38
2009	83,125,000	-	83,125,000	0.63%	0.47%	239.17
2010	75,765,000	-	75,765,000	0.58%	0.47%	219.74
2011	68,005,000	-	68,005,000	0.52%	0.44%	197.24

Source: Washtenaw County Finance Department

WASHTENAW COUNTY

Schedule 11

UNAUDITED

■ Computation of Net Direct and Overlapping Debt
As of December 31, 2011

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation tax notes	\$ 24,500,000	\$ 24,500,000	\$ -
General obligation bonds	68,005,000	-	68,005,000
Notes payable	155,804	-	155,804
Water Resources bonds and notes	12,784,548	12,316,357	468,191
Public Works water and sewer debt	27,992,279	27,992,279	-
Road Commission debt	1,245,000	1,245,000	-
	<u>\$ 134,682,631</u>	<u>\$ 66,053,636</u>	<u>68,628,995</u>
Overlapping debt			
School districts			896,100,642
Cities			206,695,300
Townships			76,818,934
Villages			8,649,000
Intermediate school district			331,559
Community colleges			30,790,375
Library			23,886,278
			<u>1,243,272,088</u>
			<u>\$ 1,311,901,083</u>

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

Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2011

Assessed value	<u>\$ 15,480,176,123</u>
Debt limit (10% of assessed value)	\$ 1,548,017,612
Debt applicable to limit - general obligation bonds	<u>134,682,631</u>
Legal debt margin	<u>\$ 1,413,334,981</u>

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
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%
2009	1,752,949,726	150,036,016	1,602,913,710	8.56%
2010	1,626,350,827	144,462,548	1,481,888,279	8.24%
2011	1,548,017,612	134,682,631	1,413,334,981	8.70%

Source: Washtenaw County Finance Department

Demographic and Economic Statistics
Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
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	347,969	14,233,752	40,905	4.7%
2008	344,767	13,482,692	39,107	7.3%
2009	347,563	13,158,533	37,859	13.8%
2010	344,791	13,158,533 (a)	37,859 (a)	11.1%
2011	344,791 (a)	13,158,533 (a)	37,859 (a)	9.3% (b)

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

(b) Preliminary reported as of December 31, 2011

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

Schedule 14

UNAUDITED

Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
University of Michigan	27,766	1	6.43%	14,996	1	8.40%
Trinity Health	5,456	2	1.26%	4,405	5	2.47%
Ann Arbor Public Schools	3,200	3	0.74%	1,851	9	1.04%
U.S. Government	2,773	4	0.64%	2,549	6	1.43%
Eastern Michigan University	1,951	5	0.45%	2,071	7	1.16%
Thomson Reuters	1,816	6	0.42%	-	-	-
State of Michigan	1,458	7	0.34%	1,954	8	1.09%
Washtenaw County	1,314	8	0.30%	1,300	11	0.73%
Ford Motor Company	805	9	0.19%	7,500	2	4.20%
Ypsilanti Public Schools	640	10	0.15%	653	15	0.37%
Intergrated Health Associates Inc.	627	11	0.15%	-	-	-
DTE Energy Co.	605	12	0.14%	-	-	-
U.S. Postal Service	596	13	0.14%	626	16	0.35%
Washtenaw Community College	561	14	0.13%	-	-	-
Domino's Pizza Inc.	550	15	0.13%	525	20	0.29%
Edward Bros. Inc.	425	16	0.10%	-	-	-
Chrysler Group LLC	393	17	0.09%	-	-	-
General Motors	378	18	0.09%	5,579	4	3.12%
Chelsea Milling Co.	301	19	0.07%	-	-	-
Con-Way Inc.	297	20	0.07%	-	-	-
	<u>51,912</u>		<u>12.03%</u>	<u>44,009</u>		<u>24.64%</u>

Source: Crain's Detroit Business

WASHTENAW COUNTY

Schedule 15

UNAUDITED

Full-Time Equivalent County Government Employees by Function/Program
Last Nine Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011
Legislative									
Board of Commissioners	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Judicial									
Trial Court-Civil/Criminal	30.9	28.7	28.7	26.7	26.7	26.7	26.7	26.7	26.7
Trial Court Clerk Services	-	-	-	-	-	-	-	19.0	19.0
District Court	44.6	44.0	44.0	47.0	48.0	51.0	49.0	51.0	51.0
Trial Court-Probate	9.0	11.0	10.0	11.0	11.0	11.0	12.0	12.0	12.0
Trial Court-Juvenile Center	31.4	25.3	28.3	25.5	26.0	27.0	23.8	24.8	24.8
Trial Court-Friend of the Court	59.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0
Community Corrections	7.0	9.0	9.0	9.0	8.0	8.0	8.0	7.0	7.0
Public Defender	22.0	22.0	21.0	21.0	22.0	22.0	18.0	16.0	16.0
General Government									
County Administration	5.0	4.0	4.0	4.0	6.0	6.0	5.5	3.5	3.5
Corporation Counsel	1.8	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0
Budget	-	4.0	4.0	5.0	5.0	5.0	4.0	4.5	4.5
Finance	27.0	20.0	20.0	20.0	20.0	18.3	16.2	16.0	16.0
Information & Tech Systems	45.0	35.0	34.0	34.0	27.8	27.3	24.6	24.5	24.5
Equalization	14.0	14.0	13.0	14.0	14.0	14.0	13.0	13.0	13.0
Human Resources	13.0	8.0	8.0	8.0	7.0	9.8	9.0	7.0	7.0
Organizational Development	-	4.0	5.0	5.0	3.0	1.0	1.0	-	-
Clerk/Register	51.5	51.5	50.5	51.5	51.5	49.5	48.5	23.0	23.0
Treasurer	13.5	13.8	12.8	12.8	14.5	14.5	15.5	16.5	16.5
Drain/Water Resources Commissioner	21.0	22.0	21.0	21.0	18.0	20.0	20.0	19.0	19.0
Economic Development & energy	-	-	-	-	-	-	-	4.0	4.0
WSC Customer Support Unit	-	-	5.3	5.3	5.3	-	-	-	-
Office of Strategic Planning	-	-	-	-	-	-	7.0	-	-
Risk Management	3.0	0.5	0.5	0.5	0.5	0.5	1.0	2.0	2.0
Facilities Management	38.0	30.0	31.0	31.0	28.5	27.5	22.0	22.5	22.5
Support Services - Fleet	3.0	3.0	3.0	3.0	3.0	2.5	1.0	0.5	0.5
Support Services - Project Management	-	-	-	-	3.8	3.8	3.0	1.0	-
Support Services - Strategic Planning	2.0	2.0	-	-	7.0	5.0	4.0	-	-
Public Safety									
Prosecuting Attorney	39.9	41.9	41.9	42.9	43.9	42.9	41.9	41.9	41.9
Prosecuting Attorney - CRP	7.2	7.2	7.2	7.2	7.2	6.4	6.3	6.2	6.2
Prosecuting Attorney - Domestic Violence	24.0	8.0	7.0	2.0	2.0	2.0	2.0	2.0	2.0
Sheriff	296.0	289.0	282.5	284.5	288.0	282.0	283.8	285.8	285.8
Building Inspection/Services	25.0	15.0	13.3	13.3	28.9	9.5	9.6	5.0	5.0
Emergency Management	3.0	4.0	4.0	5.0	5.0	5.0	5.0	2.0	2.0
E-911 - Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	4.0
HIDTA	-	3.0	3.0	3.0	3.0	5.0	3.0	3.0	-
Public Works									
Public Works	16.6	12.5	11.1	11.1	12.2	12.7	2.0	1.0	1.0
Solid Waste	1.8	1.8	1.0	1.8	1.8	1.8	1.8	1.8	1.8
Health									
Environmental Health	43.0	42.0	38.5	38.5	35.6	30.6	29.6	28.6	28.6
Public Health	86.2	69.6	70.8	70.8	72.9	74.8	72.4	68.4	68.4
Community Support & Treatment Services	271.1	235.5	251.8	265.4	276.5	281.5	308.0	301.0	301.0
Washtenaw Community Health Organization	50.1	63.2	65.2	78.1	80.1	78.1	73.1	63.3	63.3
Social Services									
Child Care - Trial Court/Juvenile Center	15.2	13.9	13.9	15.9	15.9	17.6	17.6	17.6	17.6
Child Care - Detention	29.6	30.2	30.2	30.0	29.9	28.9	28.2	30.6	30.6
Children Services	12.0	11.4	11.4	11.6	11.6	9.7	9.4	5.0	-
Veterans Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Employment Training & Community Services	22.1	19.4	19.4	19.4	19.4	19.4	18.9	18.9	18.9
Head Start	36.5	36.5	36.5	37.0	37.3	37.3	37.3	36.3	36.3
Community Development	-	-	4.0	5.0	6.5	5.7	9.0	10.0	10.0
Culture & Recreation									
Parks & Recreation	36.0	31.0	33.0	35.0	35.0	40.0	42.0	39.0	39.0
Library	7.0	6.0	6.0	7.0	7.0	5.5	-	-	-
County Extension	6.0	5.0	1.0	1.0	1.0	4.0	3.8	2.7	2.7
Total	<u>1,486.8</u>	<u>1,376.1</u>	<u>1,383.9</u>	<u>1,418.8</u>	<u>1,455.5</u>	<u>1,428.8</u>	<u>1,415.1</u>	<u>1,361.3</u>	<u>1,355.3</u>

Source: Washtenaw County Finance Department - 2010/11 budget summary listing of authorized active positions
Only nine years of data readily available.

WASHTENAW COUNTY

Operating Indicators by Function/Program Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007
Public Safety						
Sheriff:						
Number of incidents	56,942	54,644	53,266	52,479	53,279	51,191
Number of crash reports	4,656	4,703	4,339	4,273	6,611	3,259
Number of arrests	2,900	2,648	2,509	2,306	1,127	2,108
Number of bookings	8,419	8,093	7,135	6,969	6,993	7,084
Public Works						
Centerline miles of road maintained	1,582	1,594	1,603	1,612	1,624	1,634
Health						
Public Health:						
Vaccines administered [1]	41,642	44,971	40,410	54,143	46,454	53,409
Number of monthly participants	4,522	4,559	4,667	4,580	4,660	4,712
Culture & Recreation						
Parks & Recreation:						
Recreation center participation	395,190	414,354	363,709	367,581	370,696	346,298
Aquatic center participation	89,343	77,195	75,127	107,403	104,453	111,183
Rounds of Golf	40,816	39,249	39,169	37,591	37,049	33,580
Boat Rental	904	541	652	734	602	590

[1] Beginning in 2011, the County was no longer a vaccine depot; other providers in the county now order and receive their vaccines directly from the federal and state governments.

Source: Washtenaw County Finance Department

Schedule 16
UNAUDITED



2008	2009	2010	2011
60,449	61,563	63,825	54,492
4,118	2,803	2,876	2,607
3,876	6,980	2,388	4,783
7,433	7,176	7,152	7,170
1,647	1,650	1,652	1,654
49,688	46,600	57,522	5,690
4,920	5,000	5,700	5,700
317,029	341,078	338,148	339,946
104,172	92,062	113,635	115,012
31,120	35,880	33,316	29,003
822	731	792	821

WASHTENAW COUNTY

Schedule 17

UNAUDITED

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sheriff										
Vehicle patrol units:										
Police service automobiles	82	82	85	85	85	90	90	89	87	87
Animal control	1	1	2	2	2	2	2	2	2	2
Marine safety	2	6	2	2	2	3	3	3	3	3
Jail	16	16	17	17	17	17	17	18	17	17
Motorcycles	5	12	12	12	12	2	-	-	-	-
Parks and recreation										
Parks:										
County	13	13	13	13	13	13	13	13	13	13
Natural areas	-	6	6	6	10	12	20	17	19	20
Park acreage:										
Parkland	1,376	1,438	1,438	1,647	1,762	1,834	1,903	1,943	1,943	1,952
Natural areas	-	438	715	780	980	1,079	1,659	1,767	2,044	2,214
Picnic areas	19	19	19	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	1	1	1
County recreation center	1	1	1	1	1	1	1	1	1	1
Fishing structures	3	3	3	3	3	3	3	3	3	3
Pavilions	11	11	12	12	12	12	12	12	13	13
Concession	-	-	3	3	3	3	3	3	3	3
Multi-purpose	-	-	2	2	2	2	2	2	2	2
Nature cabin	1	1	1	1	1	1	1	1	1	1
Swimming beach areas	2	2	2	1	1	1	1	1	1	1
Swimming pools (in/out)	2	2	2	1	1	1	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	2	2	2
Trails:										
Nature	7	7	9	9	9	10	10	11	12	12
Exercise	1	1	1	1	1	1	1	1	1	1
Multiuse	8	8	8	8	8	8	8	8	8	8
Playgrounds	6	6	6	6	7	7	7	7	6	6
Water Areas:										
Water parks	1	1	1	1	1	1	1	1	1	1
Spray play feature	3	3	3	3	3	3	3	3	3	3
Lazy river ride	-	-	1	1	1	1	1	1	1	1
Public works										
Centerline miles of county roads:										
Federal and State	180	180	180	576	576	580	580	580	580	580
Primary	529	529	542	586	587	588	588	589	589	590
Local	758	756	743	703	704	706	706	705	705	705
Subdivision	282	296	308	323	333	340	353	356	357	359

Source: Washtenaw County Finance Department

This Page Intentionally Left Blank

Schedule of Insurance
As of December 31, 2011

Type of Coverage Name of Company	Policy Period	Premium	Description
Genesis Insurance Company	10/1/11-10/1/12	\$ 645,818	Auto, general and police legal liability of the County for bodily injury, property damage and personal injury. Limit \$10,000,000 per occurrence and \$5,000,000 aggregate. Occurrence form; \$400,000 self insured retention.
Buildings and Contents CHUBB Insurance Co.	10/1/11-10/1/12	188,234	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	10/1/11-10/1/12	Included	Covers scheduled portable equipment consisting of radio and video equipment, boats and trailers, etc. All risk coverage.
Data Processing Coverage	10/1/11-10/1/12	Included	Covers data processing equipment, media and extra expense. Limit \$500,000 per occurrence.
Employee Benefit Liability	10/1/11-10/1/12	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.	10/1/11-10/1/12	12,940	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	10/1/11-10/1/12	Included	Policy limit \$10,000,000 subject to \$400,000 deductible covers liability for wrongful acts, claims made form, duty to defend.
Professional Liability Hudson Insurance Co.	10/1/11-10/1/12	125,713	Covers Public and Mental Health operations (includes doctors) \$1,000,000/\$3,000,000 each medical incident. Deductible of \$250,000 does not include defense costs.
Boiler Machinery Policy	10/1/11-10/1/12	Included	Covers boilers and air conditioning units, broad form basis (except cast iron), including repair and/ or replacement on most objects. \$1,000 deductible.

Continued...

Type of Coverage Name of Company	Policy Period	Premium	Description
Lawyers Professional	10/1/11-10/1/12	1,730	Covers Employee related issues in Public Defender's Office.
Lloyds/National Legal Aid and Defender Association	3/1/11-3/1/12	15,307	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.
Short-Term Bond Burnham & Flower of Michigan The Hartford	12/01/11-03/31/12	\$ 31,419	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	10/1/11-10/1/12	34,590	Covers 20 Judges, Magistrates and referees \$1,000,000 liability coverage per claim. \$2,500 deductible.
Federal Insurance Companies	10/1/11-10/1/12	12,250	Fiduciary Liability Policy for Washtenaw County covering the VEBA, MPPP and WCERS Systems with limits of \$3,000,000.
United States Liability	10/1/11-10/1/12	1,633	Liquor Liability Insurance Policy for Pierce Lake Golf Course
Workers' Compensation BROADSPIRE	02/01/10-02/01/11	38,695	TPA for Claims Service.
Safety National	02/01/10-02/01/11	59,641	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
Preferred Provider Organization PPO 1 (662) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, emergency care, and prescription co-pay (\$0/\$30). No annual deductible
Preferred Provider Organization PPO 1 (702) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, emergency care, and prescription co-pay (\$5/\$30). No annual deductible
Preferred Provider Organization PPO 10 (682) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, care, emergency care, and prescription copay(\$0/\$30). Annual deductible \$250 (\$500 family). 10% annual copay after deductible met \$500 (\$1,000 family)

Continued...

Type of Coverage Name of Company	Policy Period	Premium	Description
Preferred Provider Organization PPO 10 (692) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, care, emergency care, and prescription copay(\$5/\$30). Annual deductible \$250 (\$500 family). 10% annual copay after deductible met \$500 (\$1,000 family)
Preferred Provider Organization PPO 2 (672) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, care, emergency care, and prescription copay (\$0/\$30). Annual deductible \$100 (\$200 family). 10% annual copay after deductible met \$500 (\$1,000 family)
Dental Blue Cross Dental Core Plan	Monthly	Varies	100% basic dental, 50% other services, 50% Prosthodontics and Orthodontic services, \$750 annual limit.
Dental Blue Cross Dental Retiree Plan	Monthly	Varies	100% basic dental, 50% other services, 50% Prosthodontics, no Orthodontic services, \$750 annual limit
Dental Blue Cross 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)
Vision Care Blue Cross/Blue Shield/ 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.



This Page Intentionally Left Blank