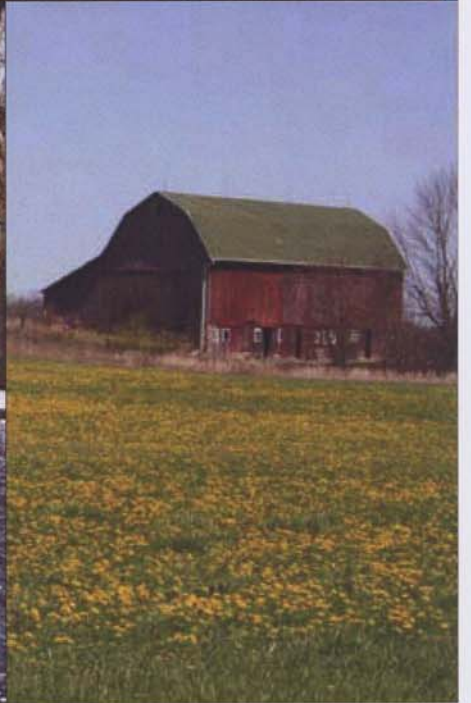




Comprehensive Annual Financial Report Year Ended December 31, 2010



WASHTENAW COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2010

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, 2010 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, 2010

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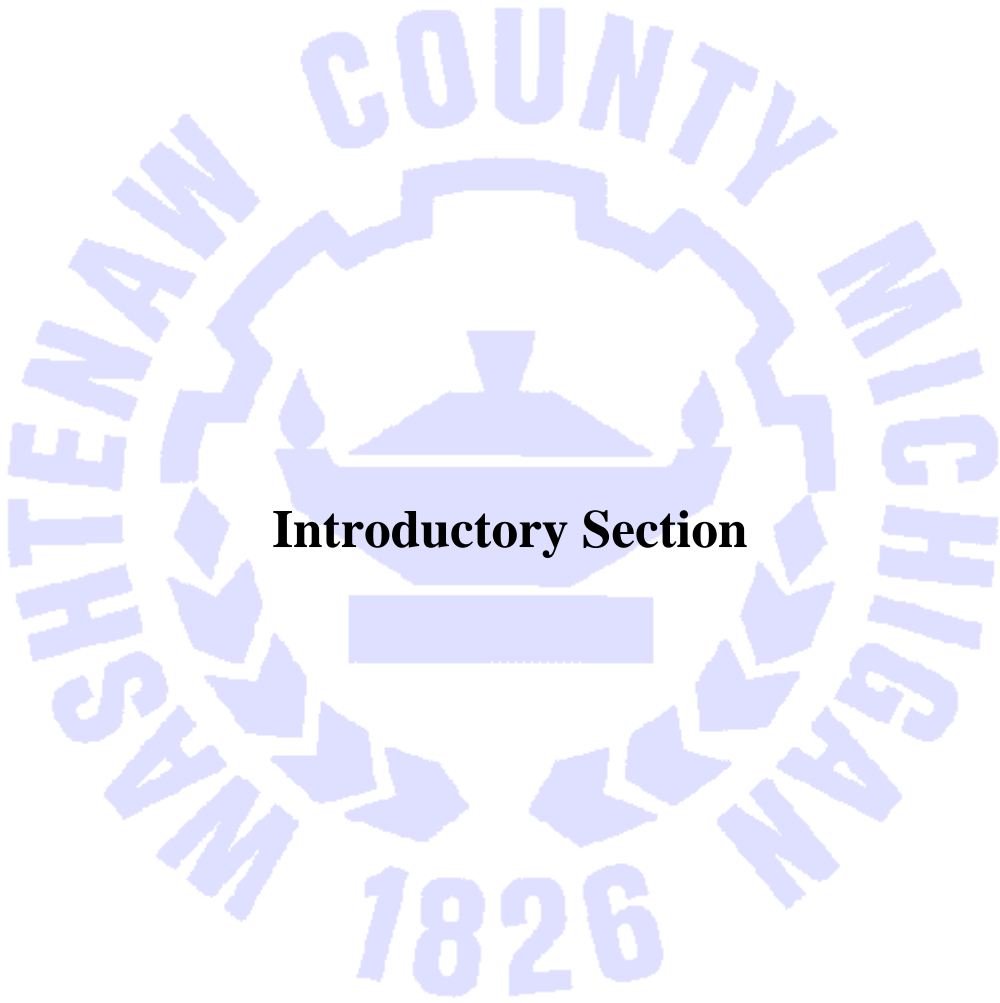
Rehmann Robson

**WASHTENAW COUNTY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2010**

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Introductory Section



COUNTY ADMINISTRATOR

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March 18, 2011

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



The Comprehensive Annual Financial Report (CAFR) of Washtenaw County for the year ended December 31, 2010, 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, 2010.

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, 2010. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Washtenaw County, incorporated in 1827, is located in the southeast region of Michigan's Lower Peninsula, approximately 40 miles west of Detroit. The County encompasses 28 cities, villages and townships, settings range from urban to rural and small town to suburban. It is the sixth largest county in the State of Michigan, with an estimated 2010 population of 347,699. Sixty-three percent of the County's population resides in four main areas. Its major cities are Ann Arbor and Ypsilanti, with estimated populations of 109,346 and 19,419, respectively. The County's two largest townships are Ypsilanti and Pittsfield, with estimated populations of 53,037 and 37,224, respectively. It covers an area of approximately 710 square miles. The County seat is located in the City of Ann Arbor. Washtenaw County is empowered to levy a property tax, the primary source of funding, on both real and personal property located within its boundaries.

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

Washtenaw County provides a full range of services in the following 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 I.A.).

The Board of Commissioners is required to adopt a final operating budget prior to the beginning of each fiscal year. This annual budget serves as the foundation for Washtenaw County's financial planning and control. The budget is approved and budgetary control is exercised at the department level. Expenditures may not exceed budgeted appropriations at the department level. Departments are authorized to make budget adjustments up to \$10,000 within established categories of their budget. The County Administrator is authorized to make budget adjustments within and between categories of budgets up to \$100,000 or 10% of the budget, whichever is less. Budget adjustments greater than this amount must be approved by the Board of Commissioners. Transfers from the Capital Reserve 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 13.1 percent, and is also below the national average, currently at 9.6 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 and has leveled downward slightly to the current rate of 8.6 percent (2010).

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

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

Washtenaw County has maintained strong population growth over the past two decades. This growth is expected to continue in the foreseeable future. Our 2000 Census population was 322,770. The estimated 2035 population is 380,170. The median age for the County is younger compared to the State of Michigan. In 2000, Washtenaw County had a median age of 32.9, while Michigan had a 35.5 median age. In 2010, the County is estimated to have a median age of 33.2, while Michigan is estimated to have a median age of 38.5. The low median age assures that the future will hold a broad pool from which employers can select skilled candidates for work in various business sectors.

Over 48% of our residents 25 years and older have completed four or more years of college. The median household income (as of 2008) of our residents is over 22% higher than that of the State of Michigan and over 13% higher than the United States as a whole. 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. The County's total equalized value of taxable property for 2010 was approximately \$16.3 billion, a decrease over the prior year of \$1.2 billion, or roughly 7.2%. Even though other statistics indicate a strong local economy, the economic base of the County has decreased for the third consecutive year, and current information from the Washtenaw County Equalization Division projects that the 2011 total equalized value of taxable property will continue to decline even more, estimated to be up to an eight percent loss.

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

Total governmental activities expenses have increased 53 percent over the past decade. From a ten year low of \$128.1 million in 2001, total expenses increased an average of 4.9 percent per year and reached an all time high of \$196.2 million. During 2010, total expenses increased 1.7 percent over the prior year.

Governmental activities expenses for public safety, health, social services and judicial functions have made-up over 80.0 percent of total expenses for the past ten years. Judicial and health expenses decreased slightly (just over one percent) over the prior year. Judicial expenses were at their lowest levels in five years, making-up 12.2 percent of the total for the year. Although health expenses decreased over the prior year, they have consistently averaged 22.5 percent of total expenses for the past decade. Public Safety expenses have increased in amount each year since 2001, and have consistently remained within two percent of their category of total expenses (a ten-year average of 27.5 percent). Social services expenses have increased in amount each year since 2003, and made-up 21.5 percent of total expenses during 2010 (the decade average is 17.3 percent).

General government expenses have averaged 12.6 percent of total expenditures over the past decade. Between 2001 and 2008 expenses fluctuated within two percent of their category of total expenses. During 2009, expenses decreased 18.6 percent (due to streamlining operations through organizational structure changes and reorganizations) over 2008. During 2010, expenses decreased over the prior year, as savings continued to be realized from the changes that took place during 2009, and currently makeup 9.4 percent of total governmental expenses.

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

The remaining expenditure categories (legislative, public works and interest expense activities) currently makeup less than 3.0 percent of total expenses. During the past ten years, the government's interest expenses have fluctuated in amount because of the required and scheduled payment amounts due on long-term debt each year. During 2010, the interest expense decreased 6.3 percent over the prior year. Both legislative and public works expense categories decreased over the prior year and have remained constant as a percent of total expenses for the past decade (a ten year average of 1.0 percent). The consistency from year to year in these categories is a result of consistent operational expenses and minimal changes to the program areas.

Total governmental revenues have increased 52.6 percent over the past decade. From a decade low of \$135.3 million in 2001, total revenues increased an average of 4.9 percent per year. Revenues increased 4.1 percent over the prior year and reached an all time high of \$206.5 million during 2010. Governmental activities revenue for property taxes, operating grants and contributions, and charges for services currently makeup over ninety-five percent of total revenues.

Property tax revenue not only increased in amount (\$44.8 million) between 2001 and 2006, but also as a percentage of total revenue (a five year average of 41.8 percent), to approximately 49.2 percent of the revenue collected during 2006. During 2007, property taxes decreased by approximately \$8.7 million (9.2 percent) from 2006. This decrease was attributed to being the first year, in the previous four years, that no shift in property tax collections occurred. During the prior three years (2004-2006), property tax collections shifted from a December to a July levy, an additional one-third of the levy was collected each year until the transition was complete. The accelerated revenue recognition, pursuant to Public Act 357 of 2004, has and will continue to provide funding, until 2013, that serves as a substitute for state revenue sharing payments. Property taxes continued to decrease during 2008 through 2010 (due to taxable value declines). During 2010, property taxes decreased (4.0 percent) over prior year and currently makeup 38.4 percent of total revenues.

Operating grants and contributions increased in amount (a ten year increase of 99.2 percent), but have consistently been approximately 32.1 percent (average) of total revenues between 2001 and 2007. Between 2008 and 2010, operating grants and contributions increased both in amount and as a percent of total revenues (36.8 percent, 38.6 percent and 40.7 percent, respectively) as awards and additional resources have supplemented programs in health, social services, judicial and public safety activities.

During the past decade, charges for services increased in amount, but decreased in the percent of total revenues. In 2001, charges for services were \$27.7 million and 20.4 percent of total revenues. In 2010, charges for services were approximately \$31.1 million and 15.1 percent of total revenues. To explain the increase in amount, user fees and charges may fluctuate based on usage of a service and as fee increases and/or new fees are implemented, but are not intended to recoup the full costs of providing services.

The remaining revenue categories (transfers, accommodation taxes, unrestricted grants and contributions, capital grants and contributions and investment earnings) currently makeup approximately 5.7 percent of total revenues at the end of 2010. Transfers are the net of other financing sources/uses (transfers in have exceeded transfers out for the past decade) for governmental activities. Accommodation taxes are revenues from the use of hotel and convention facilities and are restricted for tourism programs. Unrestricted grants and contributions are other revenues that are not restricted to specific programs and may be used for any purpose. Capital grants and contributions are primarily used for public safety activities for

domestic preparedness and homeland security programs. Investment income has declined to its lowest levels in a decade due the economic realities of the current recession and the stock market declines.

Long-Term Financial Planning

Total fund balance in the general fund (16.2 percent of total general fund expenditures and transfers out) falls within policy guidelines set by the Board of Commissioners for budgetary and planning purposes. The Board has continued its commitment to plan future budgets to meet the goal of a reserve for subsequent years representing 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 more than 70 years ago have we experienced such profound economic loss.

The County's projections on property taxes will be tested, once again, come April of 2011 when the 2011 Equalization Report is published. The budget is a set of complex and interrelated assumptions, but nobody can predict the future. The projections for the next few years still remain with 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 taxes will continue to decline. A reduction of 5.0 percent in 2012 and 2.0 percent in 2013 have been estimated as a gradual recovery from the steeper decline projected for 2011 (8.5 percent). Other revenues including fees and fines are estimated to remain relatively flat. The County continues to operate with a great uncertainty as the State of Michigan struggles to find solutions to balance a billion dollar deficit. An impact on the County is certain. The question becomes the timing and severity. The most pressing concern comes in 2013 when the County's Revenue Sharing Reserve 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. However, the County must proceed in developing options if this does not occur.

For expenditures, the assumptions take into consideration conservative wage adjustments 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 of years only highlights the necessity for clear priorities and direction for the organization.

The 2011 budget and the 2012 and 2013 projections are intended to first “stop the bleeding” from the economic downturn so that we can move forward in a strategic way to develop a long-term path to fiscal wellness. However, property tax revenues for each fiscal year are not known now until four months into the fiscal year. The budget is based on a set of assumptions using known information during the time of development. It will be critical to closely monitor these assumptions as new information from the emerging economy continues to become available. The challenge will continue into the future as the County is projecting sizable deficits in 2012 and 2013.

The County has already begun planning for the 2012 and 2013 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. The desire is for 2011 to be a strategic planning year to determine that desired long-term path to fiscal stability and to re-define Washtenaw County government.

Relevant Financial Policies

As a means to save state funding, legislation (Public Act 357 of 2004) was passed that shifted the timing of property tax payments to create a revenue stream that, for the next three years or so, will offset the reduction in state revenue sharing. The measure gradually moved up property tax collections from the winter to the summer over three years. Counties annually transfer from this pool the exact amount of funding that would have been available through state revenue sharing. Each year the State publishes the allowable spending amount that can be transferred from the reserve fund. The allowable spending amount is calculated using the growth in the U.S. Consumer Price Index from the State’s 2008 and 2009 fiscal years. The inflation rate used for fiscal year 2010 was -0.3% and will be 2.1% for 2011.

Many changes occurred when the State passed the law to shift the County's tax levy from December to July. One consequence was on the cash flow of the general fund, as the property tax revenue used to be received early in the year to sustain expenditures throughout the entire fiscal year. Now, costs begin to be incurred as of January 1, however the property tax revenue (over 70% of the general fund revenue) is not collected until the second half of the year. This potentially creates a negative cash balance in the general fund. The law allows for the use of the revenue sharing reserve fund cash to be moved into the general fund if such an issue arises. It was necessary for this to be the County's practice for 2009 and beyond until the revenue sharing reserve fund is depleted. Interest levels have and will continue to decline from previous levels as the level of cash declines through the use of the revenue sharing reserve fund. It is a significant long-term issue with a need to identify a permanent solution to the general fund cash flow shortage, as it is projected that the revenue sharing reserve fund will not be available after 2013.

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 (2010 and 2011) budget. Attempts were made to be as strategic as possible rather than implementing across the board reductions. A balance was desired between the short-term and long-term needs of the community and the organization. It was desired that the County hold true to its role as the "safety net" for vulnerable citizens, while at the same time strategically invest in the community for long-term fiscal stability. This is a challenge with limited and declining resources, and with the demand for services growing.

Information sharing with the Board of Commissioners resulted in several focus areas used to manage the budget reductions. The priorities included preserve services and jobs, equity in process, review serviceability of mandate, evaluate non-mandated programs, and invest in the community. In an attempt to carry out these priorities several budget reduction principles were laid out for the organization and used during budget discussions: revenue growth and reform – pursue opportunities to maximize revenues to return to long-term fiscal stability; reduce the cost of doing business – demonstrate that we are operating programs as efficiently as possible; community collaboration – work with private, non-profit and public organizations to maintain services to our residents; organization structure by core business – determine the best organizational structure, including level of management to carry out our business; and employee compensation and benefits – work with our union partners to identify ways to reduce the County costs for personnel.

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 have a very difficult road ahead as we address the projected \$20 million deficit for 2012/2013. As difficult as this road is, it's also an opportunity to truly evaluate this organization and determine the best options for moving forward. This organization will change; it must change. We can no longer be everything to everyone; rather we must have a targeted approach for making the greatest positive impact on this community and I'm looking forward to using my role as County Administrator to do just that.

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, 2009. This was the 20th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition to the Certificate of Achievement, the County also received the GFOA's Distinguished Budget Presentation Award for its budget for the biennium period beginning January 1, 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 2009 PAFR was the County's fourth 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	Sue Bos	Tina Gavalier	Stefanie Thacker
Roberta Allen	Jennifer Brassow	Janet Gilkey	Xiaohong Wu
Terry Ballantyne	Peter Collinson	Marie Irwin	
Don Bilbey	Janet Egeler	Kirsten Osborn	

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

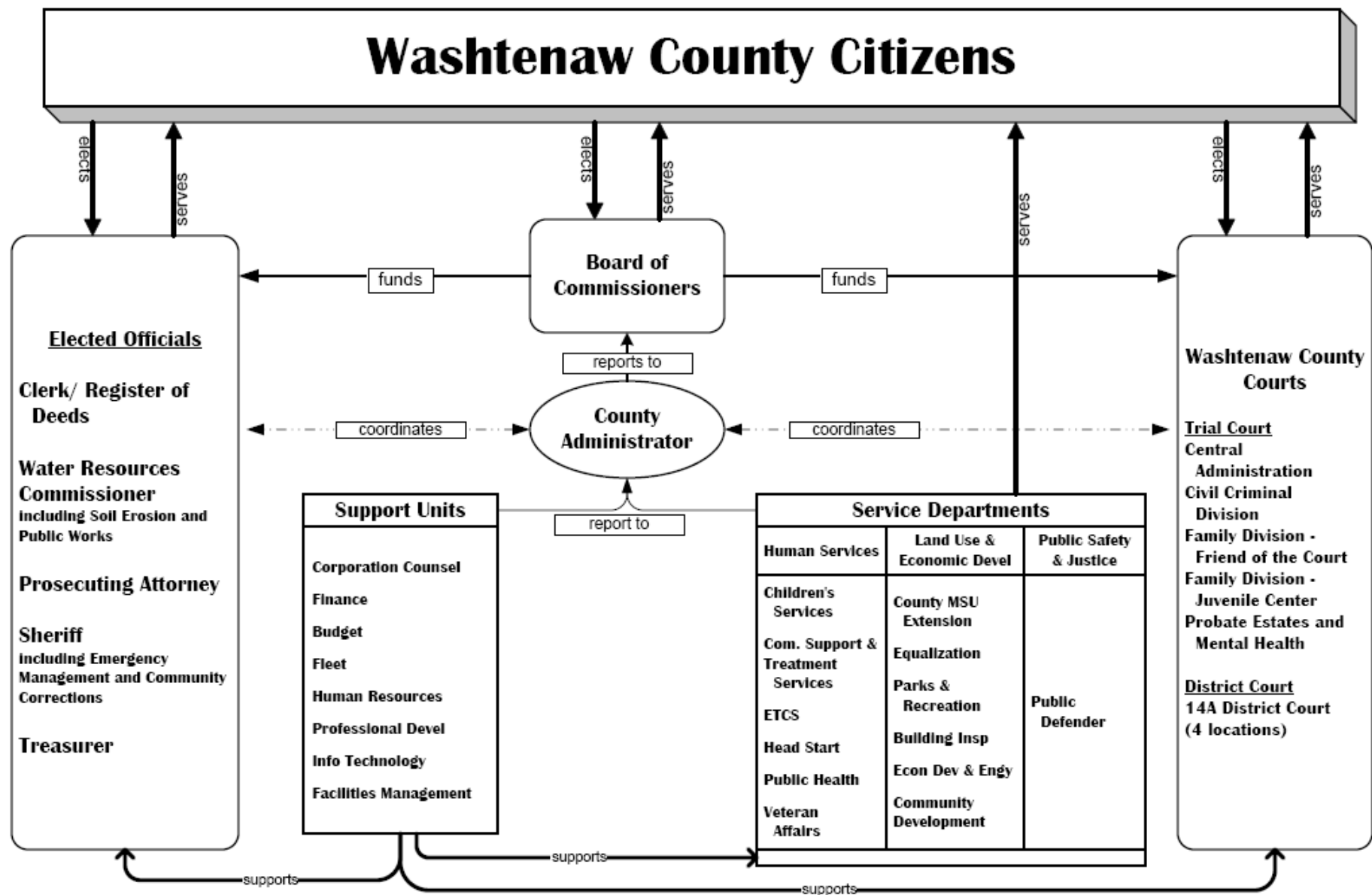
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



President

Executive Director



WASHTENAW COUNTY

PRINCIPAL OFFICIALS

At December 31, 2010

Board of Commissioners

Rolland Sizemore Jr., Chair

Barbara Levin Bergman
Leah Gunn
Jeff Irwin
Kristin Judge
Mark Ouimet

Ronnie Peterson
Jessica Ping
Wesley Prater
Ken Schwartz
Conan Smith

District Court Judges

Richard E. Conlin

J. Cedric Simpson

Kirk W. Tabbey

Trial Court Judges

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

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

Clerk/Register of Deeds

Lawrence Kestenbaum

**Water Resources
Commissioner**

Janis A. Bobrin

Prosecuting Attorney

Brian Mackie

Sheriff

Jerry L. Clayton

Treasurer

Catherine McClary

County Administrator

Verna J. McDaniel



Financial Section

INDEPENDENT AUDITORS' REPORT

March 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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Washtenaw County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Employment Training and Community Services Fund, which represents 7.8% of the assets and 24.3% of the revenues of the aggregate remaining fund information and 0.4% of the assets and 7.6% of the revenues of the governmental activities. Also, we did not audit the financial statements of the Washtenaw County Road Commission, which represents 76.8% of the assets and 79.4% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Employment Training and Community Services Fund and Washtenaw County Road Commission, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Washtenaw County, Michigan**, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2011, on our consideration of **Washtenaw County, Michigan's** internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-16 and the pension and other postemployment benefits information on pages 90-92 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in cursive script that reads "Lehmann Johnson".



**Management's Discussion
and Analysis**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Washtenaw County, Michigan we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-ix 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 \$215,297,082 (*net assets*). Of this amount, \$83,805,934 (*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 \$10,602,588 during 2010. This increase is attributable to total revenues exceeding total expenses.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general, special revenue, debt service and capital projects funds) reported combined ending fund balances of \$88,498,970, a decrease of \$12,717,424 in comparison with the prior year. Eighty-three percent of the ending fund balances are subject to the underlying limitations applicable to the particular special revenue, debt service and capital project funds. Approximately seventeen percent of this total amount, \$15,310,490, is *available for spending* at the government's discretion only (general fund *unreserved, undesignated fund balance*).
- The general fund had a surplus of \$5,544,098 for 2010. This planned surplus will be carried forward and used to balance the 2011 budget. At the end of the year, total fund balance for the general fund was \$15,317,157, or approximately 16.2 percent of total general fund expenditures and transfers out.
- The County's investment in capital assets increased by \$16,345,393 during 2010.
- The County's total bonded debt, excluding delinquent tax notes, decreased by \$7,360,000 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 2010, the net assets of the County increased by \$10.6 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 17-19 of this report.

Reporting the County's Most Significant Funds

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

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

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

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

The County maintains 35 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 29 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for delinquent tax operations and property foreclosures. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for support services provided to other departments, which includes phone services, fleet, facilities management, insurance, duplicating and copier replacement, mail services and payroll fringe benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the delinquent tax operations and other enterprise funds. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

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

Reporting the County's Fiduciary Responsibilities

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

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

Additional Information

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-89 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 90-92 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 93-127 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 \$215,297,082 at December 31, 2010.

Washtenaw County's Net Assets

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 134,032,416	\$ 145,863,226	\$ 43,188,648	\$ 41,877,466	\$ 177,221,064	\$ 187,740,692
Capital assets	195,448,456	179,094,407	19,779	28,435	195,468,235	179,122,842
Total assets	329,480,872	324,957,633	43,208,427	41,905,901	372,689,299	366,863,534
Long-term liabilities	90,462,773	97,435,978	26,027,267	25,021,714	116,490,040	122,457,692
Other liabilities	40,856,962	39,661,772	45,215	49,576	40,902,177	39,711,348
Total liabilities	131,319,735	137,097,750	26,072,482	25,071,290	157,392,217	162,169,040
Net assets:						
Invested in capital assets, net of related debt	122,722,958	113,135,214	19,779	28,435	122,742,737	113,163,649
Restricted	8,748,411	6,804,739	-	-	8,748,411	6,804,739
Unrestricted	66,689,768	67,919,930	17,116,166	16,806,176	83,805,934	84,726,106
Total net assets	\$ 198,161,137	\$ 187,859,883	\$ 17,135,945	\$ 16,834,611	\$ 215,297,082	\$ 204,694,494

By far, the largest portion of the County's net assets, \$122,742,737 (57.0 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, \$83,805,934 (39.0 percent), *unrestricted net assets*, may be used to meet the government's ongoing obligations to citizens and creditors. The remaining balance of \$8,748,411 (4.0 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County is able to report positive balances in all three categories 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.

Washtenaw County's Changes in Net Assets

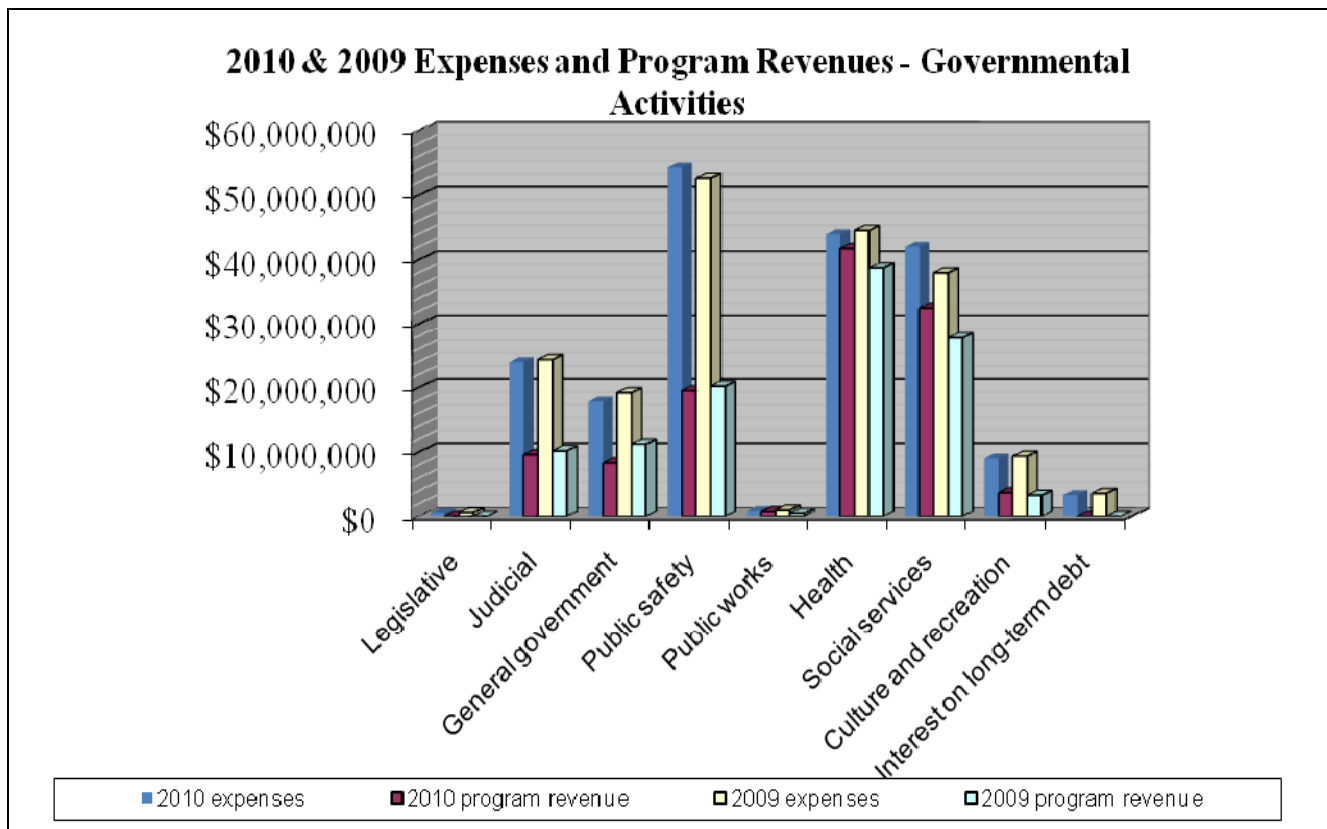
	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue						
Program revenue:						
Charges for services	\$ 31,130,459	\$ 30,821,038	\$ 7,296,651	\$ 7,393,803	\$ 38,427,110	\$ 38,214,841
Operating grants and contributions	84,101,904	76,525,122	-	-	84,101,904	76,525,122
Capital grants and contributions	557,446	1,118,781	-	-	557,446	1,118,781
General revenue:						
Property taxes	79,314,216	82,635,161	-	-	79,314,216	82,635,161
Accommodation taxes restricted for tourism programs	3,539,013	3,039,774	-	-	3,539,013	3,039,774
Grants and contributions not restricted to specific programs	1,245,565	428,646	-	-	1,245,565	428,646
Other	474,069	898,316	132,538	84,974	606,607	983,290
Gain on sale of capital assets	181,341	-	-	-	181,341	-
Total revenue	200,544,013	195,466,838	7,429,189	7,478,777	207,973,202	202,945,615
Expenses						
Legislative	526,142	593,756	-	-	526,142	593,756
Judicial	23,900,492	24,261,496	-	-	23,900,492	24,261,496
General government	18,483,213	19,155,496	-	-	18,483,213	19,155,496
Public safety	54,263,600	52,567,442	-	-	54,263,600	52,567,442
Public works	844,588	982,745	-	-	844,588	982,745
Health	43,899,534	44,486,741	-	-	43,899,534	44,486,741
Social services	41,959,629	37,914,200	-	-	41,959,629	37,914,200
Culture and recreation	8,981,545	9,312,142	-	-	8,981,545	9,312,142
Interest on long-term debt	3,322,673	3,544,774	-	-	3,322,673	3,544,774
Delinquent tax collections and related activities	-	-	1,394,780	1,417,752	1,394,780	1,417,752
Total expenses	196,181,416	192,818,792	1,394,780	1,417,752	197,576,196	194,236,544
Increase in net assets before transfers	4,362,597	2,648,046	6,034,409	6,061,025	10,397,006	8,709,071
Transfers	5,938,657	2,918,000	(5,733,075)	(2,208,624)	205,582	709,376
Increase in net assets	10,301,254	5,566,046	301,334	3,852,401	10,602,588	9,418,447
Net assets - beginning	187,859,883	182,293,837	16,834,611	12,982,210	204,694,494	195,276,047
Net assets - ending	\$ 198,161,137	\$ 187,859,883	\$ 17,135,945	\$ 16,834,611	\$ 215,297,082	\$ 204,694,494

The County's net assets increased by \$10.6 million during the current fiscal year; approximately \$10.3 million increase for governmental activities and \$0.3 million increase for business-type activities.

Governmental Activities. Overall, total revenues and transfers exceeded total expenses by over \$10.3 million, thereby accounting for 97.2 percent of the total growth in the net assets during 2010. Total revenues for governmental activities were \$5.1 more than the prior year. Key elements of the increase are as follows:

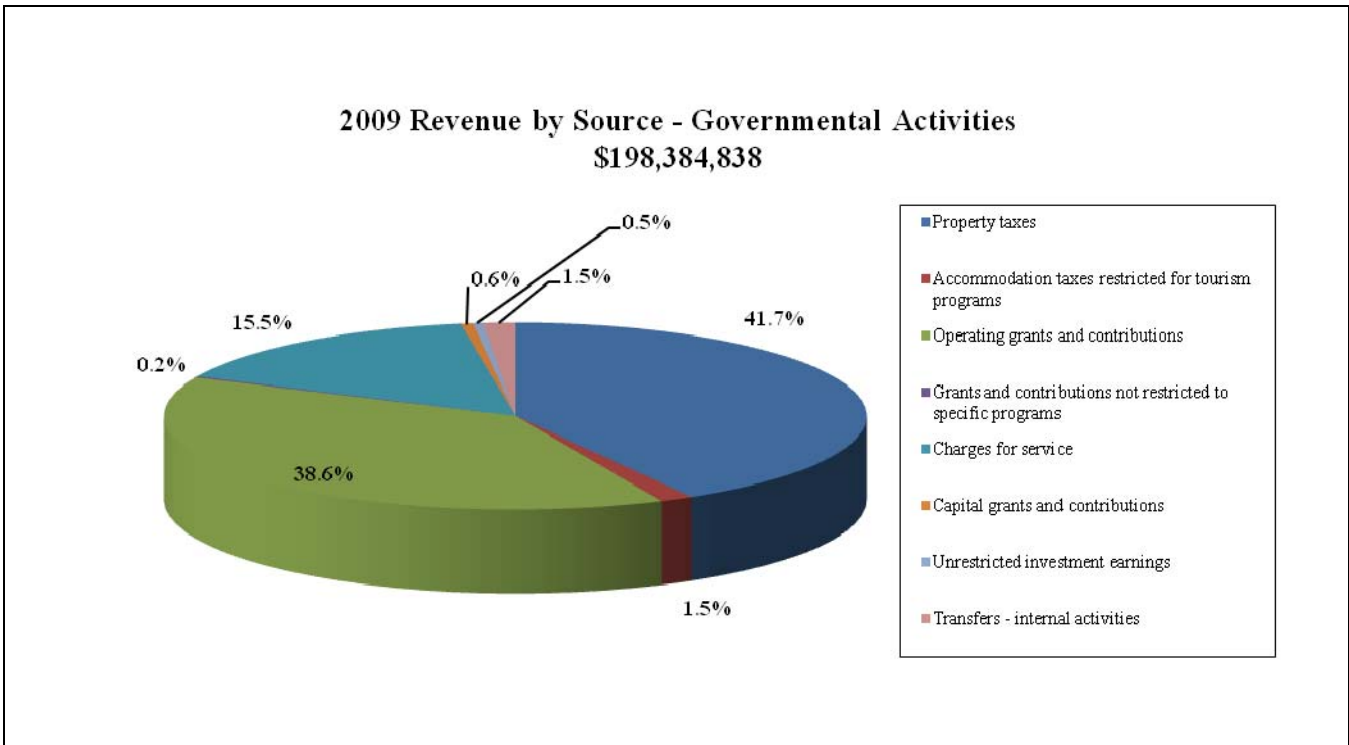
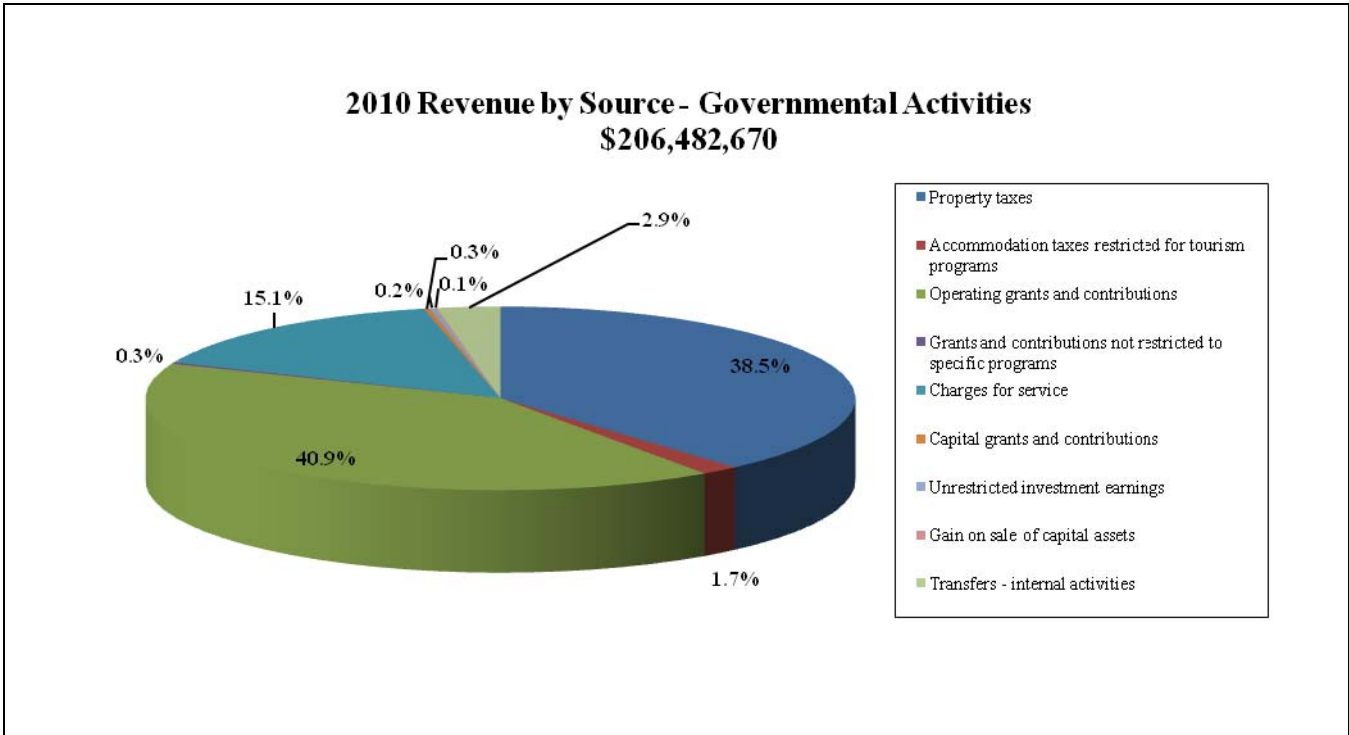
- Operating grants and contributions for governmental activities increased by \$7.6 million (9.9 percent) during the year. Grant awards and contributions furnished additional resources to supplement programs in the areas of social services, health and public safety activities.
- Transfers increased \$3.0 million (more than doubled) over 2009, as other financing sources were more than uses. This was a result of a transfer from the business-type activities to the governmental activities.

- Other increases in revenues took place over the prior year. Accommodation taxes increased by \$0.5 million (16.4 percent) due to increased hotel and convention use. Charges for services increased by \$0.3 million (1.0 percent) due to user fees for health activities. Grants and contributions not restricted to specific programs increased by \$0.8 million (190.6 percent) for revenue reimbursements for servicers provided for general government, judicial and public safety activities. Finally, the gain on the sale of capital assets increased \$0.2 million (100 percent) due to the retirement of leased equipment.
- Property taxes in 2010 decreased by approximately \$3.3 million (4.0 percent). This resulted from continued taxable value declines due to decreased housing values and the economic downturn.
- Other decreases in revenues also took place in comparison to 2009. Capital grants and contributions decreased by \$0.6 million (50.2 percent). There were less public safety grant awards for capital equipment purchases for emergency management and domestic preparedness initiatives. The other general revenue category decreased by \$0.4 million (47.2 percent) due to a decline in unrestricted investment earnings over the prior year.



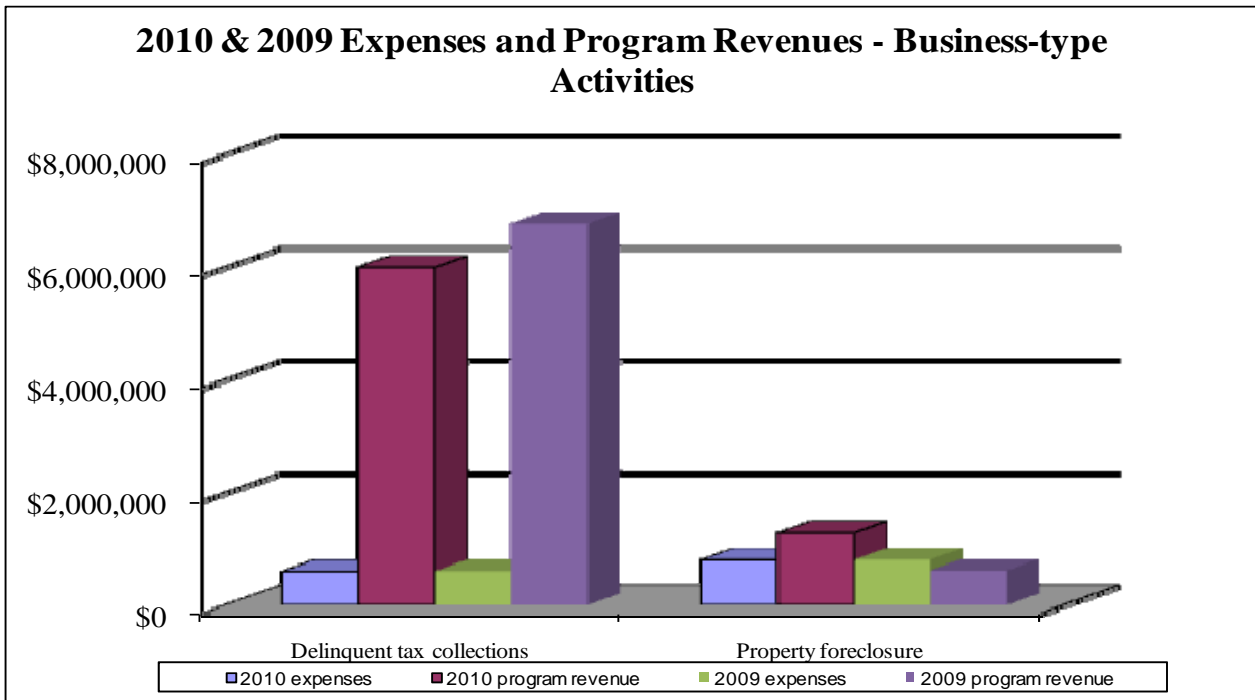
Overall, total expenses for governmental activities increased \$3.4 million (1.7 percent) during the year. The functional areas that comprise this increase are social services (\$4.0 million) for community development’s homeless and housing programs and public safety (\$1.7 million) for sheriff services due to the jail expansion.

In addition, some costs decreased by \$672,283 for general government activities as savings from organizational structure changes and reorganizations implemented to streamline operations continued to be realized during 2010 in response to projected budget shortfalls for 2012 and 2013, \$587,207 for health initiatives for community support and treatment services and public health, \$361,004 for judicial activities for court services, \$330,597 for culture and recreation for park programs and operations, \$222,101 for interest on long-term debt, \$138,157 for public works projects and \$67,614 for Board of Commissioners' legislative functions.



Business-type Activities. Business-type activities increased the County’s net assets by approximately \$0.3 million. Key elements of the current year increase are as follows:

- Charges for services revenue for business-type activities decreased \$97,152 (1.3 percent) in comparison to the prior year due to lower delinquent tax and property foreclosure activity during 2010. Expenditures decreased by \$22,972 (1.6 percent) due to expenditure reductions for collection operations.
- The other general revenue category decreased by \$47,564 (56.0 percent) during the year due to a decline in investment earnings.



Financial Analysis of the County’s Funds

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

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

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$88,498,970, a decrease of \$12,717,424 in comparison with the prior year. Eighty-three percent of the ending fund balances are subject to the underlying limitations applicable to the particular special revenue, debt service and capital project funds. The other seventeen percent of this total amount, \$15,310,490, is *available for spending* at the government’s discretion only (general fund *unreserved, undesignated fund balance*). The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for community support and treatment services’ activities, land acquisition under the natural area preservation program, 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, as well as for long-term advances and prepaid items.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the general fund was \$15,317,157, of which \$6,667 is reserved for prepaid items. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 16.2 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 increased by \$5,544,098 during the current fiscal year because revenues and other sources were higher than expenditures and other uses. The 2010 approved budget included the planned surplus to be carried forward and used to balance the 2011 fiscal year budget.

During 2010 the financial position of the community support and treatment services fund remained the same as the prior year. Total fund balance at the end of the year is \$346,464.

The parks and recreation fund had a total fund balance of \$29,023,633, which increased \$2.0 million in the current year. This increase was due to a voter-approved millage to fund parks and recreation program and activities. Fund balance will be used in subsequent years for park and recreation operations and as the land acquisitions are completed under the natural areas preservation program.

The revenue sharing reserve fund had a total fund balance of \$17,499,929, a decrease of \$6.5 million during 2010. This fund is mandated by the State of Michigan and accounts for accelerated property tax collections that substitute state revenue sharing payments. Annual tax payments, each equal to 1/3 of the annual property tax levy, were placed in this fund over three years, 2004-2006. Beginning in 2004 the County started withdrawing monies from this fund equal to the fiscal 2004 state revenue sharing payments adjusted for inflation. The County will continue drawing down revenue sharing from the reserve fund using an inflationary factor over the prior year amount. This fund will decline just over \$6.5 million per year in the future until the fund balance is exhausted.

The enhanced emergency communication system millage fund had a fund balance of \$2,389,765, an increase of \$278,400 for the year. This fund accounts for the resources, including a voter-approved millage beginning in 2007, accumulated and payments made for principal and interest on long-term general obligation debt that will finance acquisition, construction, renovation, maintenance and operations of an upgrade to the County's communication system.

The county capital projects fund accounts for renovations and modifications of existing facilities, new capital construction projects and the purchase of capital equipment. The county capital projects fund has a total fund balance of \$17,031,962. In addition, maintenance to existing facilities such as replacement of roof systems, carpeting, and other interior finishes are also funded by the county capital projects fund. The net decrease in fund balance during the current year in the county capital projects fund was \$14,299,667 and is attributable to expenditures for the construction of the jail expansion and improvements, as well as a new district court at the County Service Center.

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

Unrestricted net assets of the delinquent tax, other enterprise activities and internal service funds at the end of the year amounted to \$15,869,042, \$1,247,124 and \$3,603,953, respectively. The delinquent tax fund had a decrease in net assets for the year of \$53,256, whereas the other enterprise activities had an increase of \$354,590 and the internal service funds had an increase of \$509,047. Other factors concerning the finances of the delinquent tax fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

There was a net increase of \$303,629 (.31%) to general fund revenues (including transfers in) from the original to the final budget. Intergovernmental revenues increased \$579,894 (11.1%). Most of this (\$325,270) was for contributions from local entities in support of Medicaid ICA (Indigent Care Arrangements) - based DSH (Disproportionate Share Hospital) payments to area hospitals. These funds are leveraged to increase indigent health care funding in the community. A corresponding adjustment was also made to transfers out for the Medicaid disproportionate share hospital (DSH) payments. The remaining \$254,624 increase was for state liquor tax and local reimbursements for information technology, human resources and water resources commissioner services provided to local entities, and other anticipated community reimbursements.

The budget for transfers in increased \$177,000 (2.3%) for anticipated reimbursement for personnel services for delinquent tax activities and E-911 revenues. There was a slight increase in taxes (\$100,000 or .15%) due to property tax revenue outlook improving, over the prior year estimate, as more information became available during the year. Other revenues increased \$55,143 (3.1%) for reimbursements of attorney fees for circuit court cases. Finally, the above increases were offset by a decrease in charges for services revenue in the amount of \$608,408 (3.1%) for sheriff's services as local entities have reduced the number of public safety units contracted with the Washtenaw County Sheriff's Office for road patrol services. Other small increases and decreases in revenue budgets also took place.

There was a corresponding \$303,629 net increase (.31%) between the original and final amended expenditure budget (including transfers out and the planned increase to fund balance to build reserves for subsequent year's budget). There was a \$1,250,427 (33.4%) budget increase in the other unallocated expenditure category because of personnel adjustments. The savings from furlough, banked days off and premium sharing for medical benefits was less than planned because not all employee groups voted to approve the union contracts at the level of concessions requested from management. The planned net change in fund balance was increased by \$921,338 during the year. There was also a budget increase of \$825,205 (5.22%) for judicial activities for court functions and public defender activities.

In addition, there was a \$1.6 million (8.5%) decrease in the other financial uses budget for transfers out which partially offset the needed budget increases discussed above. The reduction in the level of general fund support to non-general fund departments through appropriation decreases were absorbed through position vacancies, revenue adjustments or other budget savings primarily in County health programs. The budget amount for public safety activities decreased \$815,928 (1.7%) for personnel services for sheriff department and prosecuting attorney activities. There was a net budget decrease of \$324,350 (4.7%) for general government activities. Clerk/register, finance, water resources commissioner, and treasurer activities all had various decreases to their budgets. General government activities that had various increases to their budgets that offset the decreases included corporation counsel, human resources, administrative and information technology functions. Other small increases and decreases in expenditure budgets also took place.

Overall, actual general fund revenues, including other financing sources, were more than the final budget. Actual general fund expenditures, including other financing uses, were more than the final budget. Actual revenues were higher than actual expenditures. This resulted in an increase in the actual fund balance of \$5,544,098, which was \$545,240 less than the final amended budget amount.

Capital Asset and Debt Administration

Capital Assets. The County’s investment in capital assets for its governmental activities as of December 31, 2010, amounted to \$195,448,456 (net of accumulated depreciation). This investment in capital assets includes land, buildings, easement property, improvements, and machinery and equipment. The total increase in the County’s investment in capital assets for the current fiscal year was 9.1 percent. The County’s business-type activities have a nominal investment in capital assets in the amount of \$19,779 (net of accumulated depreciation) as of December 31, 2010.

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

- Construction in progress at year end amounted to \$92,370. The \$42.7 million decrease was a result of County capital projects completed during the year that included construction of a new district court building, jail improvements and expansion, as well as enhancements to the emergency communications system, and a new fiber network link.
- Parks and recreation acquired land in the amount of \$1.8 million under the Natural Areas Preservation Program.
- Other capital improvements, including infrastructure for the emergency communications system, the fiber network link project as well as landscaping and parking lot improvements, increased capital assets by \$19.3 million.
- Buildings and easements additions/improvements were completed during the year resulting in an increase to capital assets of \$31.7 million as the new 14A-1 District Court and Jail expansion was completed at the Washtenaw County Service Center.
- Machinery and equipment as of the close of the fiscal year had a balance of \$10.8 million. An increase of \$6.3 million from the prior year is a result of a new emergency communications system equipment, information and technology equipment, copiers and vehicles.

Washtenaw County’s Capital Assets
(net of depreciation)

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 37,839,053	\$ 35,994,778	\$ -	\$ -	\$ 37,839,053	\$ 35,994,778
Construction in progress	92,370	42,810,188	-	-	92,370	42,810,188
Buildings and easement property	114,637,754	82,915,667	-	-	114,637,754	82,915,667
Improvements other than buildings	32,036,141	12,782,711	-	-	32,036,141	12,782,711
Machinery and equipment	10,843,138	4,591,063	19,779	28,435	10,862,917	4,619,498
Total	\$ 195,448,456	\$ 179,094,407	\$ 19,779	\$ 28,435	\$ 195,468,235	\$ 179,122,842

Additional information on the County’s capital assets can be found in note III.C on pages 61-64 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$101,765,000. This entire amount comprises debt backed by the full faith and credit of the County.

Washtenaw County’s Outstanding Debt
General Obligation

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 75,765,000	\$ 83,125,000	\$ -	\$ -	\$ 75,765,000	\$ 83,125,000
Delinquent tax notes	-	-	26,000,000	25,000,000	26,000,000	25,000,000
Total	<u>\$ 75,765,000</u>	<u>\$ 83,125,000</u>	<u>\$ 26,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 101,765,000</u>	<u>\$108,125,000</u>

The County’s total debt decreased by \$6,360,000 (5.9 percent) during the current fiscal year. The County retired debt of \$7,360,000 in general obligation bonds and \$28,000,000 in delinquent tax notes during 2010. The only new borrowing during the year was \$29,000,000 in delinquent tax notes for business-type activities. Debt service requirements for general obligation bonds of \$6,835,000 and interest of \$2,471,087 are payable during 2011. The principal payment for delinquent tax notes of \$26,000,000 and an interest payment of \$205,667 are due during 2011.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$1,626,350,827 which is significantly in excess of the County’s outstanding general obligation debt.

Additional information on the County’s long-term debt can be found in note III.G on pages 68-73 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 2011:

- The County completed labor negotiations regarding economic concessions for wage and benefit modifications for 2010 and 2011. The partnership agreements cancelled across-the-board salary increases, eliminated pay for performance, implemented eight furlough days each year, and some of the union bargaining units and nonunion employees have approved premium sharing 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%. This assisted with the potential cost increases within the pension system for 2011.
- The unemployment rate for the County is currently 8.6%, slightly lower than a year ago. This compares favorably to the state's average unemployment rate of 13.1% and the national average rate of 9.6%.
- 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 2010 the applicable inflation rate was -0.3%. Therefore, due to the laws that limit growth, the economy and housing market decline, as well as the shutdown of operations by two of the largest taxpayers in the County, property tax revenues are budgeted to decline by 8.5% in 2011.
- The State of Michigan has been dealing with projected budgetary shortfalls for the past seven years and is projected to continue into the future. The State has passed legislation that provides a funding mechanism to serve as a substitute for state revenue sharing payments. Annually, the County may make use of amounts equal to 2009/10 State revenue sharing payments adjusted for inflation. The budget assumes a flat level of revenue for 2011.
- The County has committed to maintaining a general fund balance that is at least 8.0% of operating expenditures. The 2010 actual increase in fund balance was planned (budgeted for); this surplus will be carried forward and used to balance the 2011 fiscal year budget.
- Financial trends in the region compare favorably to national indices. Analysis of revenue, expenditure, operating position, debt structure, unfunded liabilities, condition of capital plant, and community needs and resources indicators are examined across time to provide a framework for objective investigation.

Contacting the County's Financial Management

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



Basic Financial Statements



Government-wide Financial Statements

WASHTENAW COUNTY
Statement of Net Assets
December 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and pooled investments	\$ 95,545,914	\$ 12,262,894	\$ 107,808,808	\$ 17,906,511
Receivables, net	36,039,395	30,925,754	66,965,149	42,546,232
Prepaid items and other assets	2,447,107	-	2,447,107	2,121,385
Capital assets not being depreciated	37,931,423	-	37,931,423	34,151,845
Capital assets being depreciated, net	157,517,033	19,779	157,536,812	242,547,842
Total assets	329,480,872	43,208,427	372,689,299	339,273,815
Liabilities				
Accounts payable and accrued expenses	20,502,139	11,006	20,513,145	7,250,445
Accrued interest payable	668,941	34,209	703,150	323,328
Unearned revenue	14,633,819	-	14,633,819	-
Long-term liabilities:				
Due within one year	8,731,109	21,002,492	29,733,601	3,506,518
Due in more than one year	81,731,664	5,024,775	86,756,439	40,874,221
Other noncurrent liability - net other postemployment benefit liability	5,052,063	-	5,052,063	307,522
Total liabilities	131,319,735	26,072,482	157,392,217	52,262,034
Net assets				
Invested in capital assets, net of related debt	122,722,958	19,779	122,742,737	265,740,421
Restricted for:				
Debt service	2,390,238	-	2,390,238	965,344
Capital projects	5,659,995	-	5,659,995	6,706,234
Other purposes	698,178	-	698,178	-
Unrestricted	66,689,768	17,116,166	83,805,934	13,599,782
Total net assets	\$ 198,161,137	\$ 17,135,945	\$ 215,297,082	\$ 287,011,781

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

WASHTENAW COUNTY
Statement of Activities
Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 526,142	\$ -	\$ -	\$ -	\$ (526,142)
Judicial	23,900,492	3,521,234	6,038,969	-	(14,340,289)
General government	18,483,213	4,900,363	3,358,242	-	(10,224,608)
Public safety	54,263,600	15,149,724	3,751,259	557,446	(34,805,171)
Public works	844,588	69,883	651,007	-	(123,698)
Health	43,899,534	3,715,892	37,990,037	-	(2,193,605)
Social services	41,959,629	542,702	31,891,381	-	(9,525,546)
Culture and recreation	8,981,545	3,230,661	421,009	-	(5,329,875)
Interest on long-term debt	3,322,673	-	-	-	(3,322,673)
Total governmental activities	196,181,416	31,130,459	84,101,904	557,446	(80,391,607)
Business-type activities:					
Delinquent tax collection	596,092	5,989,201	-	-	5,393,109
Property foreclosure	794,981	1,291,039	-	-	496,058
Principal residence exemption	3,707	16,411	-	-	12,704
Total business-type activities	1,394,780	7,296,651	-	-	5,901,871
Total primary government	\$ 197,576,196	\$ 38,427,110	\$ 84,101,904	\$ 557,446	\$ (74,489,736)
Component units					
Department of Public Works Projects	\$ 1,954,117	\$ -	\$ -	\$ 1,419,482	\$ (534,635)
Water Resources Commissioner	1,833,518	163,434	-	6,153,919	4,483,835
Hazardous Materials Response Authority	58,801	44,023	28,832	-	14,054
Road Commission	30,444,130	-	34,415,761	-	3,971,631
Brownfield Redevelopment Authority	1,072,807	-	-	-	(1,072,807)
Total component units	\$ 35,363,373	\$ 207,457	\$ 34,444,593	\$ 7,573,401	\$ 6,862,078

Continued...

WASHTENAW COUNTY
Statement of Activities (Concluded)
Year Ended December 31, 2010

	<u>Primary Government</u>			Component Units
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
Changes in net assets				
Net (expense) revenue	\$ (80,391,607)	\$ 5,901,871	\$ (74,489,736)	\$ 6,862,078
General revenues:				
Property taxes	79,314,216	-	79,314,216	1,103,569
Accommodation taxes restricted for tourism programs	3,539,013	-	3,539,013	-
Grants and contributions not restricted to specific programs	1,245,565	-	1,245,565	-
Unrestricted investment earnings	474,069	132,538	606,607	91,694
Gain on sale of capital assets	181,341	-	181,341	45,307
Transfers - internal activities	5,938,657	(5,733,075)	205,582	-
Total general revenues and transfers	90,692,861	(5,600,537)	85,092,324	1,240,570
Change in net assets	10,301,254	301,334	10,602,588	8,102,648
Net assets, beginning of year	187,859,883	16,834,611	204,694,494	278,909,133
Net assets, end of year	<u>\$ 198,161,137</u>	<u>\$ 17,135,945</u>	<u>\$ 215,297,082</u>	<u>\$ 287,011,781</u>

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



Fund Financial Statements

WASHTENAW COUNTY
Balance Sheet - Governmental Funds
December 31, 2010

	<u>General</u>	<u>Community Support & Treatment Services</u>	<u>Parks and Recreation</u>	<u>Revenue Sharing Reserve</u>	<u>Enhanced Emergency Communication System Millage</u>
<u>ASSETS</u>					
Assets					
Cash and pooled investments	\$ 10,640,569	\$ 738,643	\$ 30,860,425	\$ 17,499,929	\$ 2,769,876
Receivables:					
Taxes - current	2,986,255	-	8,749,520	-	2,454,628
Taxes - delinquent	253,351	-	-	-	-
Accounts	1,232,724	1,122,893	-	-	-
Interfund receivable	-	-	-	-	-
Due from other governments	2,954,761	19,324	-	-	-
Notes receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Prepaid items	6,667	990	-	-	-
	<u>\$ 18,074,327</u>	<u>\$ 1,881,850</u>	<u>\$ 39,609,945</u>	<u>\$ 17,499,929</u>	<u>\$ 5,224,504</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 472,664	\$ 354,903	\$ 362,291	\$ -	\$ -
Accrued liabilities	2,040,926	1,180,483	113,490	-	-
Due to other governments	-	-	-	-	-
Interfund payable	-	-	-	-	-
Deferred revenue	243,580	-	10,110,531	-	2,834,739
Advances from other governments	-	-	-	-	-
	<u>2,757,170</u>	<u>1,535,386</u>	<u>10,586,312</u>	<u>-</u>	<u>2,834,739</u>
Fund balances					
Reserved:					
Reserved for land acquisition	-	-	5,659,995	-	-
Reserved for long-term advances	-	-	-	-	-
Reserved for prepaid items	6,667	990	-	-	-
Unreserved:					
Undesignated	15,310,490	345,474	23,363,638	17,499,929	2,389,765
Undesignated, reported in nonmajor:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
	<u>15,317,157</u>	<u>346,464</u>	<u>29,023,633</u>	<u>17,499,929</u>	<u>2,389,765</u>
	<u>\$ 18,074,327</u>	<u>\$ 1,881,850</u>	<u>\$ 39,609,945</u>	<u>\$ 17,499,929</u>	<u>\$ 5,224,504</u>

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

<u>County Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 13,894,577	\$ 5,887,196	\$ 82,291,215
-	834,573	15,024,976
-	-	253,351
164,522	1,175,687	3,695,826
3,912,956	-	3,912,956
-	8,140,615	11,114,700
-	45,271	45,271
21,724	-	21,724
-	35,550	43,207
<u>\$ 17,993,779</u>	<u>\$ 16,118,892</u>	<u>\$ 116,403,226</u>

\$ 950,681	\$ 1,705,486	\$ 3,846,025
11,136	1,071,839	4,417,874
-	1,015,582	1,015,582
-	3,912,956	3,912,956
-	1,444,969	14,633,819
-	78,000	78,000
<u>961,817</u>	<u>9,228,832</u>	<u>27,904,256</u>

-	-	5,659,995
21,724	-	21,724
-	35,550	43,207
17,010,238	-	75,919,534
-	6,853,382	6,853,382
-	1,128	1,128
<u>17,031,962</u>	<u>6,890,060</u>	<u>88,498,970</u>
<u>\$ 17,993,779</u>	<u>\$ 16,118,892</u>	<u>\$ 116,403,226</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, 2010

Fund balances - total governmental funds \$ 88,498,970

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

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

Add - capital assets	246,306,707
Deduct - accumulated depreciation	(54,057,904)

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

5,370,279

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	46,074
Deduct - bond premiums	(352,289)

Deferred charges for bond issuance costs are currently expensed in the governmental funds, whereas they are capitalized and amortized for net assets.

1,139,921

Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net assets (and netted against bonds payable).

676,071

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.

6,803,606

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	(76,651,401)
Deduct - accrued interest on bonds payable	(668,941)
Deduct - other postemployment benefit obligation	(5,052,063)
Deduct - accrued compensated absences and other long-term liabilities	(13,897,893)

Net assets of governmental activities \$ 198,161,137

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

WASHTENAW COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2010

	<u>General</u>	<u>Community Support & Treatment Services</u>	<u>Parks and Recreation</u>	<u>Revenue Sharing Reserve</u>	<u>Enhanced Emergency Communication System Millage</u>
Revenues					
Property taxes	\$ 64,703,053	\$ -	\$ 10,661,254	\$ -	\$ 2,977,329
Accommodation taxes	-	-	-	-	-
Licenses and permits	205,407	-	-	-	-
Intergovernmental	5,871,026	26,863,959	-	-	-
Charges for services	18,008,529	723,587	3,230,661	-	7,500
Fines and forfeits	933,663	-	-	-	-
Investment income	129,650	-	158,008	-	16,006
Other	1,781,630	594,347	242,207	-	-
Total revenues	<u>91,632,958</u>	<u>28,181,893</u>	<u>14,292,130</u>	<u>-</u>	<u>3,000,835</u>
Expenditures					
Current:					
Legislative	522,093	-	-	-	-
Judicial	16,869,266	-	-	-	-
General government	5,068,342	-	-	-	-
Public safety	46,659,680	-	-	-	15,257
Public works	237,100	-	-	-	-
Health	-	28,639,320	-	-	-
Social services	419,048	-	-	-	-
Culture and recreation	649,794	-	12,303,008	-	-
Other	5,442,086	-	-	-	-
Debt service:					
Principal	273,554	-	-	-	-
Interest and fiscal charges	44,246	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>76,185,209</u>	<u>28,639,320</u>	<u>12,303,008</u>	<u>-</u>	<u>15,257</u>
Revenues over (under) expenditures	<u>15,447,749</u>	<u>(457,427)</u>	<u>1,989,122</u>	<u>-</u>	<u>2,985,578</u>
Other financing sources (uses)					
Capital leases	494,924	-	-	-	-
Transfers in	7,916,188	457,427	-	-	-
Transfers out	(18,314,763)	-	-	(6,537,969)	(2,707,178)
Total other sources (uses)	<u>(9,903,651)</u>	<u>457,427</u>	<u>-</u>	<u>(6,537,969)</u>	<u>(2,707,178)</u>
Net change in fund balances	5,544,098	-	1,989,122	(6,537,969)	278,400
Fund balances:					
Beginning of year	<u>9,773,059</u>	<u>346,464</u>	<u>27,034,511</u>	<u>24,037,898</u>	<u>2,111,365</u>
End of year	<u>\$ 15,317,157</u>	<u>\$ 346,464</u>	<u>\$ 29,023,633</u>	<u>\$ 17,499,929</u>	<u>\$ 2,389,765</u>

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

County Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 972,580	\$ 79,314,216
-	3,539,013	3,539,013
-	1,957,148	2,162,555
136,833	47,736,113	80,607,931
1,035,339	4,369,739	27,375,355
-	116,184	1,049,847
77,940	17,261	398,865
349,840	3,495,774	6,463,798
<u>1,599,952</u>	<u>62,203,812</u>	<u>200,911,580</u>
-	-	522,093
-	5,758,090	22,627,356
-	4,720,983	9,789,325
-	6,272,887	52,947,824
-	614,870	851,970
-	15,248,537	43,887,857
-	40,215,412	40,634,460
-	145,636	13,098,438
-	-	5,442,086
33,142	7,379,476	7,686,172
7,637	3,186,741	3,238,624
19,670,031	4,060	19,674,091
<u>19,710,810</u>	<u>83,546,692</u>	<u>220,400,296</u>
<u>(18,110,858)</u>	<u>(21,342,880)</u>	<u>(19,488,716)</u>
31,753	-	526,677
10,999,410	23,068,554	42,441,579
(7,219,972)	(1,417,082)	(36,196,964)
<u>3,811,191</u>	<u>21,651,472</u>	<u>6,771,292</u>
(14,299,667)	308,592	(12,717,424)
<u>31,331,629</u>	<u>6,581,468</u>	<u>101,216,394</u>
<u>\$ 17,031,962</u>	<u>\$ 6,890,060</u>	<u>\$ 88,498,970</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, 2010

Net change in fund balances - total governmental funds \$ (12,717,424)

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

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

Add - capital outlay	23,419,947
Deduct - depreciation expense	(5,484,241)
Deduct - loss on disposal of capital assets	(2,082,620)
Add - gain on sale of capital assets	181,341

Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.	(548,928)
--	-----------

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	7,379,476
Add - principal payments on capital leases	306,696
Deduct - capital lease proceeds	(526,677)

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	62,421
Deduct - amortization of bond issuance costs	(120,940)
Deduct - amortization of discount on bonds	(4,760)
Add - amortization of premium on bonds	55,443
Deduct - amortization of deferred loss on refunding	(120,458)

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

Add - net operating income from governmental activities in internal service funds	737,254
Add - interest revenue from governmental internal service funds	75,204
Add - net gain on disposal of capital assets in governmental internal service funds	2,547
Deduct - net transfer from governmental internal service fund to capital project fund	(305,958)

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	363,113
Deduct - increase in accrual for accrued compensated absences	(370,182)

Change in net assets of governmental activities	\$ 10,301,254
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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, 2010

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 62,925,468	\$ 63,025,468	\$ 64,703,053	\$ 1,677,585
Licenses and permits	220,700	220,700	205,407	(15,293)
Intergovernmental	5,243,849	5,823,743	5,871,026	47,283
Charges for services	19,318,003	18,709,595	18,008,529	(701,066)
Fines and forfeits	1,232,100	1,232,100	933,663	(298,437)
Investment income	668,800	668,800	129,650	(539,150)
Other	1,802,281	1,857,424	1,781,630	(75,794)
Total revenues	91,411,201	91,537,830	91,632,958	95,128
Expenditures				
Legislative -				
Board of commissioners	507,855	532,855	522,093	10,762
Judicial:				
Circuit court	3,400,276	4,390,414	4,404,318	(13,904)
District court	5,080,168	5,152,711	5,381,804	(229,093)
Probate court	1,311,611	1,276,268	1,282,644	(6,376)
Probate court - juvenile	3,211,328	2,903,144	2,894,091	9,053
Probation department	219,695	219,695	205,270	14,425
Public defender	2,607,138	2,713,189	2,701,139	12,050
Total judicial	15,830,216	16,655,421	16,869,266	(213,845)
General government:				
Information technology	5,107,712	5,158,896	5,195,552	(36,656)
Building authority	7,085	7,085	5,260	1,825
Clerk / Register	4,470,490	4,082,059	3,859,574	222,485
Human resources	1,115,813	1,173,759	1,088,734	85,025
Drain commissioner	2,682,843	2,615,311	2,442,921	172,390
Equalization	1,500,516	1,466,050	1,461,759	4,291
Finance	2,728,078	2,525,108	2,378,800	146,308
Corporation counsel	195,503	294,713	298,014	(3,301)
Treasurer	1,397,583	1,383,692	1,349,441	34,251
Administrator	739,728	795,317	779,447	15,870
Allocated to other departments	(13,079,974)	(12,960,963)	(13,791,160)	830,197
Total general government	6,865,377	6,541,027	5,068,342	1,472,685

Continued...

WASHTENAW COUNTY
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Concluded)
General Fund
Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Emergency management	\$ 514,148	\$ 521,800	\$ 512,187	\$ 9,613
Sheriff	40,948,090	40,171,751	40,695,134	(523,383)
Prosecuting attorney	5,495,747	5,448,506	5,452,359	(3,853)
Total public safety	<u>46,957,985</u>	<u>46,142,057</u>	<u>46,659,680</u>	<u>(517,623)</u>
Public works	<u>201,376</u>	<u>239,752</u>	<u>237,100</u>	<u>2,652</u>
Social services:				
Children's services	-	-	17,115	(17,115)
Veterans counselor	469,971	458,595	401,933	56,662
Total social services	<u>469,971</u>	<u>458,595</u>	<u>419,048</u>	<u>39,547</u>
Culture - county extension	<u>639,155</u>	<u>631,761</u>	<u>649,794</u>	<u>(18,033)</u>
Other unallocated expenditures	<u>3,745,072</u>	<u>4,995,499</u>	<u>5,442,086</u>	<u>(446,587)</u>
Debt service:				
Principal	-	-	273,554	(273,554)
Interest and fiscal charges	-	-	44,246	(44,246)
Total debt service	<u>-</u>	<u>-</u>	<u>317,800</u>	<u>(317,800)</u>
Total expenditures	<u>75,217,007</u>	<u>76,196,967</u>	<u>76,185,209</u>	<u>11,758</u>
Revenues over expenditures	<u>16,194,194</u>	<u>15,340,863</u>	<u>15,447,749</u>	<u>106,886</u>
Other financing sources (uses)				
Capital leases	-	-	494,924	494,924
Transfers in	7,781,508	7,958,508	7,916,188	(42,320)
Transfers out	(18,807,702)	(17,210,033)	(18,314,763)	(1,104,730)
Total other financing uses	<u>(11,026,194)</u>	<u>(9,251,525)</u>	<u>(9,903,651)</u>	<u>(652,126)</u>
Net change in fund balance	5,168,000	6,089,338	5,544,098	(545,240)
Fund balance, beginning of year	<u>9,773,059</u>	<u>9,773,059</u>	<u>9,773,059</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 14,941,059</u></u>	<u><u>\$ 15,862,397</u></u>	<u><u>\$ 15,317,157</u></u>	<u><u>\$ (545,240)</u></u>

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

WASHTENAW COUNTY
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Community Support & Treatment Services Special Revenue Fund
Year Ended September 30, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 28,694,485	\$ 27,829,010	\$ 26,863,959	\$ (965,051)
Charges for services	748,468	748,468	723,587	(24,881)
Other	528,585	528,585	594,347	65,762
Total revenues	29,971,538	29,106,063	28,181,893	(924,170)
Expenditures				
Health	30,362,725	29,485,510	28,639,320	846,190
Revenues under expenditures	(391,187)	(379,447)	(457,427)	(77,980)
Other financing sources				
Transfers in	391,187	379,447	457,427	77,980
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	346,464	346,464	346,464	-
Fund balance, end of year	<u>\$ 346,464</u>	<u>\$ 346,464</u>	<u>\$ 346,464</u>	<u>\$ -</u>

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

WASHTENAW COUNTY
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Parks and Recreation Special Revenue Fund
Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 10,190,089	\$ 10,190,089	\$ 10,661,254	\$ 471,165
Charges for services	2,644,000	2,644,000	3,230,661	586,661
Investment income	400,000	400,000	158,008	(241,992)
Other	182,000	182,000	242,207	60,207
	<u>13,416,089</u>	<u>13,416,089</u>	<u>14,292,130</u>	<u>876,041</u>
Expenditures				
Culture and recreation	<u>18,413,801</u>	<u>18,413,801</u>	<u>12,303,008</u>	<u>6,110,793</u>
Net change in fund balance	(4,997,712)	(4,997,712)	1,989,122	6,986,834
Fund balance, beginning of year	<u>27,034,511</u>	<u>27,034,511</u>	<u>27,034,511</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 22,036,799</u></u>	<u><u>\$ 22,036,799</u></u>	<u><u>\$ 29,023,633</u></u>	<u><u>\$ 6,986,834</u></u>

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

WASHTENAW COUNTY
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Revenue Sharing Reserve Special Revenue Fund
Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other financing (uses)				
Transfers out	\$ (6,557,642)	\$ (6,557,642)	\$ (6,537,969)	\$ 19,673
Fund balance, beginning of year	<u>24,037,898</u>	<u>24,037,898</u>	<u>24,037,898</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 17,480,256</u></u>	<u><u>\$ 17,480,256</u></u>	<u><u>\$ 17,499,929</u></u>	<u><u>\$ 19,673</u></u>

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

WASHTENAW COUNTY
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Enhanced Emergency Communication System Millage
Special Revenue Fund
Year Ended December 31, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ 2,998,758	\$ 2,977,329	\$ (21,429)
Charges for services	-	7,500	7,500	-
Investment income	-	-	16,006	16,006
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	3,006,258	3,000,835	(5,423)
Expenditures				
Public safety	-	-	15,257	(15,257)
	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over expenditures	-	3,006,258	2,985,578	9,834
Other financing (uses)				
Transfers out	-	(3,006,258)	(2,707,178)	299,080
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	278,400	308,914
Fund balance, beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	2,111,365	2,111,365	2,111,365	-
Fund balance, end of year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 2,111,365	\$ 2,111,365	\$ 2,389,765	\$ 308,914

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

WASHTENAW COUNTY
Statement of Net Assets
Proprietary Funds
December 31, 2010

	Business-type Activities - Enterprise Funds			Governmental
	Delinquent Tax Revolving	Other Enterprise Funds	Total	Activities - Internal Service Funds
Assets				
Current assets:				
Cash and pooled investments	\$ 12,032,085	\$ 230,809	\$ 12,262,894	\$ 13,254,699
Receivables:				
Delinquent taxes	24,285,954	-	24,285,954	-
Interest and collection fees	5,554,212	-	5,554,212	-
Accounts	-	-	-	170,845
Due from other governments	-	1,054,588	1,054,588	364,147
Due from component units	31,000	-	31,000	-
Inventories	-	-	-	32,706
Prepaid items	-	-	-	1,231,273
Total current assets	<u>41,903,251</u>	<u>1,285,397</u>	<u>43,188,648</u>	<u>15,053,670</u>
Noncurrent assets - capital assets, net	-	19,779	19,779	3,199,653
Total assets	<u>41,903,251</u>	<u>1,305,176</u>	<u>43,208,427</u>	<u>18,253,323</u>
Liabilities				
Current liabilities:				
Accounts payable	-	-	-	7,819,919
Accrued liabilities	-	11,006	11,006	87,739
Interest payable	34,209	-	34,209	-
Current portion of:				
Accrued compensated absences	-	2,492	2,492	15,064
Claims payable	-	-	-	2,271,950
General obligation notes payable	21,000,000	-	21,000,000	-
Total current liabilities	<u>21,034,209</u>	<u>13,498</u>	<u>21,047,707</u>	<u>10,194,672</u>
Long-term liabilities:				
Accrued compensated absences	-	24,775	24,775	268,271
Claims payable	-	-	-	965,050
General obligation notes payable	5,000,000	-	5,000,000	-
Advances from other funds	-	-	-	21,724
Total long-term liabilities	<u>5,000,000</u>	<u>24,775</u>	<u>5,024,775</u>	<u>1,255,045</u>
Total liabilities	<u>26,034,209</u>	<u>38,273</u>	<u>26,072,482</u>	<u>11,449,717</u>
Net assets				
Invested in capital assets	-	19,779	19,779	3,199,653
Unrestricted	15,869,042	1,247,124	17,116,166	3,603,953
Total net assets	<u>\$ 15,869,042</u>	<u>\$ 1,266,903</u>	<u>\$ 17,135,945</u>	<u>\$ 6,803,606</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, 2010

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Delinquent Tax Revolving</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Operating revenues				
Charges for services	\$ -	\$ 1,291,039	\$ 1,291,039	\$ 45,574,475
Interest charges	4,328,711	16,411	4,345,122	-
Collection fees on taxes	1,660,490	-	1,660,490	-
	<u>5,989,201</u>	<u>1,307,450</u>	<u>7,296,651</u>	<u>45,574,475</u>
Operating expenses				
Personnel services	-	362,836	362,836	2,546,707
Contractual services	70,569	72,548	143,117	1,122,241
Supplies	-	108,324	108,324	1,499,824
Occupancy	-	-	-	2,501,703
Telephone	-	755	755	767,644
Equipment repair and rental	-	1,914	1,914	682,938
Building repair and rental	-	-	-	175,032
Benefits and insurance premiums	-	-	-	26,227,667
Other	-	243,655	243,655	8,267,534
Depreciation	-	8,656	8,656	1,045,931
	<u>70,569</u>	<u>798,688</u>	<u>869,257</u>	<u>44,837,221</u>
Operating income	<u>5,918,632</u>	<u>508,762</u>	<u>6,427,394</u>	<u>737,254</u>
Nonoperating income (expense)				
Investment earnings	127,592	4,946	132,538	75,204
Interest expense and fiscal charges	(525,523)	-	(525,523)	-
Gain on sale of equipment	-	-	-	2,547
	<u>(397,931)</u>	<u>4,946</u>	<u>(392,985)</u>	<u>77,751</u>
Income before transfers	5,520,701	513,708	6,034,409	815,005
Transfers out	<u>(5,573,957)</u>	<u>(159,118)</u>	<u>(5,733,075)</u>	<u>(305,958)</u>
Change in net assets	(53,256)	354,590	301,334	509,047
Net assets, beginning of year	15,922,298	912,313	16,834,611	6,294,559
Net assets, end of year	<u>\$ 15,869,042</u>	<u>\$ 1,266,903</u>	<u>\$ 17,135,945</u>	<u>\$ 6,803,606</u>

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

WASHTENAW COUNTY
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2010

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Delinquent Tax Revolving</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Cash flows from operating activities				
Cash received from customers	\$ 42,386,730	\$ 252,862	\$ 42,639,592	\$ -
Cash received from interfund services	-	-	-	45,597,545
Cash payments for delinquent taxes	(34,968,259)	-	(34,968,259)	-
Cash payments to employees	-	(357,089)	(357,089)	(4,457,976)
Cash payments to suppliers	(70,569)	(426,193)	(496,762)	(34,551,826)
Cash payments for interfund services	-	-	-	(32,329)
Net cash provided (used) by operating activities	<u>7,347,902</u>	<u>(530,420)</u>	<u>6,817,482</u>	<u>6,555,414</u>
Cash flows from noncapital financing activities				
Transfers out	(5,573,957)	(159,118)	(5,733,075)	(305,958)
Advances from other funds	-	-	-	(59,742)
Proceeds from issuing long term debt	29,000,000	-	29,000,000	-
Principal paid on long term debt	(28,000,000)	-	(28,000,000)	-
Interest paid on long term debt	(531,081)	-	(531,081)	-
Net cash used by noncapital financing activities	<u>(5,105,038)</u>	<u>(159,118)</u>	<u>(5,264,156)</u>	<u>(365,700)</u>
Cash flows from capital and related financing activities				
Proceeds from sale of equipment	-	-	-	142,426
Payments for equipment acquisitions	-	-	-	(1,686,773)
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,544,347)</u>
Cash flows from investing activities				
Investment income (loss)	<u>127,592</u>	<u>4,946</u>	<u>132,538</u>	<u>75,204</u>
Net increase (decrease) in cash and cash equivalents	2,370,456	(684,592)	1,685,864	4,720,571
Cash and cash equivalents, beginning of year	<u>9,661,629</u>	<u>915,401</u>	<u>10,577,030</u>	<u>8,534,128</u>
Cash and cash equivalents, end of year	<u>\$ 12,032,085</u>	<u>\$ 230,809</u>	<u>\$ 12,262,894</u>	<u>\$ 13,254,699</u>

Continued...

WASHTENAW COUNTY
Statement of Cash Flows (Concluded)
Proprietary Funds
Year Ended December 31, 2010

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Delinquent Tax Revolving</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 5,918,632	\$ 508,762	\$ 6,427,394	\$ 737,254
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	8,656	8,656	1,045,931
Changes in assets and liabilities:				
Receivables	1,285,270	-	1,285,270	(1,608)
Due from other governments	-	(1,054,588)	(1,054,588)	24,678
Due from component units	144,000	-	144,000	-
Inventories	-	-	-	6,436
Prepaid items	-	-	-	(26,619)
Accounts payable	-	-	-	4,557,611
Accrued liabilities	-	1,197	1,197	(2,952,944)
Claims payable	-	-	-	3,237,000
Accrued compensated absences	-	5,553	5,553	(72,325)
Net cash provided (used) by operating activities	<u>\$ 7,347,902</u>	<u>\$ (530,420)</u>	<u>\$ 6,817,482</u>	<u>\$ 6,555,414</u>

The accompanying notes are an integral part of these financial statements

WASHTENAW COUNTY
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010

	Pension and Other Employee Benefit Trust Funds	Agency Fund
	<u> </u>	<u> </u>
Assets		
Cash and pooled investments	\$ 781,478	\$ 21,840,699
Investments, at fair value:		
Equities	136,984,161	-
United States treasuries	3,546,094	-
United States treasury strips	11,445,575	-
United States agencies	23,399,458	-
Corporate securities	18,806,615	-
Multi-strategy limited partnership	4,512,325	-
Real estate limited partnership	728,560	-
Real estate investment trusts	13,803,854	-
Mutual funds	41,257,121	-
Money market funds	7,795,242	-
Accounts receivable	65,894	-
Contributions receivable	7,157,900	-
Accrued interest and dividends	373,169	-
	<u>270,657,446</u>	<u>\$ 21,840,699</u>
 Liabilities		
Accounts payable	315,440	\$ -
Accrued liabilities	471,915	-
Undistributed receipts	-	21,840,699
	<u>787,355</u>	<u>\$ 21,840,699</u>
 Net assets		
Held in trust for pension and other employee benefits	<u>\$ 269,870,091</u>	

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, 2010

Additions

Investment income (loss)		
<i>From investing activities:</i>		
Net appreciation in fair value of investments	\$	24,111,218
Interest and dividends		5,729,441
Investment management fees		(1,142,676)
Net income from investing activities		<u>28,697,983</u>
<i>From securities lending activities:</i>		
Gross earnings		51,596
Borrower rebates		2,355
Securities fees		(25,116)
Net income from securities lending activities		<u>28,835</u>
 Total net investment income		 <u>28,726,818</u>
 Contributions		
Employer		20,006,362
Employees		5,610,926
On behalf - federal Medicare Part D subsidy		505,309
Total contributions		<u>26,122,597</u>
 Other additions:		
Other		<u>1,609</u>
 Total additions		 <u>54,851,024</u>

Deductions

Participant benefits		25,001,248
Payments to terminated participants		926,980
Administrative expenses		600,361
Participant refunds		649,889
Total deductions		<u>27,178,478</u>

Net additions (deductions) to net assets held in trust

Employees' pension benefits	\$	15,962,871
Postemployment healthcare benefits		11,908,805
Other employee benefits		(199,130)
Total net additions to net assets held in trust		<u>27,672,546</u>
 Net assets held in trust for benefits, beginning of year		 <u>242,197,545</u>

Net assets held in trust for benefits, end of year

Restricted for employees' pension benefits	206,403,925
Restricted for employees' postemployment healthcare benefits	63,078,224
Restricted for other employees' benefits	387,942
Total net assets held in trust for benefits, end of year	<u>\$ 269,870,091</u>

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

WASHTENAW COUNTY
Combining Statement of Net Assets
Component Units
December 31, 2010

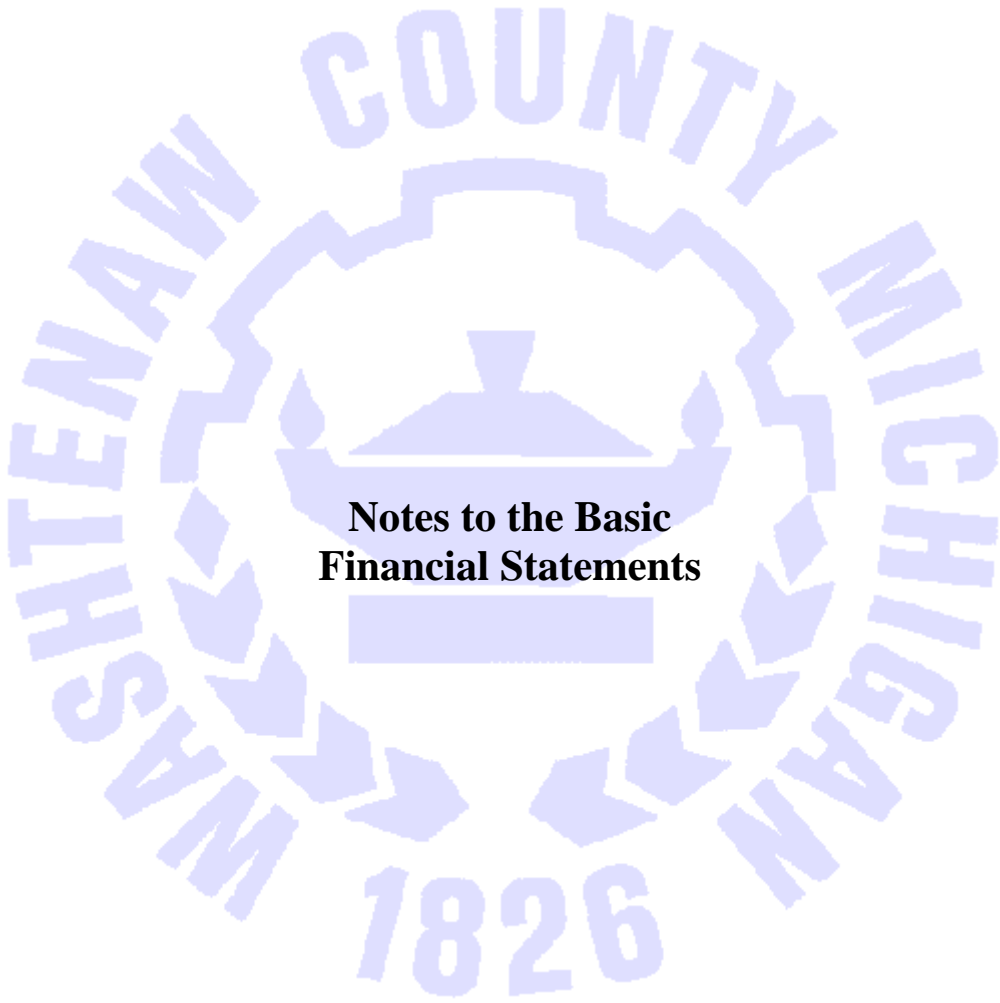
	Department of Public Works Projects	Water Resources Commissioner	Hazardous Materials Response Authority	Road Commission	Brownfield Redevelopment Authority	Total
Assets						
Cash and pooled investments	\$ 1,003,112	\$ 9,834,720	\$ 82,847	\$ 6,954,059	\$ 31,773	\$ 17,906,511
Receivables, net	30,637,879	7,789,169	-	4,119,184	-	42,546,232
Prepaid items and other assets	524,232	218,106	-	1,379,047	-	2,121,385
Capital assets not being depreciated	-	7,811,197	-	26,340,648	-	34,151,845
Capital assets being depreciated, net	-	20,774,575	-	221,773,267	-	242,547,842
Total assets	32,165,223	46,427,767	82,847	260,566,205	31,773	339,273,815
Liabilities						
Accounts payable / accrued expenses	75,056	4,504,432	-	2,670,957	-	7,250,445
Accrued interest payable	199,734	90,370	-	33,224	-	323,328
Long-term liabilities:						
Due within one year	1,890,000	807,754	-	808,764	-	3,506,518
Due in more than one year	27,807,266	10,518,385	-	2,548,570	-	40,874,221
Other noncurrent liability - net other postemployment benefit liability	-	-	-	307,522	-	307,522
Total liabilities	29,972,056	15,920,941	-	6,369,037	-	52,262,034
Net assets						
Invested in capital assets, net of related debt	-	17,259,633	-	248,480,788	-	265,740,421
Restricted for:						
Debt service	26,158	939,186	-	-	-	965,344
Capital projects	2,167,009	4,539,225	-	-	-	6,706,234
Unrestricted	-	7,768,782	82,847	5,716,380	31,773	13,599,782
Total net assets	\$ 2,193,167	\$ 30,506,826	\$ 82,847	\$ 254,197,168	\$ 31,773	\$ 287,011,781

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

WASHTENAW COUNTY
Combining Statement of Activities
Component Units
Year Ended December 31, 2010

	Department of Public Works Projects	Water Resources Commissioner	Hazardous Materials Response Authority	Road Commission	Brownfield Redevelopment Authority	Total
Expenses						
Public safety	\$ -	\$ -	\$ 58,801	\$ -	\$ -	\$ 58,801
Public works	1,954,117	1,833,518	-	-	1,072,807	4,860,442
Highways and streets	-	-	-	30,444,130	-	30,444,130
Total expenses	<u>1,954,117</u>	<u>1,833,518</u>	<u>58,801</u>	<u>30,444,130</u>	<u>1,072,807</u>	<u>35,363,373</u>
Program revenues						
Charges for services	-	163,434	44,023	-	-	207,457
Operating grants and contributions	-	-	28,832	34,415,761	-	34,444,593
Capital grants and contributions	<u>1,419,482</u>	<u>6,153,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,573,401</u>
Total program revenues	<u>1,419,482</u>	<u>6,317,353</u>	<u>72,855</u>	<u>34,415,761</u>	<u>-</u>	<u>42,225,451</u>
Net program (expense) revenue	(534,635)	4,483,835	14,054	3,971,631	(1,072,807)	6,862,078
General revenues						
Property taxes	-	-	-	-	1,103,569	1,103,569
Unrestricted investment earnings	6,232	45,098	338	39,522	504	91,694
Gain on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,307</u>	<u>-</u>	<u>45,307</u>
Total general revenues	<u>6,232</u>	<u>45,098</u>	<u>338</u>	<u>84,829</u>	<u>1,104,073</u>	<u>1,240,570</u>
Change in net assets	(528,403)	4,528,933	14,392	4,056,460	31,266	8,102,648
Net assets, beginning of year	<u>2,721,570</u>	<u>25,977,893</u>	<u>68,455</u>	<u>250,140,708</u>	<u>507</u>	<u>278,909,133</u>
Net assets, end of year	<u>\$ 2,193,167</u>	<u>\$ 30,506,826</u>	<u>\$ 82,847</u>	<u>\$ 254,197,168</u>	<u>\$ 31,773</u>	<u>\$ 287,011,781</u>

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



**Notes to the Basic
Financial Statements**

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Blended Component Unit

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

Discretely Presented Component Units

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

Each of the drainage districts included in the financial statements of the *Washtenaw County 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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

The *Washtenaw County Brownfield Redevelopment Authority (WCBRA)* is governed by a nine-member board appointed by the Washtenaw County Board of Commissioners. Its purpose is to encourage and support the redevelopment of under-utilized and environmentally contaminated properties in partnership with member communities in Washtenaw County. The WCBRA is currently administered by the Economic Development and Energy Department. The County Board of Commissioners approves the Economic Development and Energy Department's Budget. No separate financial report was issued. Financial statements are included here within, under the supplementary information section.

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

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

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

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

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

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

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

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

The government reports the following major proprietary fund:

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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 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.

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

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the delinquent tax fund and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

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

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

2. Receivables and Payables

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

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

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

3. Inventories and Prepaid Items

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

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the 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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

5. Compensated Absences

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

6. Long-Term Obligations

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

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

7. Fund Equity

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

B. Excess of Expenditures over Appropriations

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General fund			
Judicial:			
Circuit court	\$ 4,390,414	\$ 4,404,318	\$ 13,904
District court	5,152,711	5,381,804	229,093
Probate court	1,276,268	1,282,644	6,376
General government:			
Information technology	5,158,896	5,195,552	36,656
Corporation counsel	294,713	298,014	3,301
Public safety:			
Sheriff	40,171,751	40,695,134	523,383
Prosecuting attorney	5,448,506	5,452,359	3,853
Social services - children's services	-	17,115	17,115
Culture - county extension	631,761	649,794	18,033
Other unallocated expenditures	4,995,499	5,442,086	446,587
Debt service:			
Principal	-	273,554	273,554
Interest and fiscal charges	-	44,246	44,246
Transfers out	17,210,033	18,314,763	1,104,730
Enhanced emergency communication system fund			
Public safety	-	15,257	15,257
Nonmajor special revenue funds			
Aerial photo - general government	110,000	183,376	73,376
E-911 - public safety	1,236,793	1,242,538	5,745
E-911 - transfers out	1,008,054	1,187,662	179,608
Inmate concessions - public safety	270,972	480,041	209,069
Other special revenue - transfers out	140,000	180,896	40,896
Public works solid waste program - public works	413,200	440,408	27,208
Sheriff's grants - transfers out	-	9,624	9,624
Veterans' trust - transfers out	-	3,000	3,000
Water resources commissioner grants - public works	108,457	174,462	66,005

These over-expenditures were funded by available fund balance.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

III. DETAILED NOTES ON ALL FUNDS

A. Deposits, Investments and Securities Lending

Following is a reconciliation of deposits and investments as of December 31, 2010:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Assets:			
Cash and pooled investments	\$ 107,808,808	\$ 17,906,511	\$ 125,715,319
Statement of Fiduciary Net Assets:			
Cash and pooled investments	22,622,177	-	22,622,177
Investments	<u>262,279,005</u>	<u>-</u>	<u>262,279,005</u>
Total	<u>\$ 392,709,990</u>	<u>\$ 17,906,511</u>	<u>\$ 410,616,501</u>
 Deposits and Investments:			
Bank deposits (checking accounts and certificates of deposit)			\$ 17,012,033
Investments in securities, mutual funds and similar vehicles:			
Treasurer's investment pool			131,794,925
Employees retirement system			205,177,594
Money purchase pension plan			1,168,919
Voluntary employees beneficiary association			55,932,492
Cash on hand			41,181
Net effect of funds with different fiscal year ends			<u>(510,643)</u>
Total			<u>\$ 410,616,501</u>

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 \$5,455,468 of insured deposits through this coverage. At December 31, 2010, of the County's total bank balance of \$18,185,560 (total book balance was \$17,012,033), \$12,730,092 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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2010:

U.S. treasuries	\$ 4,998,500
U.S. agencies	30,753,350
Michigan municipal bonds and notes	17,823,811
Commercial paper	27,978,970
Money market funds	<u>50,240,294</u>
Total	<u>\$ 131,794,925</u>

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, 2010, 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, \$43,457,324 was rated AAAM by S&P, and the remaining \$6,782,970 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, 2010, the County had greater than 5% of its total investment portfolio concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
U.S. agencies	Federal Home Loan Mortgage Company	17.99%
Municipal tax notes	Genesee County LTGO 2010	5.41%

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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, 2010, maturities of the County's debt securities were as follows:

	<u>Fair Value</u>	<u>Investment maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Over 10</u>
U.S. treasuries	\$ 4,998,500	\$ 4,998,500	\$ -	\$ -	\$ -
U.S. agencies	30,753,350	26,702,740	4,050,610	-	-
Michigan municipal bonds and notes	17,823,811	-	17,823,811	-	-
Commercial paper	27,978,970	27,978,970	-	-	-
	<u><u>\$ 81,554,631</u></u>	<u><u>\$ 59,680,210</u></u>	<u><u>\$ 21,874,421</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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, 2010: (investments at fair value, as determined by quoted market price)

Equities:	
Not on securities loan	\$ 99,078,705
On securities loan	9,495,738
U.S. treasuries	3,546,094
U.S. treasury strips	11,445,575
U.S. agencies:	
Not on securities loan	20,735,142
On securities loan	2,572,961
Corporate securities	18,412,881
Real estate investment trusts	13,803,854
Mutual funds	22,234,267
Money market funds	<u>3,852,377</u>
Total investments	<u><u>\$ 205,177,594</u></u>

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 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 are implicitly guaranteed (\$2,834,399 of U.S. agencies are explicitly guaranteed) by the U.S. government were rated AAA by Standard & Poor's, except for \$150,636 which were rated A.

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

	<u>2010</u>
AAA	\$ 5,747,705
AA	2,306,283
A	5,041,873
BBB	3,335,483
BB	305,230
CCC	240,910
CC	30,835
Not rated	<u>1,404,562</u>
	<u>\$18,412,881</u>

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

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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, 2010, the System's investment portfolio was concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
Large cap equities	D. E. Shaw Group Limited Partnership	30.4%
Fixed income	Federal National Mortgage Association	6.5%

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, 2010, maturities of the System's debt securities were as follows:

	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. treasuries	\$ 3,546,094	\$ 55,583	\$ 441,224	\$ 1,994,982	\$ 1,054,305
U.S. treasury strips	11,445,575	-	7,288,961	3,765,668	390,946
U.S. agencies	23,308,103	152,292	968,755	4,531,492	17,655,564
Corporate securities	18,412,881	675,140	5,769,509	4,505,956	7,462,276
	<u>\$ 56,712,653</u>	<u>\$ 883,015</u>	<u>\$ 14,468,449</u>	<u>\$ 14,798,098</u>	<u>\$ 26,563,091</u>

Of the above balances, \$8,649,654 of the U.S. agencies and \$13,496,871 of corporate securities are callable.

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NOTES TO FINANCIAL STATEMENTS

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	\$ 1,435,209
Principal-only strips	2,317,667
Mortgage pass-through asset-backed securities	5,956,825
Variable-rate securities	2,000,932
Inverse variable-rate securities	2,617,104

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, 2010, the System holds 32 variable-rate investments with a fair value of \$2,000,932. The coupon rates for these investments range from 0.0% to 6.68%; the benchmark indexes include one-month, three-month, six-month, and twelve-month LIBOR, 11th District Monthly Weighted Average Cost of Funds Index (San Francisco), and Federal Reserve US H.15 Treasury Note Constant Maturity One Year, and one-year treasury rate; the reset frequency is monthly, quarterly, semi-annually, or annually; the coupon payment frequency is monthly or quarterly; and coupon multipliers range from 1.0 to 44.8 times the benchmark index, minus 268.8% to plus 2.246%, with a cap ranging from 6.75% to 20.4% and a floor ranging from 0.0% to 3.20%.

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NOTES TO FINANCIAL STATEMENTS

As of December 31, 2010, the System holds 76 inverse variable-rate investments with a fair value of \$2,617,104. With inverse variable-rate securities, coupon payments decline as interest rates increase. The coupon rates for these investments range from 8.76% to 1,153.49%; the benchmark indexes include 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 is monthly; and coupon multipliers range from negative 1,500 to negative .889 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.

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 are held by its trustee, a third-party financial institution. The management agreement between the Plan and the trustee requires 13 separate mutual funds, including ten stock funds, one balanced fund, one bond fund, and one guaranteed interest fund. Participants select the particular funds into which their contributions and the related County matching contributions are made. All of the Plan's investments totaling \$1,168,919 are in mutual funds.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2010 the Plan's bond mutual fund was not rated by a nationally recognized statistical rating organization. The Plan's investment policy does not address credit risk.

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At December 31, 2010, the effective maturity of the Plan's bond mutual fund was 7.12 years. The Plan's investment policy does 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 are held by an independent investment management company. Following is a summary of its investments as of December 31, 2010:

Investments at fair value, as determined by quoted market prices:	
Equities	\$ 28,409,718
United States agencies	91,355
Corporate securities	393,734
Multi-strategy limited partnership	4,512,325
Real estate limited partnership	728,560
Bond mutual fund	17,853,935
Money market funds	<u>3,942,865</u>
Total investments	<u>\$ 55,932,492</u>

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.

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As of December 31, 2010, the VEBA's investments in money market funds and securities of U.S. agencies were rated AAA by Standard & Poor's. The VEBA's investment in its bond mutual fund was not rated at December 31, 2010. The VEBA's investments in corporate securities were rated by Standard & Poor's as follows:

BBB+	\$ 57,150
B+	36,700
B	90,600
CCC	24,650
CCC-	47,700
Not rated	<u>136,934</u>
	<u><u>\$ 393,734</u></u>

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, 2010, the VEBA's investment portfolio was not exposed to concentration credit risk.

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

WASHTENAW COUNTY

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	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. agencies	\$ 91,355	\$ -	\$ -	\$ 20,242	\$ 71,113
Corporate securities	<u>393,734</u>	<u>-</u>	<u>104,850</u>	<u>-</u>	<u>288,884</u>
	<u>\$ 485,089</u>	<u>\$ -</u>	<u>\$ 104,850</u>	<u>\$ 20,242</u>	<u>\$ 359,997</u>

Money market funds had a rolling maturity date of less than 60 days as of December 31, 2010. One of the bond mutual funds had a weighted average maturity of 5.41 years as of December 31, 2010; the other had a weighted average maturity of 4.45 years. Of the above balances, \$31,015 of the U.S. agencies and \$288,884 of the corporate securities were callable as of December 31, 2010.

B. Receivables

Receivables in the governmental activities, of which \$4,955,804 of leases receivable are not expected to be collected within one year, are as follows:

Taxes	\$ 15,278,327
Accounts	4,422,370
Leases	5,415,550
Intergovernmental	11,478,848
Less: allowance for uncollectible accounts	<u>(555,700)</u>
	<u>\$ 36,039,395</u>

Receivables for the business-type activities are composed entirely of amounts due from taxpayers for delinquent taxes and related interest and collection fees. Component unit receivables totaling \$42.5 million are comprised of leases receivable (70.23 percent), special assessments receivable (19.86 percent), accounts receivable (9.90 percent) and due from other governments (.01 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 funds were as follows:

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NOTES TO FINANCIAL STATEMENTS

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable:		
General fund	\$ 243,580	\$ -
Parks and recreation fund	10,110,531	-
Enhanced emergency communication system	2,834,739	-
Nonmajor governmental funds	963,811	-
Grant drawdowns prior to meeting all eligibility requirements	481,158	-
	<u>\$ 14,633,819</u>	<u>\$ -</u>

C. Capital Assets

Primary Government - Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 35,994,778	\$ 1,844,275	\$ -	\$ 37,839,053
Construction in progress	42,810,188	92,370	(42,810,188)	92,370
Total capital assets, not being depreciated	<u>78,804,966</u>	<u>1,936,645</u>	<u>(42,810,188)</u>	<u>37,931,423</u>
Capital assets, being depreciated:				
Buildings and easements	121,576,595	36,862,719	(3,462,113)	154,977,201
Improvement other than buildings	18,205,744	20,456,092	(63,894)	38,597,942
Machinery and equipment	14,992,819	8,661,452	(2,101,650)	21,552,621
Total capital assets being depreciated	<u>154,775,158</u>	<u>65,980,263</u>	<u>(5,627,657)</u>	<u>215,127,764</u>
Less accumulated depreciation for:				
Buildings and easements	(38,660,928)	(3,119,623)	1,441,104	(40,339,447)
Improvements other than buildings	(5,423,033)	(1,179,920)	41,152	(6,561,801)
Machinery and equipment	(10,401,756)	(2,230,629)	1,922,902	(10,709,483)
Total accumulated depreciation	<u>(54,485,717)</u>	<u>(6,530,172)</u>	<u>3,405,158</u>	<u>(57,610,731)</u>
Total capital assets being depreciated, net	<u>100,289,441</u>	<u>59,450,091</u>	<u>(2,222,499)</u>	<u>157,517,033</u>
Governmental activities capital assets, net	<u>\$ 179,094,407</u>	<u>\$ 61,386,736</u>	<u>\$ (45,032,687)</u>	<u>\$ 195,448,456</u>

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business type activities				
Capital assets, being depreciated -				
Machinery and equipment	\$ 46,643	\$ -	\$ -	\$ 46,643
Less accumulated depreciation for -				
Machinery and equipment	(18,208)	(8,656)	-	(26,864)
Business type activities capital assets, net	<u><u>\$ 28,435</u></u>	<u><u>\$ (8,656)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,779</u></u>

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

Governmental activities

Legislative	\$ 5,439
Judicial	935,756
General government	1,048,715
Public safety	1,666,470
Health	315,791
Social services	418,148
Culture and recreation	1,093,922
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,045,931</u>

Total depreciation expense - governmental activities \$ 6,530,172

Business type activities \$ 8,656

WASHTENAW COUNTY

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Discretely Presented Component Units

Water Resources Commissioner. Capital asset activity for the Water Resources Commissioner for the year ended December 31, 2010 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital assets, not being depreciated -				
Construction in progress	\$ 3,888,171	\$ 6,352,790	\$ (2,429,764)	\$ 7,811,197
Capital assets, being depreciated:				
Infrastructure	26,475,446	2,429,764	-	28,905,210
Machinery and equipment	363,649	-	-	363,649
Total capital assets being depreciated	<u>26,839,095</u>	<u>2,429,764</u>	<u>-</u>	<u>29,268,859</u>
Less accumulated depreciation for:				
Infrastructure	(7,846,809)	(529,507)	-	(8,376,316)
Machinery and equipment	(70,526)	(47,442)	-	(117,968)
Total accumulated depreciation	<u>(7,917,335)</u>	<u>(576,949)</u>	<u>-</u>	<u>(8,494,284)</u>
Total capital assets being depreciated, net	<u>18,921,760</u>	<u>1,852,815</u>	<u>-</u>	<u>20,774,575</u>
Water Resources Commissioner capital assets, net	<u>\$ 22,809,931</u>	<u>\$ 8,205,605</u>	<u>\$ (2,429,764)</u>	<u>\$ 28,585,772</u>

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NOTES TO FINANCIAL STATEMENTS

Road Commission. Capital asset activity for the Road Commission for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated -				
Land and land improvements	\$ 26,129,824	\$ 210,824	\$ -	\$ 26,340,648
Capital assets, being depreciated:				
Buildings and storage bins	13,511,642	477,068	-	13,988,710
Road equipment	12,980,424	793,749	(830,722)	12,943,451
Other equipment	2,036,293	48,429	-	2,084,722
Brine wells and gravel pits	136,386	-	-	136,386
Infrastructure	<u>337,847,588</u>	<u>16,288,040</u>	<u>-</u>	<u>354,135,628</u>
Total capital assets being depreciated	<u>366,512,333</u>	<u>17,607,286</u>	<u>(830,722)</u>	<u>383,288,897</u>
Less accumulated depreciation for:				
Buildings and storage bins	(4,500,431)	(345,464)	-	(4,845,895)
Road equipment	(11,235,063)	(605,242)	821,601	(11,018,704)
Other equipment	(1,794,965)	(62,833)	-	(1,857,798)
Brine wells and gravel pits	(136,386)	-	-	(136,386)
Infrastructure	<u>(130,375,796)</u>	<u>(13,281,051)</u>	<u>-</u>	<u>(143,656,847)</u>
Total accumulated depreciation	<u>(148,042,641)</u>	<u>(14,294,590)</u>	<u>821,601</u>	<u>(161,515,630)</u>
Total capital assets being depreciated, net	<u>218,469,692</u>	<u>3,312,696</u>	<u>(9,121)</u>	<u>221,773,267</u>
Road Commission capital assets, net	<u><u>\$244,599,516</u></u>	<u><u>\$3,523,520</u></u>	<u><u>\$ (9,121)</u></u>	<u><u>\$248,113,915</u></u>

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

D. Payables

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

Accounts	\$	11,665,945
Wages, fringe benefits and other accrued liabilities		7,742,612
Intergovernmental		1,093,582
	\$	<u>20,502,139</u>

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2010, is as follows:

	<u>Receivable</u>	<u>Payable</u>
Advances to/from other funds		
County capital projects fund	\$ 21,724	\$ -
Internal service funds	-	21,724
Total	<u>\$ 21,724</u>	<u>\$ 21,724</u>
	<u>Receivable</u>	<u>Payable</u>
Interfund receivable/payable		
County capital projects fund	\$ 3,912,956	\$ -
Nonmajor governmental funds	-	3,912,956
Total	<u>\$ 3,912,956</u>	<u>\$ 3,912,956</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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

A summary of interfund transfers for the year ended December 31, 2010, is as follows:

Interfund transfers	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 7,916,188	\$ 18,314,763
Community support & treatment services	457,427	-
Revenue sharing reserve	-	6,537,969
Enhanced emergency communication system	-	2,707,178
County capital projects	10,999,410	7,219,972
Nonmajor governmental funds	23,068,554	1,417,082
Delinquent tax revolving	-	5,573,957
Property tax foreclosure	-	159,118
Internal service funds	-	305,958
Total per financial statements	\$ 42,441,579	\$ 42,235,997
Adjustments for September 30 year end	-	205,582
Total	\$ 42,441,579	\$ 42,441,579

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 \$42,441,579 and total transfers out were \$42,235,997. The difference between these amounts, \$205,582, is attributable to transactions with the public health and community support & treatment services funds, which are reported on a September 30 year-end. As such, this is reported as an uneliminated internal balance in the statement of activities.

F. Leases

Capital Leases – During 2010 and prior years, the County entered into lease agreements as lessee for financing the acquisition of information and technology computer equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

The assets acquired through capital leases in governmental activities are as follows:

Machinery and equipment	\$ 956,794
Less accumulated depreciation	<u>(396,543)</u>
Total	<u>\$ 560,251</u>

The net present value of future minimum lease payments as of December 31, 2010, were as follows:

2011	\$ 387,996
2012	<u>387,996</u>
Total minimum lease payments	775,992
Less: amount representing interest	<u>(64,871)</u>
Present value of minimum lease payments	<u>\$ 711,121</u>

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

2011	\$ 1,092,910
2012	706,007
2013	708,682
2014	566,739
2015	366,322
2016	373,822
2017	373,822
2018	<u>117,622</u>
Total	<u>\$ 4,305,926</u>

Rental expense for all operating leases aggregated \$1,232,896 for the year ended December 31, 2010. In addition, for the year ended December 31, 2010, 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 2010 and continuing for the next 10 years.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

G. Long-term Debt

Primary Government

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years was \$104.9 million. The County issues general obligation notes to provide monies for the purchase of the delinquent taxes receivable from local units of government. The original amount of general obligation notes was \$58.0 million issued in prior years. During the year general obligation tax notes totaling \$29 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:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.0 – 4.75%	\$ 61,485,000
Governmental activities - refunding	1.75 - 4.75%	14,280,000
Business-type activities	1.2 – 2.0%	26,000,000
		<u><u>\$ 101,765,000</u></u>

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

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 6,835,000	\$ 2,471,087	\$ 21,000,000	\$ 205,667
2012	8,295,000	2,696,378	5,000,000	36,458
2013	8,760,000	2,397,784	-	-
2014	7,220,000	2,077,435	-	-
2015	7,660,000	1,802,346	-	-
2016-2020	19,865,000	5,656,144	-	-
2021-2025	11,865,000	2,600,528	-	-
2026-2028	5,265,000	354,811	-	-
Total	<u><u>\$ 75,765,000</u></u>	<u><u>\$ 20,056,513</u></u>	<u><u>\$ 26,000,000</u></u>	<u><u>\$ 242,125</u></u>

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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, 2010 is \$175,280. Willow Run Airport Authority will be reimbursing the County for the debt service payments made by the County.

Component Units

Department of Public Works Projects. General obligation bonds are issued by the County to finance construction projects managed and administered by the Department of Public Works for governmental activities. The original amount of general obligation bonds issued in prior years was \$44,411,593. During the year, the Department issued \$12,870,000 of refunding bonds. 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 June 1, 2028 and bear interest at varying rates from 1.625% to 5.000%. Such bonds currently outstanding are summarized as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.625 - 5.0%	\$ 13,497,279
Governmental activities - refunding	2.0 - 4.25%	<u>16,385,000</u>
		<u>\$ 29,882,279</u>

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

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,890,000	\$ 1,023,551
2012	1,950,000	939,717
2013	1,950,000	872,797
2014	2,640,000	797,968
2015	2,635,000	713,313
2016-2020	11,247,279	2,305,459
2021-2025	5,950,000	782,461
2026-2028	1,620,000	35,194
Total	<u>\$ 29,882,279</u>	<u>\$ 7,470,460</u>

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

During the year, the Department defeased certain bonds by placing the proceeds of refunding bonds in irrevocable trusts for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the related liabilities have been removed from the statement of net assets. This included the following two issues where:

- The Department issued \$9,775,000 to defease \$9,400,000 of bonds. The reacquisition price exceeded the carrying amount of the old debt by \$264,309. The refunding extended the debt repayment period by four years and resulted in an economic gain of \$300,966, but increased future debt service payments by \$1,192,765.
- The Department issued \$3,095,000 to defease \$3,050,000 of bonds. The carrying amount of the old debt exceeded the reacquisition price by \$865. The refunding extended the debt repayment period by five years and resulted in an economic gain of \$67,233, but increased future debt service payments by \$126,138.

Water Resources Commissioner. General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. The original amount of general obligation bonds and notes issued in prior years was \$13,085,227. During the year, general obligation bonds of \$3,730,213 and notes totaling \$524,500 were issued. Installment obligations of \$216,512 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:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.625 - 6.5%	\$11,388,989

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 807,754	\$ 359,557
2012	935,721	391,416
2013	1,045,671	353,192
2014	815,216	315,959
2015	689,950	288,956
2016-2020	3,074,750	1,165,303
2021-2025	3,250,000	693,958
2026-2030	2,585,962	215,267
2031	230,000	2,876
	13,435,024	3,786,484
Less available amount to draw	(2,046,035)	-
Total	\$ 11,388,989	\$ 3,786,484

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:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.0 - 4.5%	\$ 2,496,000

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

Annual principal and interest maturities as of December 31, 2010 are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2011	\$ 750,000	\$ 88,175
2012	780,000	61,019
2013	511,000	31,276
2014	70,000	13,872
2015	70,000	11,785
2016-2020	315,000	25,440
Total	\$ 2,496,000	\$ 231,567

Changes in Long-Term Debt

Long-term liability activity for the year ended December 31, 2010, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities:					
Loan from State of Michigan	\$ 194,756	\$ -	\$ (19,476)	\$ 175,280	\$ 19,476
Capital leases	672,480	526,677	(488,036)	711,121	345,192
General obligation bonds	83,125,000	-	(7,360,000)	75,765,000	6,835,000
Less deferred amounts for:					
Issuance discounts	(50,834)	-	4,760	(46,074)	-
Issuance premiums	407,732	-	(55,443)	352,289	-
Refunding loss	(796,529)	-	120,458	(676,071)	-
Compensated absences	13,883,371	8,574,534	(8,276,677)	14,181,228	1,531,441
	\$ 97,435,976	\$ 9,101,211	\$ (16,074,414)	\$ 90,462,773	\$ 8,731,109
Business-type activities:					
Delinquent tax revolving -					
General obligation notes	\$ 25,000,000	\$ 29,000,000	\$ (28,000,000)	\$ 26,000,000	\$21,000,000
Compensated absences	21,714	19,777	(14,224)	27,267	2,492
	\$ 25,021,714	\$ 29,019,777	\$ (28,014,224)	\$ 26,027,267	\$21,002,492

The above deductions to capital leases of \$488,036 includes a noncash reduction of \$181,340 in the amount payable due to an adjustment of the lease agreement.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Component Units					
Department of Public Works Projects:					
General obligation bonds	\$ 31,772,279	\$ 12,870,000	\$(14,760,000)	\$ 29,882,279	\$ 1,890,000
Less deferred amounts for:					
Issuance discounts	(140,337)	-	79,138	(61,199)	-
Issuance premiums	51,308	178,567	(20,477)	209,398	-
Refunding gain	-	865	(79)	786	-
Refunding loss	(102,880)	(264,309)	33,191	(333,998)	-
	<u>\$ 31,580,370</u>	<u>\$ 12,785,123</u>	<u>\$(14,668,227)</u>	<u>\$ 29,697,266</u>	<u>\$ 1,890,000</u>
Water Resources Commissioner:					
General obligation bonds	\$ 6,894,714	\$ 3,730,213	\$ (560,000)	\$ 10,064,927	\$ 544,000
Notes payable	1,829,267	524,500	(1,246,217)	1,107,550	227,950
Installment obligation	250,694	-	(34,182)	216,512	35,804
Less deferred amounts for issuance discounts	(54,232)	(12,750)	4,132	(62,850)	-
	<u>\$ 8,920,443</u>	<u>\$ 4,241,963</u>	<u>\$ (1,836,267)</u>	<u>\$ 11,326,139</u>	<u>\$ 807,754</u>
Road Commission:					
Michigan transportation fund notes	\$ 900,000	\$ -	\$ (300,000)	\$ 600,000	\$ 300,000
Special assessment	320,000	349,000	(18,000)	651,000	55,000
Lease payable	1,620,000	-	(375,000)	1,245,000	395,000
Less deferred amounts for refunding loss	(54,188)	-	13,547	(40,641)	-
Compensated absences	930,980	751,023	(780,028)	901,975	58,764
	<u>\$ 3,716,792</u>	<u>\$ 1,100,023</u>	<u>\$ (1,459,481)</u>	<u>\$ 3,357,334</u>	<u>\$ 808,764</u>

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, \$283,335 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.

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has established internal service funds to account for and finance its uninsured risks of loss. Under this program, the internal service funds provide coverage up to a maximum of \$350,000 for each general liability, police liability or property claim, with no loss fund. The internal service funds also provide coverage up to \$350,000 for any settlement, with all attorney fees being covered under the insurance policy for public officials and employee liability claims, up to \$400,000 for each worker's compensation claim, and up to \$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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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 \$3,237,000 reported in the funds at December 31, 2010, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, as amended, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County has estimated its ultimate liability based upon estimates of known claims and actuarial based computations of incurred but not reported claims. The claims liability is presented at its net present value using an annual discount rate of 6%.

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

	<u>2010</u>	<u>2009</u>
Balance at beginning of year	\$ 2,958,000	\$ 2,813,000
Current year claims and changes in estimates	22,662,979	25,333,500
Claims paid	<u>(22,383,979)</u>	<u>(25,188,500)</u>
Balance at end of year	<u>\$ 3,237,000</u>	<u>\$ 2,958,000</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.

B. Contingent Liabilities

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

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

C. Property Taxes

County property taxes are levied annually on July 1 (the lien date) to fund operations for the current year. The property taxes are due in full within nine months (prior to March 1), at which time uncollected taxes became delinquent. The assessed value of real and personal property is established by the local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold. Property taxes are levied based on the *taxable value* of the property (as defined under Proposal A). Taxable value is determined by using such factors as equalized, assessed and capped values, along with a value change multiplier.

The taxable value of real and personal property for the July 1, 2010 general operating levy was \$14.5 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 .0430 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, 2010 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 (\$22.9 million at December 31, 2010, not including accrued interest and collection fees) are pledged to a bank for payment of the notes payable and subsequent collection of the receivables, interest and collection fees thereon, and investment earnings are used to extinguish the debt.

D. Joint Venture

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

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

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

E. Jointly Governed Organizations

The *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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

The *Washtenaw Central Dispatch and Technology Authority (WCDTA)* was originally established to provide centralized public safety dispatching for law enforcement, fire and emergency medical services to the Sheriff's Department, the Michigan State Police, Northfield Township Police, Huron Valley Ambulance, the townships of Ann Arbor, Augusta, Manchester, Northfield, Salem, Scio and Superior, and Dexter Area Fire Department. The organization is governed by a 12-member board.

There was no financial activity for the Authority for the year ended December 31, 2010. Public safety dispatching services for the Sheriff's Department, Northfield Township Police and the Michigan State Police were provided by the County during 2010.

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.

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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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.

F. 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.

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

Employees’ Retirement System (ERS). The County has a single-employer defined benefit retirement plan which provides pension benefits to all full-time, regular employees. County Ordinances assign the authority to establish and amend benefit provisions and contribution requirements to the County Board of Commissioners, subject to the terms of collective bargaining agreements. Sheriff and non-Sheriff department Plan members are required to contribute 7.5% and 8.0%, 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, 2010, represents 987.60% and 8.70%, respectively, of annual covered payroll.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

Annual required contribution / retirement benefit cost	\$ 6,516,006
Contributions made	<u>6,516,006</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, 2008, actuarial valuation using the aggregate cost actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities.

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 5,359,824	100%	\$ -
12/31/09	6,752,093	100	-
12/31/10	6,516,006	100	-

Funded Status and Funding Progress. The funded status of the System as of December 31, 2009, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 271,514,028	
Actuarial value of assets	(2)	<u>201,112,644</u>	
Unfunded AAL (UAAL)	(3)	<u><u>\$ 70,401,384</u></u>	(1) - (2)
Funded ratio	(4)	<u><u>74.1%</u></u>	(2) / (1)
Covered payroll	(5)	<u><u>\$ 58,041,444</u></u>	
UAAL as % of covered payroll	(6)	<u><u>121.3%</u></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. 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	12/31/09
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 29 years. Sheriff's division liabilities were amortized over nine 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 are required to contribute 6% or 7.5% of covered salary depending on the particular collective bargaining unit to which they belong. The County is required to match the plan member contributions. Plan provisions and contribution requirements are established and may be amended by the Washtenaw County Board of Commissioners, subject to the County’s various collective bargaining agreements. The employer and employee contributions totaled \$17,271 each for the year ended December 31, 2010. At December 31, 2010, there were twelve members.

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, 2010 were \$12,579,185. Although an actuarial valuation of the Plan was completed during 2009, 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, 2010, 730 members received healthcare benefits under the Plan, and the cost of those benefits amounted to \$6,563,154.

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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

Annual required contribution	\$ 12,073,876
Interest on net OPEB obligation	406,138
Adjustment to annual required contribution	<u>(263,942)</u>
Annual OPEB cost	\$ 12,216,072
Contributions made	<u>(12,579,185)</u>
Decrease in net OPEB obligation	(363,113)
Net OPEB obligation, beginning of year	<u>5,415,176</u>
Net OPEB obligation, end of year	<u><u>\$ 5,052,063</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of December 31, 2010, and the two preceding years, were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 13,387,907	81.9%	\$ 4,736,456
12/31/09	10,946,582	93.8%	5,415,176
12/31/10	12,216,072	103.0%	5,052,063

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2009, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$192,041,852	
Actuarial value of assets	(2)	<u>52,375,567</u>	
Unfunded AAL (UAAL)	(3)	<u><u>\$139,666,285</u></u>	(1) - (2)
Funded ratio	(4)	<u><u>27.3%</u></u>	(2) / (1)
Covered payroll	(5)	<u><u>\$ 75,950,342</u></u>	
UAAL as % of covered payroll	(6)	<u><u>183.9%</u></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, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of trust assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

Valuation date	12/31/09
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, closed
Remaining amortization period	28 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.0%
Healthcare cost trend rate	9% initial; 5% ultimate

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

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

County Administered Plans – Summary of Significant Accounting Policies

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

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

Municipal Employees' Retirement System of Michigan

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

The County is required to contribute at an actuarially determined rate; the current rates are 10.29% for the Police Officers Association of Michigan (POAM) and 13.48% for the Command Officers Association of Michigan (COAM), of their annual covered payrolls. The POAM and COAM employees are required to contribute 8.50% 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 are as follows:

Annual required contribution / retirement benefit cost	\$ 2,169,087
Contributions made	<u>2,169,087</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>

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

The required contribution was determined as part of the December 31, 2008 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 4.5% per year compounded annually, attributable to inflation; and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period is 28 years.

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 1,317,421	100%	\$ -
12/31/09	1,546,281	100	-
12/31/10	2,169,087	100	-

Funded Status and Funding Progress. The funded status of the MERS as of December 31, 2009, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 43,001,103	
Actuarial value of assets	(2)	<u>38,243,998</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 4,757,105</u>	(1) - (2)
 Funded ratio	 (4)	 <u>88.9%</u>	 (2) / (1)
 Covered payroll	 (5)	 <u>\$ 17,808,892</u>	
 UAAL as % of covered payroll	 (6)	 <u>26.7%</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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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	12/31/09
Actuarial cost method	Entry age normal cost
Amortization method	Level percent of pay (open); for divisions that are closed, a 30-year level dollar method is used
Asset valuation method	10-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	2.0% to 12.9% (including 2.0% inflation)
Cost-of-living adjustments	None

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, 2010, the Road Commission's annual pension cost of \$1,081,091 for the plan was equal to the Road Commission's actual contribution which was determined as part of an actuarial valuation at December 31, 2008, using the entry age normal cost method. Significant actuarial assumptions used include: (a) an 8.0% investment rate of return; (b) projected salary increases of 4.5% to 12.9% per year, which includes an inflation component of 4.5%; and (c) no post retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The amortization period is 28 years. Employees are required to contribute 5.0% of their annual covered payroll.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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

Annual required contribution	\$ 1,081,091
Amounts contributed/pension cost	<u>1,081,091</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 of the MERS as of December 31, 2009, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1) \$ 45,511,537	
Actuarial value of assets	(2) <u>32,212,344</u>	
Unfunded AAL (UAAL)	(3) <u>\$ 13,299,193</u>	(1) - (2)
Funded ratio	(4) <u>70.8%</u>	(2) / (1)
Covered payroll	(5) <u>\$ 7,459,083</u>	
UAAL as % of covered payroll	(6) <u>178.3%</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).

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.

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

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	\$ 1,847,498
Interest on net OPEB obligation	21,004
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	\$ 1,868,502
Contributions:	
Payments of current premiums	(1,181,951)
Advance funding	(641,585)
Increase in net OPEB obligation	44,966
Net OPEB obligation, beginning of year	262,556
Net OPEB obligation, end of year	\$ 307,522

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, 2010, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/08	\$ 1,570,073	93.10%	\$ 261,546
12/31/09	1,761,559	99.94%	262,556
12/31/10	1,868,502	97.59%	307,522

WASHTENAW COUNTY

NOTES TO FINANCIAL STATEMENTS

Funded Status and Funding Progress. The funded status of the system as of December 31, 2008, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL) (1)	\$	25,209,139
Actuarial value of assets (2)		<u>1,729,732</u>
Unfunded AAL (UAAL) (3)	\$	<u><u>23,479,407</u></u>
Funded ratio (4)		<u><u>6.86%</u></u>
Covered payroll (5)	\$	<u><u>7,459,083</u></u>
UAAL as % of covered payroll (6)		<u><u>314.78%</u></u>

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

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**Required
Supplementary Information**

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)
2000	\$ 156,959,460	\$ 152,942,076	\$ (4,017,384)	102.6%	\$ 11,589,561	-34.7%
2001	163,564,179	166,381,778	2,817,599	98.3%	13,843,557	20.4%
2002	157,473,610	169,389,000	11,915,390	93.0%	12,836,355	92.8%
2003	157,237,691	173,989,111	16,751,420	90.4%	12,332,026	135.8%
2004	150,576,655	177,524,551	26,947,896	84.8%	12,134,962	222.1%
2005	145,093,140	177,684,410	32,591,270	81.7%	11,076,300	294.2%
2006	145,235,953	181,591,924	36,355,971	80.0%	10,243,828	354.9%
2007	150,229,089	190,725,826	40,496,737	78.8%	9,354,679	432.9%
2007*	210,446,657	265,463,304	55,016,647	79.3%	57,943,478	94.9%
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%

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

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

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2001	\$ 1,449,631	\$ 1,449,631	100.0%
2002	1,456,780	1,456,780	100.0%
2003	1,651,416	1,651,416	100.0%
2004	2,451,764	2,451,764	100.0%
2005	2,700,525	2,700,525	100.0%
2006	3,845,384	3,845,384	100.0%
2007	4,827,249	4,827,249	100.0%
2008	5,359,824	5,359,824	100.0%
2009	6,752,093	6,752,093	100.0%
2010	6,516,006	6,516,006	100.0%

WASHTENAW COUNTY
Voluntary Employees Beneficiary Association
Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

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

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

Year Ended	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed	Net OPEB Obligation
2006	\$ 12,013,367	\$ 8,035,887	66.9%	\$ -
2007	11,952,578	9,640,671	80.7%	2,311,907
2008	13,329,469	10,963,355	82.2%	4,736,456
2009	10,807,274	10,267,862	95.0%	5,415,176
2010	12,073,876	12,579,185	104.2%	5,052,063

WASHTENAW COUNTY
Municipal Employees' Retirement System of Michigan
Required Supplementary Information

Schedule of Funding Progress - Pension Only

(1)	(2)	(3)	(4)	(5)	(6)	
Actuarial Valuation Date <u>December 31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL) (2-1)	Funded Ratio (1/2)	Covered Payroll	UAAL as a % of Covered Payroll (3/5)
2000	\$ 8,825,067	\$ 10,626,535	\$ 1,801,468	83.0%	\$ 9,571,961	18.8%
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%

Schedule of Employer Contributions

Year Ended <u>December 31</u>	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2001	\$ 650,166	\$ 650,166	100.0%
2002	783,326	783,326	100.0%
2003	774,093	774,093	100.0%
2004	956,387	956,387	100.0%
2005	972,278	972,278	100.0%
2006	1,187,154	1,187,154	100.0%
2007	1,264,818	1,264,818	100.0%
2008	1,317,421	1,317,421	100.0%
2009	1,546,281	1,546,281	100.0%
2010	2,169,087	2,169,087	100.0%



Supplementary Information

WASHTENAW COUNTY
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2010

Special Revenue Funds

<u>ASSETS</u>	<u>Accommodation Ordinance Tax</u>	<u>Aerial Photo</u>	<u>Building Services</u>	<u>Child Care</u>	<u>Community Corrections</u>	<u>Community Development</u>
Assets						
Cash and pooled investments	\$ 560,391	\$ 123,605	\$ 66,694	\$ 158,871	\$ 127,825	\$ -
Receivables:						
Taxes - current	-	-	-	-	-	-
Accounts	190,772	-	-	-	604	-
Due from other governments	-	-	372	631,273	96,240	2,348,034
Notes receivable	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 751,163</u>	<u>\$ 123,605</u>	<u>\$ 67,066</u>	<u>\$ 790,144</u>	<u>\$ 224,669</u>	<u>\$ 2,348,034</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 427,322	\$ -	\$ -	\$ 47,736	\$ 40,237	\$ 138,281
Accrued liabilities	1,082	-	15,207	151,969	16,365	31,722
Due to other governments	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	2,100,712
Deferred revenue	-	-	-	-	-	-
Advances from other governments	-	-	-	-	-	-
Total liabilities	428,404	-	15,207	199,705	56,602	2,270,715
Fund balances						
Reserved for prepaid items	-	-	-	-	-	-
Unreserved, undesignated	322,759	123,605	51,859	590,439	168,067	77,319
Total fund balances	322,759	123,605	51,859	590,439	168,067	77,319
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 751,163</u>	<u>\$ 123,605</u>	<u>\$ 67,066</u>	<u>\$ 790,144</u>	<u>\$ 224,669</u>	<u>\$ 2,348,034</u>

Special Revenue Funds

Department of Human Services	E-911	Economic Development and Energy	Economic Development Millage	Employment Training and Community Services	Environ- mental Health	Friend of the Court	Head Start	HIDTA Grant
\$ 37,462	\$ 50,379	\$ 20,381	\$ 161,705	\$ 23,222	\$ 496,351	\$ -	\$ 90,229	\$ -
-	-	-	527,745	-	-	-	-	-
-	466,805	-	-	-	36,126	-	-	-
80,194	137,447	-	-	1,199,366	16,679	1,485,405	184,790	445,543
-	-	-	-	-	-	-	-	-
-	-	-	-	35,550	-	-	-	-
<u>\$ 117,656</u>	<u>\$ 654,631</u>	<u>\$ 20,381</u>	<u>\$ 689,450</u>	<u>\$ 1,258,138</u>	<u>\$ 549,156</u>	<u>\$ 1,485,405</u>	<u>\$ 275,019</u>	<u>\$ 445,543</u>
\$ -	\$ 263,702	\$ -	\$ -	\$ 399,857	\$ -	\$ 2,940	\$ 62,555	\$ 119,066
-	3,626	10,779	4,986	76,472	92,801	155,038	62,734	19,936
-	-	-	-	-	-	1,822	-	-
-	-	-	-	-	-	1,325,605	-	306,541
-	-	-	609,469	328,630	-	-	-	-
78,000	-	-	-	-	-	-	-	-
<u>78,000</u>	<u>267,328</u>	<u>10,779</u>	<u>614,455</u>	<u>804,959</u>	<u>92,801</u>	<u>1,485,405</u>	<u>125,289</u>	<u>445,543</u>
-	-	-	-	35,550	-	-	-	-
39,656	387,303	9,602	74,995	417,629	456,355	-	149,730	-
<u>39,656</u>	<u>387,303</u>	<u>9,602</u>	<u>74,995</u>	<u>453,179</u>	<u>456,355</u>	<u>-</u>	<u>149,730</u>	<u>-</u>
<u>\$ 117,656</u>	<u>\$ 654,631</u>	<u>\$ 20,381</u>	<u>\$ 689,450</u>	<u>\$ 1,258,138</u>	<u>\$ 549,156</u>	<u>\$ 1,485,405</u>	<u>\$ 275,019</u>	<u>\$ 445,543</u>

Continued...

WASHTENAW COUNTY
Combining Balance Sheet - Nonmajor Governmental Funds (Concluded)
December 31, 2010

Special Revenue Funds

	<u>Homeland Security Grants</u>	<u>Inmate Concessions</u>	<u>Juvenile Grants</u>	<u>Other Special Revenue Funds</u>	<u>Prosecuting Attorney Grants</u>	<u>Public Health</u>
<u>ASSETS</u>						
Assets						
Cash and pooled investments	\$ -	\$ 215,240	\$ -	\$ 531,478	\$ 256,407	\$ 1,861,365
Receivables:						
Taxes - current	-	-	-	-	-	-
Accounts	-	-	-	-	-	250,903
Due from other governments	100,786	-	169,516	295,202	118,607	392,149
Notes receivable	-	-	-	45,271	-	-
Prepaid items	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 100,786</u>	<u>\$ 215,240</u>	<u>\$ 169,516</u>	<u>\$ 871,951</u>	<u>\$ 375,014</u>	<u>\$ 2,504,417</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 590	\$ 6,660	\$ -	\$ 147,947
Accrued liabilities	4,359	-	4,477	70,182	17,102	312,376
Due to other governments	-	-	-	-	250	1,010,349
Interfund payable	73,866	-	106,232	-	-	-
Deferred revenue	-	-	2,476	11,377	-	121,000
Advances from other governments	-	-	-	-	-	-
Total liabilities	<u>78,225</u>	<u>-</u>	<u>113,775</u>	<u>88,219</u>	<u>17,352</u>	<u>1,591,672</u>
Fund balances						
Reserved for prepaid items	-	-	-	-	-	-
Unreserved, undesignated	22,561	215,240	55,741	783,732	357,662	912,745
Total fund balances	<u>22,561</u>	<u>215,240</u>	<u>55,741</u>	<u>783,732</u>	<u>357,662</u>	<u>912,745</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 100,786</u>	<u>\$ 215,240</u>	<u>\$ 169,516</u>	<u>\$ 871,951</u>	<u>\$ 375,014</u>	<u>\$ 2,504,417</u>

Special Revenue Funds				Debt Service		Capital Projects	Total Other Governmental Funds
Public Works Solid Waste Program	Sheriff's Grants	Veterans' Trust	Water Resources Commissioner Grants	County	Building Authority	Building Authority	
\$ 95,280	\$ 617,919	\$ 237,618	\$ 153,646	\$ 655	\$ 473	\$ -	\$ 5,887,196
-	-	306,828	-	-	-	-	834,573
163,524	-	-	66,953	-	-	-	1,175,687
-	439,012	-	-	-	-	-	8,140,615
-	-	-	-	-	-	-	45,271
-	-	-	-	-	-	-	35,550
<u>\$ 258,804</u>	<u>\$ 1,056,931</u>	<u>\$ 544,446</u>	<u>\$ 220,599</u>	<u>\$ 655</u>	<u>\$ 473</u>	<u>\$ -</u>	<u>\$ 16,118,892</u>
\$ 1,455	\$ 30,849	\$ -	\$ 16,289	\$ -	\$ -	\$ -	\$ 1,705,486
7,267	13,013	140	206	-	-	-	1,071,839
-	3,161	-	-	-	-	-	1,015,582
-	-	-	-	-	-	-	3,912,956
-	7,562	354,342	10,113	-	-	-	1,444,969
-	-	-	-	-	-	-	78,000
<u>8,722</u>	<u>54,585</u>	<u>354,482</u>	<u>26,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,228,832</u>
-	-	-	-	-	-	-	35,550
<u>250,082</u>	<u>1,002,346</u>	<u>189,964</u>	<u>193,991</u>	<u>655</u>	<u>473</u>	<u>-</u>	<u>6,854,510</u>
<u>250,082</u>	<u>1,002,346</u>	<u>189,964</u>	<u>193,991</u>	<u>655</u>	<u>473</u>	<u>-</u>	<u>6,890,060</u>
<u>\$ 258,804</u>	<u>\$ 1,056,931</u>	<u>\$ 544,446</u>	<u>\$ 220,599</u>	<u>\$ 655</u>	<u>\$ 473</u>	<u>\$ -</u>	<u>\$ 16,118,892</u>

WASHTENAW COUNTY
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Governmental Funds
Year Ended December 31, 2010

Special Revenue Funds

	Accommodation Ordinance Tax	Aerial Photo	Building Services	Child Care	Community Corrections	Community Development
Revenues						
Taxes	\$ 3,539,013	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	565,228	-	-	-
Intergovernmental	-	-	-	3,978,343	391,977	6,576,812
Charges for services	-	25,917	266	-	234,184	-
Fines and forfeits	25,032	-	-	-	-	-
Investment income (loss)	811	755	140	-	-	-
Other	9,367	-	-	542,701	23,996	928,946
Total revenues	3,574,223	26,672	565,634	4,521,044	650,157	7,505,758
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	3,251,464	183,376	-	-	-	-
Public safety	-	-	513,836	-	836,698	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	9,745,889	-	8,634,955
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	3,251,464	183,376	513,836	9,745,889	836,698	8,634,955
Revenues over (under) expenditures	322,759	(156,704)	51,798	(5,224,845)	(186,541)	(1,129,197)
Other financing sources (uses)						
Transfers in	-	-	-	4,620,559	200,715	1,178,015
Transfers out	-	-	-	(1,548)	-	-
Total other sources (uses)	-	-	-	4,619,011	200,715	1,178,015
Net change in fund balances	322,759	(156,704)	51,798	(605,834)	14,174	48,818
Fund balances, beginning of year	-	280,309	61	1,196,273	153,893	28,501
Fund balances, end of year	\$ 322,759	\$ 123,605	\$ 51,859	\$ 590,439	\$ 168,067	\$ 77,319

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
\$ -	\$ -	\$ -	\$ 599,539	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,391,920	-	-	-
605,213	-	-	-	14,780,159	1,296,215	3,813,389	3,974,410	1,362,470
-	2,337,845	47,999	-	-	538	220,685	-	-
-	-	-	-	-	5,669	2,064	-	-
(2)	2,853	(1)	-	-	-	-	-	-
-	39,061	26	-	346,644	6,375	1,212	399,344	-
<u>605,211</u>	<u>2,379,759</u>	<u>48,024</u>	<u>599,539</u>	<u>15,126,803</u>	<u>2,700,717</u>	<u>4,037,350</u>	<u>4,373,754</u>	<u>1,362,470</u>
-	-	-	-	-	-	5,747,028	-	-
-	-	458,146	524,544	-	-	-	-	-
-	1,242,538	-	-	-	-	-	-	1,362,470
-	-	-	-	-	-	-	-	-
-	-	-	-	-	3,111,892	-	-	-
626,461	-	-	-	15,308,091	-	-	5,057,767	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>626,461</u>	<u>1,242,538</u>	<u>458,146</u>	<u>524,544</u>	<u>15,308,091</u>	<u>3,111,892</u>	<u>5,747,028</u>	<u>5,057,767</u>	<u>1,362,470</u>
(21,250)	1,137,221	(410,122)	74,995	(181,288)	(411,175)	(1,709,678)	(684,013)	-
53,646	118,487	419,724	-	181,288	605,947	1,275,429	677,977	-
-	(1,187,662)	-	-	-	-	-	-	-
<u>53,646</u>	<u>(1,069,175)</u>	<u>419,724</u>	<u>-</u>	<u>181,288</u>	<u>605,947</u>	<u>1,275,429</u>	<u>677,977</u>	<u>-</u>
32,396	68,046	9,602	74,995	-	194,772	(434,249)	(6,036)	-
7,260	319,257	-	-	453,179	261,583	434,249	155,766	-
<u>\$ 39,656</u>	<u>\$ 387,303</u>	<u>\$ 9,602</u>	<u>\$ 74,995</u>	<u>\$ 453,179</u>	<u>\$ 456,355</u>	<u>\$ -</u>	<u>\$ 149,730</u>	<u>\$ -</u>

Continued...

WASHTENAW COUNTY
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Governmental Funds (Concluded)
Year Ended December 31, 2010

Special Revenue Funds

	Homeland Security Grants	Inmate Concessions	Juvenile Grants	Other Special Revenue Funds	Prosecuting Attorney Grants	Public Health
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	551,773	-	276,889	370,767	495,535	6,924,008
Charges for services	-	-	-	139,910	-	1,286,816
Fines and forfeits	-	-	-	8,500	9,914	-
Investment income (loss)	-	2,048	(1)	4,469	1	-
Other	-	320,610	8,800	153,304	-	111,761
Total revenues	551,773	322,658	285,688	676,950	505,450	8,322,585
Expenditures						
Current:						
Judicial	-	-	-	11,062	-	-
General government	-	-	-	303,453	-	-
Public safety	551,773	480,041	-	-	674,880	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	12,136,645
Social services	-	-	282,212	257,459	-	-
Culture and recreation	-	-	-	145,636	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	551,773	480,041	282,212	717,610	674,880	12,136,645
Revenues over (under) expenditures	-	(157,383)	3,476	(40,660)	(169,430)	(3,814,060)
Other financing sources (uses)						
Transfers in	-	-	1,547	125,641	157,242	4,283,352
Transfers out	-	-	-	(180,896)	-	-
Total other sources (uses)	-	-	1,547	(55,255)	157,242	4,283,352
Net change in fund balances	-	(157,383)	5,023	(95,915)	(12,188)	469,292
Fund balances, beginning of year	22,561	372,623	50,718	879,647	369,850	443,453
Fund balances, end of year	\$ 22,561	\$ 215,240	\$ 55,741	\$ 783,732	\$ 357,662	\$ 912,745

Special Revenue Funds				Debt Service		Capital Projects	Total Other Governmental Funds
Public Works Solid Waste Program	Sheriff's Grants	Veterans' Trust	Water Resources Commissioner Grants	County	Building Authority	Building Authority	
\$ -	\$ -	\$ 373,041	\$ -	\$ -	\$ -	\$ -	\$ 4,511,593
-	-	-	-	-	-	-	1,957,148
22,380	723,987	3,880	76,392	1,511,514	-	-	47,736,113
-	75,579	-	-	-	-	-	4,369,739
-	65,005	-	-	-	-	-	116,184
352	3,668	1,479	597	83	16	(7)	17,261
598,627	5,000	-	-	-	-	-	3,495,774
<u>621,359</u>	<u>873,239</u>	<u>378,400</u>	<u>76,989</u>	<u>1,511,597</u>	<u>16</u>	<u>(7)</u>	<u>62,203,812</u>
-	-	-	-	-	-	-	5,758,090
-	-	-	-	-	-	-	4,720,983
-	610,651	-	-	-	-	-	6,272,887
440,408	-	-	174,462	-	-	-	614,870
-	-	-	-	-	-	-	15,248,537
-	-	302,578	-	-	-	-	40,215,412
-	-	-	-	-	-	-	145,636
-	-	-	-	6,279,476	1,100,000	-	7,379,476
-	-	-	-	2,971,853	214,888	-	3,186,741
-	-	-	-	-	-	4,060	4,060
<u>440,408</u>	<u>610,651</u>	<u>302,578</u>	<u>174,462</u>	<u>9,251,329</u>	<u>1,314,888</u>	<u>4,060</u>	<u>83,546,692</u>
<u>180,951</u>	<u>262,588</u>	<u>75,822</u>	<u>(97,473)</u>	<u>(7,739,732)</u>	<u>(1,314,872)</u>	<u>(4,067)</u>	<u>(21,342,880)</u>
-	-	3,000	111,286	7,739,447	1,315,252	-	23,068,554
-	(9,624)	(3,000)	(17,000)	-	(14,111)	(3,241)	(1,417,082)
-	(9,624)	-	94,286	7,739,447	1,301,141	(3,241)	21,651,472
180,951	252,964	75,822	(3,187)	(285)	(13,731)	(7,308)	308,592
69,131	749,382	114,142	197,178	940	14,204	7,308	6,581,468
<u>\$ 250,082</u>	<u>\$ 1,002,346</u>	<u>\$ 189,964</u>	<u>\$ 193,991</u>	<u>\$ 655</u>	<u>\$ 473</u>	<u>\$ -</u>	<u>\$ 6,890,060</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, 2010

	<u>Accomodation Ordinance Tax</u>			<u>Aerial Photo</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget + (-)</u>
Revenues						
Taxes	\$ 3,400,000	\$ 3,539,013	\$ 139,013	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	39,000	25,917	(13,083)
Fines and forfeits	25,000	25,032	32	-	-	-
Investment income (loss)	-	811	811	-	755	755
Other	-	9,367	9,367	-	-	-
Total revenues	<u>3,425,000</u>	<u>3,574,223</u>	<u>149,223</u>	<u>39,000</u>	<u>26,672</u>	<u>(12,328)</u>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	3,425,000	3,251,464	173,536	110,000	183,376	(73,376)
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>3,425,000</u>	<u>3,251,464</u>	<u>173,536</u>	<u>110,000</u>	<u>183,376</u>	<u>(73,376)</u>
Revenues over (under) expenditures	<u>-</u>	<u>322,759</u>	<u>322,759</u>	<u>(71,000)</u>	<u>(156,704)</u>	<u>(85,704)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>322,759</u>	<u>322,759</u>	<u>(71,000)</u>	<u>(156,704)</u>	<u>(85,704)</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,309</u>	<u>280,309</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 322,759</u>	<u>\$ 322,759</u>	<u>\$ 209,309</u>	<u>\$ 123,605</u>	<u>\$ (85,704)</u>

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, 2010

	Building Services			Child Care		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	555,889	565,228	9,339	-	-	-
Intergovernmental	-	-	-	4,720,279	3,978,343	(741,936)
Charges for services	-	266	266	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	140	140	-	-	-
Other	-	-	-	574,000	542,701	(31,299)
Total revenues	555,889	565,634	9,745	5,294,279	4,521,044	(773,235)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	555,889	513,836	42,053	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	10,340,631	9,745,889	594,742
Culture and recreation	-	-	-	-	-	-
Total expenditures	555,889	513,836	42,053	10,340,631	9,745,889	594,742
Revenues over (under) expenditures	-	51,798	51,798	(5,046,352)	(5,224,845)	(178,493)
Other financing sources (uses)						
Transfers in	-	-	-	5,055,894	4,620,559	(435,335)
Transfers out	-	-	-	(9,200)	(1,548)	7,652
Total other sources (uses)	-	-	-	5,046,694	4,619,011	(427,683)
Net change in fund balances	-	51,798	51,798	342	(605,834)	(606,176)
Fund balances, beginning of year	61	61	-	1,196,273	1,196,273	-
Fund balances, end of year	\$ 61	\$ 51,859	\$ 51,798	\$ 1,196,615	\$ 590,439	\$ (606,176)

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, 2010

	Community Corrections			Community Development		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	393,756	391,977	(1,779)	7,107,811	6,576,812	(530,999)
Charges for services	290,589	234,184	(56,405)	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-
Other	5,301	23,996	18,695	519,159	928,946	409,787
Total revenues	689,646	650,157	(39,489)	7,626,970	7,505,758	(121,212)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	890,361	836,698	53,663	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	9,312,156	8,634,955	677,201
Culture and recreation	-	-	-	-	-	-
Total expenditures	890,361	836,698	53,663	9,312,156	8,634,955	677,201
Revenues over (under) expenditures	(200,715)	(186,541)	14,174	(1,685,186)	(1,129,197)	555,989
Other financing sources (uses)						
Transfers in	200,715	200,715	-	1,685,186	1,178,015	(507,171)
Transfers out	-	-	-	-	-	-
Total other sources (uses)	200,715	200,715	-	1,685,186	1,178,015	(507,171)
Net change in fund balances	-	14,174	14,174	-	48,818	48,818
Fund balances, beginning of year	153,893	153,893	-	28,501	28,501	-
Fund balances, end of year	\$ 153,893	\$ 168,067	\$ 14,174	\$ 28,501	\$ 77,319	\$ 48,818

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, 2010

	Department of Human Services			E-911		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	800,000	605,213	(194,787)	-	-	-
Charges for services	-	-	-	2,100,000	2,337,845	237,845
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	(2)	(2)	-	2,853	2,853
Other	-	-	-	36,000	39,061	3,061
Total revenues	800,000	605,211	(194,789)	2,136,000	2,379,759	243,759
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	1,236,793	1,242,538	(5,745)
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	854,109	626,461	227,648	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	854,109	626,461	227,648	1,236,793	1,242,538	(5,745)
Revenues over (under) expenditures	(54,109)	(21,250)	32,859	899,207	1,137,221	238,014
Other financing sources (uses)						
Transfers in	54,109	53,646	(463)	(108,847)	118,487	227,334
Transfers out	-	-	-	(1,008,054)	(1,187,662)	(179,608)
Total other sources (uses)	54,109	53,646	(463)	(1,116,901)	(1,069,175)	47,726
Net change in fund balances	-	32,396	32,396	(217,694)	68,046	285,740
Fund balances, beginning of year	7,260	7,260	-	319,257	319,257	-
Fund balances, end of year	\$ 7,260	\$ 39,656	\$ 32,396	\$ 101,563	\$ 387,303	\$ 285,740

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, 2010

	Economic Development and Energy			Economic Development Millage		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 603,000	\$ 599,539	\$ (3,461)
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	35,000	47,999	12,999	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	(1)	(1)	-	-	-
Other	-	26	26	-	-	-
Total revenues	35,000	48,024	13,024	603,000	599,539	(3,461)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	491,881	458,146	33,735	603,000	524,544	78,456
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	491,881	458,146	33,735	603,000	524,544	78,456
Revenues over (under) expenditures	(456,881)	(410,122)	46,759	-	74,995	74,995
Other financing sources (uses)						
Transfers in	456,881	419,724	(37,157)	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	456,881	419,724	(37,157)	-	-	-
Net change in fund balances	-	9,602	9,602	-	74,995	74,995
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ 9,602	\$ 9,602	\$ -	\$ 74,995	\$ 74,995

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, 2010

	Employment Training and Community Services			Environmental Health		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	1,546,804	1,391,920	(154,884)
Intergovernmental	16,819,514	14,780,159	(2,039,355)	782,458	1,296,215	513,757
Charges for services	-	-	-	3,500	538	(2,962)
Fines and forfeits	-	-	-	10,174	5,669	(4,505)
Investment income (loss)	-	-	-	-	-	-
Other	175,625	346,644	171,019	7,360	6,375	(985)
Total revenues	16,995,139	15,126,803	(1,868,336)	2,350,296	2,700,717	350,421
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	3,348,841	3,111,892	236,949
Social services	17,176,427	15,308,091	1,868,336	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	17,176,427	15,308,091	1,868,336	3,348,841	3,111,892	236,949
Revenues over (under) expenditures	(181,288)	(181,288)	-	(998,545)	(411,175)	587,370
Other financing sources (uses)						
Transfers in	181,288	181,288	-	998,545	605,947	(392,598)
Transfers out	-	-	-	-	-	-
Total other sources (uses)	181,288	181,288	-	998,545	605,947	(392,598)
Net change in fund balances	-	-	-	-	194,772	194,772
Fund balances, beginning of year	453,179	453,179	-	261,583	261,583	-
Fund balances, end of year	\$ 453,179	\$ 453,179	\$ -	\$ 261,583	\$ 456,355	\$ 194,772

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, 2010

	Friend of the Court			Head Start		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,641,710	3,813,389	(828,321)	4,247,522	3,974,410	(273,112)
Charges for services	230,682	220,685	(9,997)	-	-	-
Fines and forfeits	-	2,064	2,064	-	-	-
Investment income (loss)	-	-	-	-	-	-
Other	-	1,212	1,212	546,137	399,344	(146,793)
Total revenues	4,872,392	4,037,350	(835,042)	4,793,659	4,373,754	(419,905)
Expenditures						
Current:						
Judicial	6,776,092	5,747,028	1,029,064	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	5,353,836	5,057,767	296,069
Culture and recreation	-	-	-	-	-	-
Total expenditures	6,776,092	5,747,028	1,029,064	5,353,836	5,057,767	296,069
Revenues over (under) expenditures	(1,903,700)	(1,709,678)	194,022	(560,177)	(684,013)	(123,836)
Other financing sources (uses)						
Transfers in	1,903,700	1,275,429	(628,271)	700,260	677,977	(22,283)
Transfers out	-	-	-	(140,083)	-	140,083
Total other sources (uses)	1,903,700	1,275,429	(628,271)	560,177	677,977	117,800
Net change in fund balances	-	(434,249)	(434,249)	-	(6,036)	(6,036)
Fund balances, beginning of year	434,249	434,249	-	155,766	155,766	-
Fund balances, end of year	\$ 434,249	\$ -	\$ (434,249)	\$ 155,766	\$ 149,730	\$ (6,036)

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, 2010

	HIDTA Grant			Homeland Security Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,535,221	1,362,470	(172,751)	1,258,450	551,773	(706,677)
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	1,535,221	1,362,470	(172,751)	1,258,450	551,773	(706,677)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	1,535,221	1,362,470	172,751	1,258,450	551,773	706,677
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	1,535,221	1,362,470	172,751	1,258,450	551,773	706,677
Revenues over (under) expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	22,561	22,561	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ 22,561	\$ 22,561	\$ -

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, 2010

	Inmate Concessions			Juvenile Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	361,187	276,889	(84,298)
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	2,048	2,048	-	(1)	(1)
Other	270,972	320,610	49,638	20,000	8,800	(11,200)
Total revenues	270,972	322,658	51,686	381,187	285,688	(95,499)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	270,972	480,041	(209,069)	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	403,728	282,212	121,516
Culture and recreation	-	-	-	-	-	-
Total expenditures	270,972	480,041	(209,069)	403,728	282,212	121,516
Revenues over (under) expenditures	-	(157,383)	(157,383)	(22,541)	3,476	26,017
Other financing sources (uses)						
Transfers in	-	-	-	22,541	1,547	(20,994)
Transfers out	-	-	-	-	-	-
Total other sources (uses)	-	-	-	22,541	1,547	(20,994)
Net change in fund balances	-	(157,383)	(157,383)	-	5,023	5,023
Fund balances, beginning of year	372,623	372,623	-	50,718	50,718	-
Fund balances, end of year	\$ 372,623	\$ 215,240	\$ (157,383)	\$ 50,718	\$ 55,741	\$ 5,023

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, 2010

	Other Special Revenue Funds			Prosecuting Attorney Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	969,837	370,767	(599,070)	743,759	495,535	(248,224)
Charges for services	140,000	139,910	(90)	-	-	-
Fines and forfeits	8,500	8,500	-	-	9,914	9,914
Investment income (loss)	-	4,469	4,469	-	1	1
Other	109,993	153,304	43,311	-	-	-
Total revenues	1,228,330	676,950	(551,380)	743,759	505,450	(238,309)
Expenditures						
Current:						
Judicial	20,900	11,062	9,838	-	-	-
General government	920,757	303,453	617,304	-	-	-
Public safety	-	-	-	920,897	674,880	246,017
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	360,000	257,459	102,541	-	-	-
Culture and recreation	171,392	145,636	25,756	-	-	-
Total expenditures	1,473,049	717,610	755,439	920,897	674,880	246,017
Revenues over (under) expenditures	(244,719)	(40,660)	204,059	(177,138)	(169,430)	7,708
Other financing sources (uses)						
Transfers in	172,400	125,641	(46,759)	177,138	157,242	(19,896)
Transfers out	(140,000)	(180,896)	(40,896)	-	-	-
Total other sources (uses)	32,400	(55,255)	(87,655)	177,138	157,242	(19,896)
Net change in fund balances	(212,319)	(95,915)	116,404	-	(12,188)	(12,188)
Fund balances, beginning of year	879,647	879,647	-	369,850	369,850	-
Fund balances, end of year	\$ 667,328	\$ 783,732	\$ 116,404	\$ 369,850	\$ 357,662	\$ (12,188)

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, 2010

	Public Health			Public Works Solid Waste Program		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	7,017,786	6,924,008	(93,778)	10,000	22,380	12,380
Charges for services	1,256,116	1,286,816	30,700	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	-	-	200	352	152
Other	124,982	111,761	(13,221)	382,175	598,627	216,452
Total revenues	8,398,884	8,322,585	(76,299)	392,375	621,359	228,984
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	413,200	440,408	(27,208)
Health	12,670,019	12,136,645	533,374	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	12,670,019	12,136,645	533,374	413,200	440,408	(27,208)
Revenues over (under) expenditures	(4,271,135)	(3,814,060)	457,075	(20,825)	180,951	201,776
Other financing sources (uses)						
Transfers in	4,271,135	4,283,352	12,217	20,000	-	(20,000)
Transfers out	-	-	-	-	-	-
Total other sources (uses)	4,271,135	4,283,352	12,217	20,000	-	(20,000)
Net change in fund balances	-	469,292	469,292	(825)	180,951	181,776
Fund balances, beginning of year	443,453	443,453	-	69,131	69,131	-
Fund balances, end of year	\$ 443,453	\$ 912,745	\$ 469,292	\$ 68,306	\$ 250,082	\$ 181,776

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, 2010

	Sheriff's Grants			Veterans' Trust		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 393,616	\$ 373,041	\$ (20,575)
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,031,395	723,987	(307,408)	29,264	3,880	(25,384)
Charges for services	48,000	75,579	27,579	-	-	-
Fines and forfeits	-	65,005	65,005	-	-	-
Investment income (loss)	-	3,668	3,668	-	1,479	1,479
Other	-	5,000	5,000	-	-	-
Total revenues	1,079,395	873,239	(206,156)	422,880	378,400	(44,480)
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	1,079,395	610,651	468,744	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	422,880	302,578	120,302
Culture and recreation	-	-	-	-	-	-
Total expenditures	1,079,395	610,651	468,744	422,880	302,578	120,302
Revenues over (under) expenditures	-	262,588	262,588	-	75,822	75,822
Other financing sources (uses)						
Transfers in	-	-	-	-	3,000	3,000
Transfers out	-	(9,624)	(9,624)	-	(3,000)	(3,000)
Total other sources (uses)	-	(9,624)	(9,624)	-	-	-
Net change in fund balances	-	252,964	252,964	-	75,822	75,822
Fund balances, beginning of year	749,382	749,382	-	114,142	114,142	-
Fund balances, end of year	\$ 749,382	\$ 1,002,346	\$ 252,964	\$ 114,142	\$ 189,964	\$ 75,822

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, 2010

	Water Resources Commissioner Grant		
	Final		Variance with
	Budget	Actual	Final Budget
			+ (-)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	76,392	76,392
Charges for services	10,000	-	(10,000)
Fines and forfeits	-	-	-
Investment income (loss)	-	597	597
Other	-	-	-
Total revenues	<u>10,000</u>	<u>76,989</u>	<u>66,989</u>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	108,457	174,462	(66,005)
Health	-	-	-
Social services	-	-	-
Culture and recreation	-	-	-
Total expenditures	<u>108,457</u>	<u>174,462</u>	<u>(66,005)</u>
Revenues over (under) expenditures	<u>(98,457)</u>	<u>(97,473)</u>	<u>984</u>
Other financing sources (uses)			
Transfers in	115,457	111,286	(4,171)
Transfers out	(17,000)	(17,000)	-
Total other sources (uses)	<u>98,457</u>	<u>94,286</u>	<u>(4,171)</u>
Net change in fund balances	-	(3,187)	(3,187)
Fund balances, beginning of year	<u>197,178</u>	<u>197,178</u>	<u>-</u>
Fund balances, end of year	<u>\$ 197,178</u>	<u>\$ 193,991</u>	<u>\$ (3,187)</u>

WASHTENAW COUNTY
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2010

	<u>Property Foreclosure</u>	<u>Principal Residence Exemption</u>	<u>Total</u>
Assets			
Current assets -			
Cash and pooled investments	\$ 205,603	\$ 25,206	\$ 230,809
Due from other governments	1,054,588	-	1,054,588
Total assets	1,260,191	25,206	1,285,397
Noncurrent assets -			
Capital assets, net	19,779	-	19,779
Total assets	1,279,970	25,206	1,305,176
Liabilities			
Current liabilities:			
Accrued liabilities	9,592	1,414	11,006
Accrued compensated absences, current portion	2,492	-	2,492
Total current liabilities	12,084	1,414	13,498
Long-term liabilities -			
Accrued compensated absences	24,775	-	24,775
Total liabilities	36,859	1,414	38,273
Net assets			
Invested in capital assets	19,779	-	19,779
Unrestricted	1,223,332	23,792	1,247,124
Total net assets	<u>\$ 1,243,111</u>	<u>\$ 23,792</u>	<u>\$ 1,266,903</u>

WASHTENAW COUNTY
Combining Statement of Revenues, Expenses
and Changes in Net Assets
Nonmajor Enterprise Funds
Year Ended December 31, 2010

	<u>Property Foreclosure</u>	<u>Principal Residence Exemption</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 1,291,039	\$ -	\$ 1,291,039
Interest charges	-	16,411	16,411
	<u>1,291,039</u>	<u>16,411</u>	<u>1,307,450</u>
Operating expenses			
Personnel services	359,791	3,045	362,836
Contractual services	72,548	-	72,548
Supplies	108,324	-	108,324
Telephone	755	-	755
Equipment repair and rental	1,914	-	1,914
Other	242,993	662	243,655
Depreciation	8,656	-	8,656
	<u>794,981</u>	<u>3,707</u>	<u>798,688</u>
Total operating expenses	<u>794,981</u>	<u>3,707</u>	<u>798,688</u>
Operating income	496,058	12,704	508,762
Non-operating income			
Investment income (loss)	4,967	(21)	4,946
Income before transfers	501,025	12,683	513,708
Transfers out	<u>(159,118)</u>	<u>-</u>	<u>(159,118)</u>
Change in net assets	341,907	12,683	354,590
Net assets, beginning of year	<u>901,204</u>	<u>11,109</u>	<u>912,313</u>
Net assets, end of year	<u>\$ 1,243,111</u>	<u>\$ 23,792</u>	<u>\$ 1,266,903</u>

WASHTENAW COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2010

	<u>Property Foreclosure</u>	<u>Principal Residence Exemption</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 236,451	\$ 16,411	\$ 252,862
Cash payments to employees	(354,238)	(2,851)	(357,089)
Cash payments to suppliers	(425,531)	(662)	(426,193)
Net cash provided (used) by operating activities	(543,318)	12,898	(530,420)
Cash flows from noncapital financing activities			
Transfers out to other funds	(159,118)	-	(159,118)
Cash flows from investing activities			
Investment loss	4,967	(21)	4,946
Net increase (decrease) in cash and cash equivalents	(697,469)	12,877	(684,592)
Cash and cash equivalents, beginning of year	903,072	12,329	915,401
Cash and cash equivalents, end of year	<u>\$ 205,603</u>	<u>\$ 25,206</u>	<u>\$ 230,809</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ 496,058	\$ 12,704	\$ 508,762
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	8,656	-	8,656
Changes in assets and liabilities:			
Due from other governments	(1,054,588)	-	(1,054,588)
Accrued liabilities	1,003	194	1,197
Accrued compensated absences	5,553	-	5,553
Net cash provided (used) by operating activities	<u>\$ (543,318)</u>	<u>\$ 12,898</u>	<u>\$ (530,420)</u>

WASHTENAW COUNTY
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010

	Facilities Management Revolving	Fleet Management Revolving	Fringe Benefit Revolving	General Services Revolving
Assets				
Current assets:				
Cash and pooled investments	\$ 948,336	\$ 497,684	\$ 495,628	\$ 183,445
Accounts receivable	22,045	-	34,000	-
Due from other governments	-	-	1,034	1,492
Inventories	-	-	-	32,706
Prepaid items	-	-	-	-
Total current assets	970,381	497,684	530,662	217,643
Noncurrent assets:				
Capital assets, net	-	2,831,430	-	345,189
Total assets	970,381	3,329,114	530,662	562,832
Liabilities				
Current liabilities:				
Accounts payable	209,919	-	164,042	73,010
Accrued liabilities	58,700	3,679	17,285	-
Current portion of:				
Compensated absences	11,950	455	-	-
Claims payable	-	-	22,500	-
Total current liabilities	280,569	4,134	203,827	73,010
Long-term liabilities:				
Compensated absences , net	243,438	8,944	-	-
Claims payable, net	-	-	-	-
Advances from other funds	-	-	-	-
Total long-term liabilities	243,438	8,944	-	-
Total liabilities	524,007	13,078	203,827	73,010
Net assets				
Invested in capital assets	-	2,831,430	-	345,189
Unrestricted (deficit)	446,374	484,606	326,835	144,633
Total net assets	\$ 446,374	\$ 3,316,036	\$ 326,835	\$ 489,822

<u>Insurance Revolving</u>	<u>Medical Insurance Revolving</u>	<u>Telephone Revolving</u>	<u>Worker's Compensation Revolving</u>	<u>Retiree Health</u>	<u>Total</u>
\$ 1,822,735	\$ 1,766,812	\$ 38,607	\$ 782,850	\$ 6,718,602	\$ 13,254,699
-	-	-	114,800	-	170,845
-	361,621	-	-	-	364,147
-	-	-	-	-	32,706
791,975	-	-	-	439,298	1,231,273
<u>2,614,710</u>	<u>2,128,433</u>	<u>38,607</u>	<u>897,650</u>	<u>7,157,900</u>	<u>15,053,670</u>
-	-	23,034	-	-	3,199,653
<u>2,614,710</u>	<u>2,128,433</u>	<u>61,641</u>	<u>897,650</u>	<u>7,157,900</u>	<u>18,253,323</u>
154,440	-	39,917	20,691	7,157,900	7,819,919
7,220	-	-	855	-	87,739
2,659	-	-	-	-	15,064
499,750	1,369,000	-	380,700	-	2,271,950
<u>664,069</u>	<u>1,369,000</u>	<u>39,917</u>	<u>402,246</u>	<u>7,157,900</u>	<u>10,194,672</u>
15,889	-	-	-	-	268,271
499,750	-	-	465,300	-	965,050
-	-	21,724	-	-	21,724
<u>515,639</u>	<u>-</u>	<u>21,724</u>	<u>465,300</u>	<u>-</u>	<u>1,255,045</u>
<u>1,179,708</u>	<u>1,369,000</u>	<u>61,641</u>	<u>867,546</u>	<u>7,157,900</u>	<u>11,449,717</u>
-	-	23,034	-	-	3,199,653
1,435,002	759,433	(23,034)	30,104	-	3,603,953
<u>\$ 1,435,002</u>	<u>\$ 759,433</u>	<u>\$ -</u>	<u>\$ 30,104</u>	<u>\$ -</u>	<u>\$ 6,803,606</u>

WASHTENAW COUNTY
Combining Statement of Revenues,
Expenses and Changes in Net Assets
Internal Service Funds
Year Ended December 31, 2010

	<u>Facilities Management Revolving</u>	<u>Fleet Management Revolving</u>	<u>Fringe Benefit Revolving</u>	<u>General Services Revolving</u>
Operating revenues				
Charges for services	\$ 6,246,620	\$ 2,334,188	\$ 4,364,336	\$ 681,023
Operating expenses				
Personnel services	2,003,060	112,270	-	20,312
Contractual services	136,809	7,907	56,386	-
Supplies	529,199	615,424	-	354,076
Occupancy	2,238,815	237,775	-	-
Telephone	29,833	1,433	-	-
Equipment repair and rental	203,963	333,667	-	145,308
Building repair and rental	175,032	-	-	-
Benefit payments and insurance premiums	-	-	4,005,233	-
Other	967,393	334	139,489	-
Depreciation	-	925,862	-	103,776
Total operating expenses	<u>6,284,104</u>	<u>2,234,672</u>	<u>4,201,108</u>	<u>623,472</u>
Operating income (loss)	<u>(37,484)</u>	<u>99,516</u>	<u>163,228</u>	<u>57,551</u>
Non-operating revenues (expenses)				
Investment income	8,018	3,631	3,061	537
Gain (loss) on sale of capital assets	-	4,196	-	(1,649)
Total non-operating revenues (expenses)	<u>8,018</u>	<u>7,827</u>	<u>3,061</u>	<u>(1,112)</u>
Income (loss) before transfers	(29,466)	107,343	166,289	56,439
Transfers out	<u>(305,958)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(335,424)	107,343	166,289	56,439
Net assets, beginning of year	<u>781,798</u>	<u>3,208,693</u>	<u>160,546</u>	<u>433,383</u>
Net assets, end of year	<u>\$ 446,374</u>	<u>\$ 3,316,036</u>	<u>\$ 326,835</u>	<u>\$ 489,822</u>

<u>Insurance Revolving</u>	<u>Medical Insurance Revolving</u>	<u>Telephone Revolving</u>	<u>Worker's Compensation Revolving</u>	<u>Retiree Health</u>	<u>Total</u>
\$ 2,488,677	\$ 20,823,003	\$ 751,608	\$ 759,344	\$ 7,125,676	\$ 45,574,475
302,575	-	-	108,490	-	2,546,707
880,574	-	-	40,565	-	1,122,241
520	-	-	605	-	1,499,824
25,113	-	-	-	-	2,501,703
1,063	-	735,315	-	-	767,644
-	-	-	-	-	682,938
-	-	-	-	-	175,032
1,426,508	20,093,428	-	702,498	-	26,227,667
2,418	-	-	-	7,157,900	8,267,534
-	-	16,293	-	-	1,045,931
<u>2,638,771</u>	<u>20,093,428</u>	<u>751,608</u>	<u>852,158</u>	<u>7,157,900</u>	<u>44,837,221</u>
<u>(150,094)</u>	<u>729,575</u>	<u>-</u>	<u>(92,814)</u>	<u>(32,224)</u>	<u>737,254</u>
10,530	13,262	-	3,941	32,224	75,204
-	-	-	-	-	2,547
<u>10,530</u>	<u>13,262</u>	<u>-</u>	<u>3,941</u>	<u>32,224</u>	<u>77,751</u>
<u>(139,564)</u>	<u>742,837</u>	<u>-</u>	<u>(88,873)</u>	<u>-</u>	<u>815,005</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(305,958)</u>
<u>(139,564)</u>	<u>742,837</u>	<u>-</u>	<u>(88,873)</u>	<u>-</u>	<u>509,047</u>
<u>1,574,566</u>	<u>16,596</u>	<u>-</u>	<u>118,977</u>	<u>-</u>	<u>6,294,559</u>
<u>\$ 1,435,002</u>	<u>\$ 759,433</u>	<u>\$ -</u>	<u>\$ 30,104</u>	<u>\$ -</u>	<u>\$ 6,803,606</u>

WASHTENAW COUNTY
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2010

	Facilities Management Revolving	Fleet Management Revolving	Fringe Benefit Revolving
Cash flows from operating activities			
Cash received from interfund services	\$ 6,244,886	\$ 2,334,188	\$ 4,364,333
Cash payments to employees	(2,091,826)	(108,404)	(105,630)
Cash payments to suppliers	(4,189,632)	(1,195,107)	(4,175,480)
Cash payments for interfund services	(29,833)	(1,433)	-
Net cash provided (used) by operating activities	<u>(66,405)</u>	<u>1,029,244</u>	<u>83,223</u>
Cash flows from noncapital financing activities			
Transfers out	(305,958)	-	-
Advances from other funds	-	-	-
Net cash used by noncapital financing activities	<u>(305,958)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities			
Proceeds from sale of equipment	-	142,426	-
Payments for equipment acquisitions	-	(1,502,204)	-
Net cash used by capital and related financing activities	<u>-</u>	<u>(1,359,778)</u>	<u>-</u>
Cash flows from investing activities			
Investment income	8,018	3,631	3,061
Net increase (decrease) in cash and pooled investments	(364,345)	(326,903)	86,284
Cash and pooled investments, beginning of year	1,312,681	824,587	409,344
Cash and pooled investments, end of year	<u>\$ 948,336</u>	<u>\$ 497,684</u>	<u>\$ 495,628</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (37,484)	\$ 99,516	\$ 163,228
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	925,862	-
Changes in assets and liabilities:			
Accounts receivable	(1,734)	-	126
Due from other governments	-	-	(129)
Inventories	-	-	-
Prepaid items	-	-	-
Accounts payable	61,579	-	3,128
Accrued liabilities	(952)	2,088	(105,630)
Claims payable	-	-	22,500
Accrued compensated absences	(87,814)	1,778	-
Net cash provided (used) by operating activities	<u>\$ (66,405)</u>	<u>\$ 1,029,244</u>	<u>\$ 83,223</u>

General Services Revolving	Insurance Revolving	Medical Insurance Revolving	Telephone Revolving	Worker's Compensation Revolving	Retiree Health	Total
\$ 682,889	\$ 2,500,475	\$ 20,834,146	\$ 751,608	\$ 759,344	\$ 7,125,676	\$ 45,597,545
(20,312)	(1,232,169)	-	-	(899,635)	-	(4,457,976)
(444,624)	(1,247,042)	(19,838,428)	(723,140)	20,297	(2,758,670)	(34,551,826)
-	(1,063)	-	-	-	-	(32,329)
<u>217,953</u>	<u>20,201</u>	<u>995,718</u>	<u>28,468</u>	<u>(119,994)</u>	<u>4,367,006</u>	<u>6,555,414</u>
-	-	-	-	-	-	(305,958)
-	-	-	(59,742)	-	-	(59,742)
-	-	-	(59,742)	-	-	(365,700)
-	-	-	-	-	-	142,426
(184,569)	-	-	-	-	-	(1,686,773)
(184,569)	-	-	-	-	-	(1,544,347)
<u>537</u>	<u>10,530</u>	<u>13,262</u>	<u>-</u>	<u>3,941</u>	<u>32,224</u>	<u>75,204</u>
33,921	30,731	1,008,980	(31,274)	(116,053)	4,399,230	4,720,571
149,524	1,792,004	757,832	69,881	898,903	2,319,372	8,534,128
<u>\$ 183,445</u>	<u>\$ 1,822,735</u>	<u>\$ 1,766,812</u>	<u>\$ 38,607</u>	<u>\$ 782,850</u>	<u>\$ 6,718,602</u>	<u>\$ 13,254,699</u>
\$ 57,551	\$ (150,094)	\$ 729,575	\$ -	\$ (92,814)	\$ (32,224)	\$ 737,254
103,776	-	-	16,293	-	-	1,045,931
-	-	-	-	-	-	(1,608)
1,866	11,798	11,143	-	-	-	24,678
6,436	-	-	-	-	-	6,436
-	(26,619)	-	-	-	-	(26,619)
48,324	115,210	-	12,175	(82,035)	4,399,230	4,557,611
-	(943,305)	(1,114,000)	-	(791,145)	-	(2,952,944)
-	999,500	1,369,000	-	846,000	-	3,237,000
-	13,711	-	-	-	-	(72,325)
<u>\$ 217,953</u>	<u>\$ 20,201</u>	<u>\$ 995,718</u>	<u>\$ 28,468</u>	<u>\$ (119,994)</u>	<u>\$ 4,367,006</u>	<u>\$ 6,555,414</u>

WASHTENAW COUNTY
Combining Statement of Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
December 31, 2010

	Employees' Retirement System	Money Purchase Pension Plan	Voluntary Employees Beneficiary Association	Severance Benefits
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 414,202
Investments:				
Equities	108,574,443	-	28,409,718	-
United States treasuries	3,546,094	-	-	-
United States treasury strips	11,445,575	-	-	-
United States agencies	23,308,103	-	91,355	-
Corporate securities	18,412,881	-	393,734	-
Multi-strategy limited partnership	-	-	4,512,325	-
Real estate limited partnership	-	-	728,560	-
Real estate investment trusts	13,803,854	-	-	-
Mutual funds	22,234,267	1,168,919	17,853,935	-
Money market funds	3,852,377	-	3,942,865	-
Accounts receivable	-	-	65,894	-
Contributions receivable	-	-	7,157,900	-
Accrued interest and dividends	372,852	-	-	173
Total assets	205,550,446	1,168,919	63,156,286	414,375
Liabilities				
Accounts payable	315,440	-	-	-
Accrued liabilities	-	-	78,062	32,471
Total liabilities	315,440	-	78,062	32,471
Net assets held in trust for pension and other employee benefits	\$ 205,235,006	\$ 1,168,919	\$ 63,078,224	\$ 381,904

<u>Unemployment Benefits</u>	<u>Total</u>
\$ 367,276	\$ 781,478
-	136,984,161
-	3,546,094
-	11,445,575
-	23,399,458
-	18,806,615
-	4,512,325
-	728,560
-	13,803,854
-	41,257,121
-	7,795,242
-	65,894
-	7,157,900
144	373,169
367,420	270,657,446
-	315,440
361,382	471,915
361,382	787,355
\$ 6,038	\$ 269,870,091

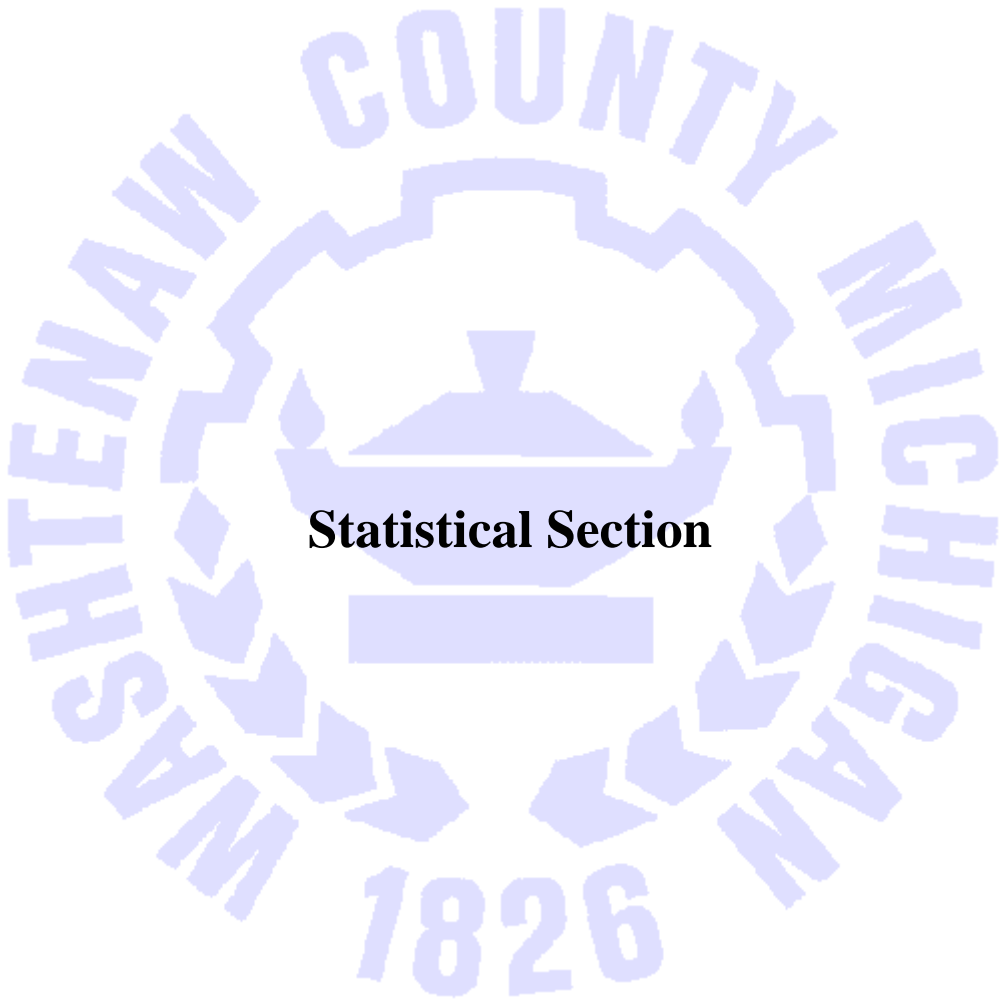
WASHTENAW COUNTY
Combining Statement of Changes in Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
Year Ended December 31, 2010

	Employees' Retirement System	Money Purchase Pension Plan	Voluntary Employees Beneficiary Association	Severance Benefits
Additions				
Investment income (loss):				
<i>From investing activities:</i>				
Net appreciation in fair value of investments	\$ 18,814,308	\$ 128,708	\$ 5,168,202	\$ -
Interest and dividends	4,509,652	34,879	1,181,715	1,657
Investment management fees	(904,453)	-	(238,223)	-
Net income from investing activities	<u>22,419,507</u>	<u>163,587</u>	<u>6,111,694</u>	<u>1,657</u>
<i>From securities lending activities:</i>				
Gross earnings	51,596	-	-	-
Borrower rebates	2,355	-	-	-
Securities fees	(25,116)	-	-	-
Net income from securities lending activities	<u>28,835</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net investment income	<u>22,448,342</u>	<u>163,587</u>	<u>6,111,694</u>	<u>1,657</u>
Contributions:				
Employer	6,516,006	17,271	12,073,876	1,108,684
Employees	5,593,655	17,271	-	-
On behalf - federal Medicare Part D subsidy	-	-	505,309	-
Total contributions	<u>12,109,661</u>	<u>34,542</u>	<u>12,579,185</u>	<u>1,108,684</u>
Other additions:				
Other	1,609	-	-	-
Total additions	<u>34,559,612</u>	<u>198,129</u>	<u>18,690,879</u>	<u>1,110,341</u>
Deductions				
Participant benefits	16,836,560	-	6,563,154	1,240,152
Payments to terminated participants	-	926,980	-	-
Administrative expenses	381,409	32	218,920	-
Participant refunds	649,889	-	-	-
Total deductions	<u>17,867,858</u>	<u>927,012</u>	<u>6,782,074</u>	<u>1,240,152</u>
Net additions (deductions) to net assets held in trust	16,691,754	(728,883)	11,908,805	(129,811)
Net assets held in trust for benefits:				
Beginning of year	<u>188,543,252</u>	<u>1,897,802</u>	<u>51,169,419</u>	<u>511,715</u>
End of year	<u>\$ 205,235,006</u>	<u>\$ 1,168,919</u>	<u>\$ 63,078,224</u>	<u>\$ 381,904</u>

<u>Unemployment Benefits</u>	<u>Total</u>
\$ -	\$ 24,111,218
1,538	5,729,441
-	(1,142,676)
1,538	28,697,983
-	51,596
-	2,355
-	(25,116)
-	28,835
1,538	28,726,818
290,525	20,006,362
-	5,610,926
-	505,309
290,525	26,122,597
-	1,609
292,063	54,851,024
361,382	25,001,248
-	926,980
-	600,361
-	649,889
361,382	27,178,478
(69,319)	27,672,546
75,357	242,197,545
\$ 6,038	\$ 269,870,091

WASHTENAW COUNTY
Combining Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended December 31, 2010

	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance December 31, 2010</u>
<u>Agency Fund</u>				
Assets				
Cash and pooled investments	\$ 16,431,556	\$ 363,304,051	\$ (357,894,908)	\$ 21,840,699
Liabilities				
Undistributed receipts	\$ 16,431,556	\$ 363,304,051	\$ (357,894,908)	\$ 21,840,699



Statistical Section

STATISTICAL SECTION

This part of Washtenaw County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health

Contents	Page
Financial Trends (schedules 1 thru 5)	128
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity (schedules 6 thru 9)	142
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity (schedules 10 thru 12)	146
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information (schedules 13 and 14)	150
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information (schedules 15 thru 18)	152
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

WASHTENAW COUNTY
Net Assets by Component
Last Ten Years
(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 49,634,365	\$ 53,104,933	\$ 71,844,722	\$ 70,895,205	\$ 80,296,301
Restricted	9,488,701	13,190,358	5,063,594	6,228,085	6,676,094
Unrestricted	23,994,559	25,598,647	23,447,913	51,600,695	67,250,358
Total governmental activities net assets	<u>\$ 83,117,625</u>	<u>\$ 91,893,938</u>	<u>\$ 100,356,229</u>	<u>\$ 128,723,985</u>	<u>\$ 154,222,753</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	6,000,000	6,000,000	9,000,000	-	-
Unrestricted	3,182,698	4,002,441	1,283,817	9,615,484	9,722,818
Total business-type activities net assets	<u>\$ 9,182,698</u>	<u>\$ 10,002,441</u>	<u>\$ 10,283,817</u>	<u>\$ 9,615,484</u>	<u>\$ 9,722,818</u>
Primary government					
Invested in capital assets, net of related debt	\$ 49,634,365	\$ 53,104,933	\$ 71,844,722	\$ 70,895,205	\$ 80,296,301
Restricted	15,488,701	19,190,358	14,063,594	6,228,085	6,676,094
Unrestricted	27,177,257	29,601,088	24,731,730	61,216,179	76,973,176
Total primary government net assets	<u>\$ 92,300,323</u>	<u>\$ 101,896,379</u>	<u>\$ 110,640,046</u>	<u>\$ 138,339,469</u>	<u>\$ 163,945,571</u>

Source: Washtenaw County Finance Department

Schedule 1
UNAUDITED

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 90,342,374	\$ 96,616,753	\$ 110,931,643	\$ 113,135,214	\$ 122,722,958
6,812,864	11,110,530	8,152,803	6,804,739	8,748,411
78,187,728	71,500,619	63,686,238	67,919,930	66,689,768
<u>\$ 175,342,966</u>	<u>\$ 179,227,902</u>	<u>\$ 182,770,684</u>	<u>\$ 187,859,883</u>	<u>\$ 198,161,137</u>
\$ -	\$ 17,841	\$ 37,090	\$ 28,435	\$ 19,779
-	-	-	-	-
10,085,873	11,611,001	12,945,120	16,806,176	17,116,166
<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>
\$ 90,342,374	\$ 96,634,594	\$ 110,968,733	\$ 113,163,649	\$ 122,742,737
6,812,864	11,110,530	8,152,803	6,804,739	8,748,411
88,273,601	83,111,620	76,631,358	84,726,106	83,805,934
<u>\$ 185,428,839</u>	<u>\$ 190,856,744</u>	<u>\$ 195,752,894</u>	<u>\$ 204,694,494</u>	<u>\$ 215,297,082</u>

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

	2001	2002	2003	2004	2005
Expenses					
Governmental activities:					
Legislative	\$ 588,623	\$ 638,162	\$ 597,651	\$ 647,373	\$ 722,185
Judicial	16,940,482	18,074,212	19,584,218	21,443,309	22,588,152
General government	19,110,899	21,288,509	23,723,024	20,459,640	24,431,995
Public safety	34,060,565	36,228,288	40,927,414	42,748,613	45,341,263
Public works	1,154,023	1,413,125	2,246,625	611,126	608,029
Health	29,462,897	31,477,846	30,669,892	31,869,261	35,694,857
Social services	20,944,476	22,484,108	21,672,601	22,006,150	26,681,106
Culture and recreation	5,605,340	6,382,489	6,634,291	7,064,861	6,891,231
Interest on long-term debt	1,485,302	1,791,363	1,643,952	1,273,833	1,027,653
Total governmental activities expenses	<u>129,352,607</u>	<u>139,778,102</u>	<u>147,699,668</u>	<u>148,124,166</u>	<u>163,986,471</u>
Business-type activities:					
Delinquent tax collection	456,868	489,348	180,046	241,083	591,362
Property foreclosure	456,868	-	228,598	189,756	314,439
Brownfield revolving loan	-	-	-	-	-
Principal residence exemption	-	-	-	-	-
Total business-type activities expenses	<u>913,736</u>	<u>489,348</u>	<u>408,644</u>	<u>430,839</u>	<u>905,801</u>
Total primary government expenses	<u>130,266,343</u>	<u>140,267,450</u>	<u>148,108,312</u>	<u>148,555,005</u>	<u>164,892,272</u>
Program revenues					
Governmental activities:					
Charges for services:					
Judicial	3,305,460	3,176,945	3,352,989	3,613,380	3,763,939
General government	5,365,352	5,995,338	7,406,625	6,992,302	7,572,808
Public safety	10,363,234	11,449,421	11,049,685	12,141,274	12,110,959
Public works	650,755	1,025,351	187,780	169,811	167,094
Health	4,260,570	3,627,541	3,279,950	3,504,205	4,716,287
Social services	507,997	1,219,687	359,584	1,195,278	1,031,688
Culture and recreation	2,564,996	2,601,704	2,958,441	2,823,269	3,253,314
Other activities	636,161	724,019	145,126	148,876	150,676
Operating grants and contributions	42,221,235	46,297,193	52,695,000	53,642,415	60,027,293
Capital grants and contributions	1,218,521	1,091,143	3,473,175	960,689	211,159
Total governmental activities program revenues	<u>71,094,281</u>	<u>77,208,342</u>	<u>84,908,355</u>	<u>85,191,499</u>	<u>93,005,217</u>
Business-type activities:					
Charges for services:					
Delinquent tax collection	2,600,927	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	<u>2,600,927</u>	<u>3,435,482</u>	<u>3,210,913</u>	<u>2,683,583</u>	<u>3,076,375</u>
Total primary government program revenues	<u>73,695,208</u>	<u>80,643,824</u>	<u>88,119,268</u>	<u>87,875,082</u>	<u>96,081,592</u>
Net (Expense)/Revenue					
Government activities	(58,177,368)	(62,559,900)	(62,791,313)	(62,932,667)	(70,981,254)
Business-type activities	2,144,059	2,946,134	2,802,269	2,252,744	2,170,574
Total primary government net expense	<u>(56,033,309)</u>	<u>(59,613,766)</u>	<u>(59,989,044)</u>	<u>(60,679,923)</u>	<u>(68,810,680)</u>

Schedule 2
UNAUDITED

2006	2007	2008	2009	2010
\$ 539,323	\$ 576,094	\$ 606,763	\$ 593,756	\$ 526,142
24,021,026	25,458,987	25,161,986	24,261,496	23,900,492
20,346,898	24,111,811	25,003,419	19,155,496	18,483,213
46,937,810	51,217,621	52,060,983	52,567,442	54,263,600
869,372	757,558	789,934	982,745	844,588
40,868,460	41,041,193	43,139,351	44,486,741	43,899,534
31,099,614	31,556,019	34,413,953	37,914,200	41,959,629
7,998,879	8,995,250	9,057,274	9,312,142	8,981,545
1,375,511	2,878,426	3,295,572	3,544,774	3,322,673
<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>
908,669	1,356,027	1,159,047	605,375	596,092
288,376	408,209	442,955	801,048	794,981
11,960	-	-	-	-
9,968	29,259	10,265	11,329	3,707
<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>175,275,866</u>	<u>188,386,454</u>	<u>195,141,502</u>	<u>194,236,544</u>	<u>197,576,196</u>
4,074,640	4,391,210	4,094,645	3,583,580	3,521,234
5,821,567	5,271,252	4,314,215	4,859,331	4,900,363
12,021,420	12,470,668	14,734,612	15,680,018	15,149,724
184,188	-	-	46,464	69,883
3,227,343	3,872,437	3,797,174	3,084,865	3,715,892
1,042,936	625,262	759,804	590,521	542,702
3,225,036	3,228,112	3,101,561	2,976,259	3,230,661
141,646	-	-	-	-
61,329,306	63,759,215	71,865,991	76,525,122	84,101,904
76,441	428,017	562,620	1,118,781	557,446
<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>
2,896,431	3,722,455	5,216,222	6,764,664	5,989,201
660,333	449,036	382,509	616,929	1,291,039
9,425	13,923	18,253	12,210	16,411
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>94,722,672</u>	<u>98,231,587</u>	<u>108,847,606</u>	<u>115,858,744</u>	<u>123,086,460</u>
(82,912,370)	(92,546,786)	(90,298,613)	(84,353,851)	(80,391,607)
<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>(80,553,194)</u>	<u>(90,154,867)</u>	<u>(86,293,896)</u>	<u>(78,377,800)</u>	<u>(74,489,736)</u>

Continued...

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Revenues					
Governmental activities:					
Property taxes	\$ 50,424,580	\$ 56,462,144	\$ 60,406,712	\$ 82,991,160	\$ 87,864,506
Accommodation taxes	1,244,845	1,259,747	1,205,356	1,277,988	1,334,932
Unrestricted grants and contributions	7,709,801	7,503,237	6,538,510	3,003,251	457,637
Investment earnings	4,381,595	2,387,051	1,640,730	1,512,323	2,558,336
Gain on sale of capital assets	-	-	-	-	-
Transfers	1,711,915	3,733,894	2,462,465	2,515,704	2,546,616
Total governmental activities	<u>65,472,736</u>	<u>71,346,073</u>	<u>72,253,773</u>	<u>91,300,426</u>	<u>94,762,027</u>
Business-type activities:					
Investment earnings	430,304	1,611,591	(74,699)	(515,993)	(141,666)
Transfers	(1,739,824)	(3,737,982)	(2,446,194)	(2,405,084)	(1,921,574)
Total business-type activities	<u>(1,309,520)</u>	<u>(2,126,391)</u>	<u>(2,520,893)</u>	<u>(2,921,077)</u>	<u>(2,063,240)</u>
Total primary government	<u>64,163,216</u>	<u>69,219,682</u>	<u>69,732,880</u>	<u>88,379,349</u>	<u>92,698,787</u>
Change in Net Assets					
Government activities	7,295,368	8,786,173	9,462,460	28,367,759	23,780,773
Business-type activities	834,539	819,743	281,376	(668,333)	107,334
Total primary government	<u>\$ 8,129,907</u>	<u>\$ 9,605,916</u>	<u>\$ 9,743,836</u>	<u>\$ 27,699,426</u>	<u>\$ 23,888,107</u>

Source: Washtenaw County Finance Department

Schedule 2
UNAUDITED

	2006	2007	2008	2009	2010
\$	95,271,757	\$ 86,549,856	\$ 84,291,171	\$ 82,635,161	\$ 79,314,216
	1,405,408	1,494,702	1,476,545	3,039,774	3,539,013
	366,250	544,946	1,050,991	428,646	1,245,565
	4,150,209	6,575,702	4,332,145	898,316	474,069
	-	-	-	-	181,341
	2,838,959	1,622,955	2,555,369	2,918,000	5,938,657
	<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>
	763,766	825,864	603,510	84,974	132,538
	<u>(2,759,887)</u>	<u>(1,674,814)</u>	<u>(3,254,859)</u>	<u>(2,208,624)</u>	<u>(5,733,075)</u>
	<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>102,036,462</u>	<u>95,939,211</u>	<u>91,054,872</u>	<u>87,796,247</u>	<u>85,092,324</u>
	21,120,213	4,241,375	3,407,608	5,566,046	10,301,254
	363,055	1,542,969	1,353,368	3,852,401	301,334
\$	<u><u>21,483,268</u></u>	<u><u>5,784,344</u></u>	<u><u>4,760,976</u></u>	<u><u>9,418,447</u></u>	<u><u>10,602,588</u></u>

WASHTENAW COUNTY
Fund Balances - Governmental Funds
Last Ten Years

(modified accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund					
Reserved	\$ 1,687,275	\$ 2,647,421	\$ 1,140,757	\$ 966,852	\$ 881,264
Unreserved	<u>5,759,252</u>	<u>6,290,358</u>	<u>6,323,675</u>	<u>6,940,364</u>	<u>7,465,485</u>
Total general fund	<u>\$ 7,446,527</u>	<u>\$ 8,937,779</u>	<u>\$ 7,464,432</u>	<u>\$ 7,907,216</u>	<u>\$ 8,346,749</u>
 All Other Governmental Funds					
Reserved	\$ 15,779	\$ 1,429,691	\$ 2,435,812	\$ 3,950,573	\$ 6,207,220
Unreserved, reported in:					
Special revenue funds	8,853,103	10,007,784	12,312,220	33,461,825	48,621,711
Debt service funds	13,391	12,595	12,676	12,976	15,591
Capital projects funds	<u>27,960,615</u>	<u>22,933,029</u>	<u>16,016,182</u>	<u>21,568,510</u>	<u>14,753,918</u>
Total all other governmental funds	<u>\$ 36,842,888</u>	<u>\$ 34,383,099</u>	<u>\$ 30,776,890</u>	<u>\$ 58,993,884</u>	<u>\$ 69,598,440</u>

Source: Washtenaw County Finance Department

Schedule 3
UNAUDITED

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 141,069	\$ 1,176,336	\$ 64,335	\$ -	\$ 6,667
8,352,216	7,481,045	9,123,996	9,773,059	15,310,490
<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>
\$ 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
<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>

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

(modified accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues					
Property taxes	\$ 50,424,580	\$ 56,462,144	\$ 60,406,712	\$ 82,991,160	\$ 87,864,506
Accommodation taxes	1,244,845	1,259,747	1,205,356	1,277,988	1,334,932
Licenses and permits	3,062,605	3,489,426	3,417,281	3,582,066	3,413,829
Intergovernmental	51,149,556	55,289,575	55,515,317	53,442,839	56,934,231
Charges for services	19,605,316	20,917,283	23,770,669	23,964,870	27,153,376
Fines and forfeits	1,212,956	1,043,636	1,192,646	1,846,181	1,167,872
Investment income	4,098,437	2,208,254	1,498,295	1,380,964	2,282,039
Other revenues	4,190,175	4,347,661	7,927,593	5,588,048	5,187,022
Total revenues	<u>134,988,470</u>	<u>145,017,726</u>	<u>154,933,869</u>	<u>174,074,116</u>	<u>185,337,807</u>
Expenditures					
Legislative	576,886	630,172	578,996	639,574	642,291
Judicial	16,525,671	17,711,346	19,154,639	20,414,926	21,176,406
General government	12,388,575	13,547,020	15,910,534	12,929,577	14,270,733
Public safety	33,799,524	36,324,964	39,767,190	41,600,021	44,163,259
Public works	1,146,764	1,410,098	2,291,765	613,201	600,718
Health	29,038,088	31,222,165	30,148,915	31,486,496	35,254,194
Social services	20,796,935	22,350,481	21,963,095	22,412,894	26,238,219
Culture and recreation	9,190,778	9,474,501	11,120,549	10,234,930	12,382,181
Other activities	2,386,345	2,204,195	3,634,853	4,223,737	4,473,369
Capital outlay	16,120,377	13,540,717	13,085,312	5,105,824	11,795,834
Debt service					
Principal	2,760,000	2,985,000	3,605,000	3,475,000	3,449,476
Interest and fiscal charges	1,994,044	1,865,201	1,632,341	1,309,370	1,059,088
Bond issuance costs	-	-	146,459	294,511	235,176
Total expenditures	<u>146,723,987</u>	<u>153,265,860</u>	<u>163,039,648</u>	<u>154,740,061</u>	<u>175,740,944</u>
Revenues over (under) expenditures	<u>(11,735,517)</u>	<u>(8,248,134)</u>	<u>(8,105,779)</u>	<u>19,334,055</u>	<u>9,596,863</u>
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	23,380,841	26,079,580	24,406,361	39,613,259	44,521,956
Transfers out	(20,642,934)	(21,747,483)	(21,173,427)	(36,708,800)	(43,308,404)
Total other financing sources (uses)	<u>2,737,907</u>	<u>7,279,597</u>	<u>3,340,784</u>	<u>9,325,723</u>	<u>1,447,228</u>
Net changes in fund balances	<u>\$ (8,997,610)</u>	<u>\$ (968,537)</u>	<u>\$ (4,764,995)</u>	<u>\$ 28,659,778</u>	<u>\$ 11,044,091</u>
Debt services as a percentage of noncapital expenditures	<u>3.7%</u>	<u>3.5%</u>	<u>3.7%</u>	<u>3.4%</u>	<u>2.9%</u>

Source: Washtenaw County Finance Department

Schedule 4
UNAUDITED

	2006	2007	2008	2009	2010
\$	95,271,757	\$ 86,549,856	\$ 84,291,171	\$ 82,635,161	\$ 79,314,216
	1,405,408	1,494,702	1,476,545	3,039,774	3,539,013
	2,837,341	2,553,918	2,316,048	2,137,762	2,162,555
	57,906,931	60,185,360	68,574,831	73,925,405	80,607,931
	24,673,031	25,474,636	26,473,441	27,024,216	27,375,355
	1,185,468	1,205,125	1,252,718	1,068,539	1,049,847
	3,759,219	6,334,119	4,077,008	828,910	398,865
	5,319,978	5,798,659	6,104,802	5,995,242	6,463,798
	<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>
	527,328	560,972	597,886	592,975	522,093
	22,898,849	24,263,382	24,133,352	23,574,691	22,627,356
	13,443,983	16,059,495	13,589,970	11,096,546	9,789,325
	45,998,323	49,495,839	50,947,419	52,112,759	52,947,824
	832,179	743,454	785,662	908,992	851,970
	37,820,725	39,238,401	42,181,982	44,195,428	43,887,857
	29,687,409	30,124,778	32,409,404	36,144,867	40,634,460
	13,839,071	11,462,934	17,744,932	11,808,558	13,098,438
	4,506,919	5,873,564	6,293,261	7,141,652	5,442,086
	7,203,937	6,911,345	18,335,258	39,663,808	19,674,091
	2,984,476	4,224,476	5,894,476	7,235,185	7,686,172
	1,200,251	2,603,594	2,947,632	3,436,595	3,238,624
	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>11,232,098</u>	<u>(2,487,403)</u>	<u>(21,660,025)</u>	<u>(41,257,047)</u>	<u>(19,488,716)</u>
	23,750,000	21,675,000	22,120,000	-	-
	-	-	-	-	-
	-	-	(22,855)	-	-
	236,004	125,147	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	695,122	-	430,117	526,677
	48,305,876	41,145,222	44,464,023	45,197,410	42,441,579
	<u>(46,165,148)</u>	<u>(39,512,668)</u>	<u>(41,914,177)</u>	<u>(42,279,410)</u>	<u>(36,196,964)</u>
	<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>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>2.6%</u>	<u>4.0%</u>	<u>4.8%</u>	<u>5.4%</u>	<u>5.6%</u>

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

	2001	2002	2003	2004	2005
Revenues					
Property taxes	\$ 45,683,776	\$ 48,813,596	\$ 52,227,354	\$ 54,883,846	\$ 59,645,096
Licenses and permits	129,816	111,912	169,388	171,524	161,907
Intergovernmental	11,578,947	11,714,821	10,563,759	7,758,214	5,641,139
Charges for services	13,421,880	14,974,369	16,262,412	16,165,713	17,521,139
Fines and forfeits	1,191,936	1,003,693	1,125,425	1,226,872	1,106,638
Investment income	1,185,820	824,979	612,244	544,005	628,154
Other revenues	1,003,157	790,671	1,084,307	941,153	1,032,874
Total revenues	74,195,332	78,234,041	82,044,889	81,691,327	85,736,947
Expenditures					
Legislative	576,886	630,172	578,996	639,574	642,291
Judicial	11,681,080	12,657,027	13,602,187	14,235,820	14,916,715
General government	10,869,970	11,910,251	13,284,578	9,619,781	10,553,533
Public safety	28,509,433	30,810,238	33,285,150	36,535,457	38,948,971
Public works	274,615	406,286	402,840	-	-
Health	1,691,809	1,732,474	-	-	-
Social services	1,001,111	1,100,806	1,243,477	1,178,913	1,263,782
Culture and recreation	674,524	709,564	718,738	820,124	628,307
Other activities	2,386,345	2,204,195	3,634,853	4,223,737	4,473,369
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal changes	-	-	-	-	-
Total expenditures	57,665,773	62,161,013	66,750,819	67,253,406	71,426,968
Revenues over (under) expenditures	16,529,559	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	(16,223,931)	(16,837,786)	(16,150,909)	(18,615,493)	(20,481,873)
Total other financing sources (uses)	(16,223,931)	(15,809,124)	(15,225,408)	(13,995,137)	(13,870,446)
Net changes in fund balances	\$ 305,628	\$ 263,904	\$ 68,662	\$ 442,784	\$ 439,533

Source: Washtenaw County Finance Department

**Schedule 5
UNAUDITED**

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 66,237,030	\$ 72,803,650	\$ 70,205,639	\$ 68,211,292	\$ 64,703,053
174,530	271,202	178,489	173,367	205,407
5,308,246	5,524,930	5,848,199	5,743,226	5,871,026
16,911,965	17,331,774	18,041,878	18,581,479	18,008,529
1,118,938	1,141,280	1,045,732	983,940	933,663
1,145,749	1,429,478	785,074	185,483	129,650
917,865	974,130	1,467,791	1,668,811	1,781,630
<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>
527,328	560,972	597,886	592,975	522,093
16,216,012	17,316,916	17,246,115	17,229,218	16,869,266
11,648,323	14,244,201	10,812,812	7,878,754	5,068,342
40,911,096	43,786,137	45,051,719	45,095,753	46,659,680
-	-	-	326,863	237,100
-	-	-	-	-
1,574,522	1,519,638	1,803,863	1,525,431	419,048
654,343	667,590	809,009	819,549	649,794
4,506,919	5,873,564	6,293,261	7,141,652	5,442,086
-	-	-	225,709	273,554
-	-	-	26,129	44,246
<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>15,775,780</u>	<u>15,507,426</u>	<u>14,958,137</u>	<u>14,685,565</u>	<u>15,447,749</u>
-	695,122	-	430,117	494,924
6,958,254	7,390,700	8,678,199	8,401,218	7,916,188
<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>(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>\$ 401,959</u>	<u>\$ 237,908</u>	<u>\$ 530,950</u>	<u>\$ 584,728</u>	<u>\$ 5,544,098</u>

WASHTENAW COUNTY
Changes in Fund Balances - General Fund
(Expenditures by Category)
Last Ten Years

(modified accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues					
Property taxes	\$ 45,683,776	\$ 48,813,596	\$ 52,227,354	\$ 54,883,846	\$ 59,645,096
Licenses and permits	129,816	111,912	169,388	171,524	161,907
Intergovernmental	11,578,947	11,714,821	10,563,759	7,758,214	5,641,139
Charges for services	13,421,880	14,974,369	16,262,412	16,165,713	17,521,139
Fines and forfeits	1,191,936	1,003,693	1,125,425	1,226,872	1,106,638
Investment income	1,185,820	824,979	612,244	544,005	628,154
Other revenues	1,003,157	790,671	1,084,307	941,153	1,032,874
Total revenues	<u>74,195,332</u>	<u>78,234,041</u>	<u>82,044,889</u>	<u>81,691,327</u>	<u>85,736,947</u>
Expenditures					
Personal services	42,046,204	45,912,603	49,903,278	51,764,737	55,129,899
Supplies	1,308,329	1,588,845	1,452,823	1,627,031	1,528,967
Other services and charges	11,499,887	12,457,044	13,118,819	12,179,677	13,345,666
Internal service charges	2,778,308	2,171,613	2,222,890	1,645,145	1,410,187
Capital outlay	33,046	30,908	53,009	36,816	12,248
Debt service	-	-	-	-	-
Total expenditures	<u>57,665,773</u>	<u>62,161,013</u>	<u>66,750,819</u>	<u>67,253,406</u>	<u>71,426,968</u>
Revenues over (under) expenditures	<u>16,529,559</u>	<u>16,073,028</u>	<u>15,294,070</u>	<u>14,437,921</u>	<u>14,309,979</u>
Other financing sources (uses)					
Capital leases	-	-	-	-	-
Transfers in	-	1,028,662	925,501	4,620,356	6,611,427
Transfers out	(16,223,931)	(16,837,786)	(16,150,909)	(18,615,493)	(20,481,873)
Total other financing sources (uses)	<u>(16,223,931)</u>	<u>(15,809,124)</u>	<u>(15,225,408)</u>	<u>(13,995,137)</u>	<u>(13,870,446)</u>
Net changes in fund balances	<u>\$ 305,628</u>	<u>\$ 263,904</u>	<u>\$ 68,662</u>	<u>\$ 442,784</u>	<u>\$ 439,533</u>

Source: Washtenaw County Finance Department

Schedule 5A
UNAUDITED

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 66,237,030	\$ 72,803,650	\$ 70,205,639	\$ 68,211,292	\$ 64,703,053
174,530	271,202	178,489	173,367	205,407
5,308,246	5,524,930	5,848,199	5,743,226	5,871,026
16,911,965	17,331,774	18,041,878	18,581,479	18,008,529
1,118,938	1,141,280	1,045,732	983,940	933,663
1,145,749	1,429,478	785,074	185,483	129,650
917,865	974,130	1,467,791	1,668,811	1,781,630
<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>
58,424,800	63,324,954	63,221,173	61,607,795	60,772,335
1,696,147	1,603,767	1,596,407	1,601,385	1,703,731
14,240,236	16,377,624	15,920,395	16,182,001	12,514,061
1,676,520	2,650,264	1,602,137	779,808	302,685
840	12,409	274,553	439,206	574,597
-	-	-	251,838	317,800
<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>15,775,780</u>	<u>15,507,426</u>	<u>14,958,137</u>	<u>14,685,565</u>	<u>15,447,749</u>
-	695,122	-	430,117	494,924
6,958,254	7,390,700	8,678,199	8,401,218	7,916,188
<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>(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>\$ 401,959</u>	<u>\$ 237,908</u>	<u>\$ 530,950</u>	<u>\$ 584,728</u>	<u>\$ 5,544,098</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	Total Assessed Value	Total Actual Value	Total Direct Tax Rate
2001	\$ 7,947,075	\$ 2,164,528	\$ 641,354	\$ 352,969	\$ 1,085,093	\$ 12,191,019	\$ 24,472,414	5.4759
2002	8,983,153	2,382,889	757,346	433,528	1,145,185	13,702,101	27,492,263	5.6772
2003	10,017,580	2,652,147	804,851	478,542	1,092,571	15,045,691	30,196,516	5.6186
2004	11,016,278	2,820,335	848,380	533,236	1,096,757	16,314,986	32,758,847	5.5819
2005	11,886,410	3,106,081	885,397	564,140	1,092,596	17,534,624	35,184,135	5.5493
2006	12,712,166	3,278,326	912,147	559,299	1,083,615	18,545,553	37,208,917	5.5024
2007	13,180,822	3,454,744	955,905	589,064	1,150,417	19,330,952	38,961,637	5.6768
2008	12,377,703	3,681,923	882,304	595,774	1,227,324	18,765,028	37,678,729	5.7018
2009	11,260,432	3,692,630	834,222	578,251	1,163,963	17,529,498	35,263,130	5.7418
2010	10,619,743	3,541,601	523,123	534,906	1,044,135	16,263,508	32,711,793	5.7448

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

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

WASHTENAW COUNTY
Direct and Overlapping Property Tax Rates
Last Ten Years

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

		<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
County direct rates											
Operation		4.76	4.72	4.67	4.64	4.61	4.57	4.55	4.55	4.55	4.55
County imposed and debt		-	-	0.49	-	-	-	-	-	-	-
Special voted		0.72	0.96	0.46	0.94	0.94	0.93	1.13	1.13	1.19	1.20
Total direct rate		<u>5.48</u>	<u>5.68</u>	<u>5.62</u>	<u>5.58</u>	<u>5.55</u>	<u>5.50</u>	<u>5.68</u>	<u>5.68</u>	<u>5.74</u>	<u>5.74</u>
Overlapping rates											
Cities:											
Ann Arbor		17.13	17.00	16.87	16.90	16.90	16.82	16.78	16.78	16.80	16.82
Chelsea (1)		-	-	-	-	-	13.21	15.05	15.05	14.96	13.16
Milan		15.75	15.75	15.75	15.75	15.75	15.75	15.50	15.50	15.50	14.40
Saline		10.00	9.96	10.96	12.95	13.72	15.53	15.53	15.53	15.53	15.53
Ypsilanti		24.46	27.37	27.41	28.28	27.92	29.03	29.58	30.60	30.86	31.53
Townships (average)	(A)	2.62	2.72	2.80	2.77	2.97	3.07	3.22	3.19	3.40	3.16
Villages (average)	(B)	13.46	13.29	13.23	13.18	12.95	9.77	9.54	9.56	9.62	9.62
School districts (average)	(C)	30.15	30.16	30.15	29.39	30.22	29.77	29.55	29.54	30.91	31.04
Intermediate school district		3.13	3.11	3.07	3.46	4.04	4.00	3.97	3.97	3.97	3.97
Community college		3.99	3.97	3.86	3.83	3.77	3.72	3.70	3.69	3.69	3.69
(A) - Rates range from:											
Low		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
High		9.75	9.75	10.12	9.66	10.53	10.40	10.40	10.40	10.40	10.40
(B) - Rates range from:											
Low		10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
High		15.74	15.30	15.67	15.27	15.28	15.39	14.59	14.59	14.92	14.92
(C) - Rates range from:											
Low		25.29	25.93	25.26	24.17	23.38	25.26	25.40	25.40	25.36	25.36
High		38.76	41.35	34.30	32.65	33.65	36.48	35.69	35.69	34.59	34.59

Source: Washtenaw County Finance Department

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

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Detroit Edison	\$ 149,466,515	1	1.03%	\$ 130,381,948	4	1.25%
McKinley Associates	139,357,335	2	0.96%	-	-	-
Toyota Motor	117,606,544	3	0.81%	33,345,835	10	0.32%
Michigan Consolidated Gas	99,728,148	4	0.69%	70,942,562	5	0.68%
Ford Motor	97,497,327	5	0.67%	-	-	-
Briarwood Complex	73,699,051	6	0.51%	62,973,388	6	0.60%
Domino's Farm	69,107,175	7	0.48%	45,751,823	7	0.44%
Hyundai	37,299,989	8	0.26%	-	-	-
Daimler Chrysler	34,479,913	9	0.24%	37,363,412	8	0.36%
Mav Development	33,666,845	10	0.23%	-	-	-
Arborland LLC	32,520,896	11	0.22%	18,839,028	15	0.18%
Meijer Incorporated	30,988,186	12	0.21%	24,118,526	12	0.23%
Comcast	30,230,787	13	0.21%	29,809,635	11	0.29%
Ann Arbor Campus Housing	26,907,819	14	0.19%	-	-	-
Consumers Energy	26,391,347	15	0.18%	-	-	-
	<u>\$ 998,947,877</u>		<u>6.89%</u>	<u>\$ 453,526,157</u>		<u>4.34%</u>

Source: Washtenaw County Equalization Department.

WASHTENAW COUNTY
Property Tax Levies and Collections
Last Ten Years

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

Source: Washtenaw County Treasurer's Office

WASHTENAW COUNTY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities										
General obligation bonds	\$ 38,160,000	\$ 37,690,000	\$ 35,035,000	\$ 38,120,000	\$ 35,615,000	\$ 56,400,000	\$ 73,870,000	\$ 90,115,000	\$ 83,125,000	\$ 75,765,000
Capital leases	-	685,608	346,319	136,872	461,948	309,424	829,132	468,072	672,480	711,121
Loans	292,133	292,133	292,133	292,133	272,658	253,182	233,707	214,231	194,756	175,280
Total outstanding debt	<u>\$ 38,452,133</u>	<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>	<u>\$ 74,932,839</u>	<u>\$ 90,797,303</u>	<u>\$ 83,992,236</u>	<u>\$ 76,651,401</u>
Total taxable value (000's)	\$ 12,191,019	\$ 13,702,101	\$ 15,045,691	\$ 16,314,986	\$ 17,534,624	\$ 18,545,553	\$ 19,330,952	\$ 18,765,028	\$ 17,529,498	\$ 16,263,508
Ratio of total debt to taxable value	0.32%	0.28%	0.24%	0.24%	0.21%	0.31%	0.39%	0.48%	0.48%	0.47%
Total population	329,308	334,351	338,562	338,782	342,124	347,792	347,969	344,767	347,563	347,563
Total debt per capita	\$ 116.77	\$ 115.65	\$ 105.37	\$ 113.79	\$ 106.25	\$ 163.78	\$ 215.34	\$ 263.36	\$ 241.66	\$ 220.54
% of personal income	0.33%	0.32%	0.28%	0.29%	0.27%	0.41%	0.53%	0.67%	0.62%	0.57%

Source: Washtenaw County Finance Department

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

WASHTENAW COUNTY
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			
2001	\$ 38,160,000	\$ -	\$ 38,160,000	0.32%	0.31%	\$ 115.88
2002	37,690,000	-	37,690,000	0.31%	0.28%	112.73
2003	35,035,000	-	35,035,000	0.27%	0.23%	103.48
2004	38,120,000	-	38,120,000	0.28%	0.23%	112.52
2005	35,615,000	-	35,615,000	0.26%	0.20%	104.10
2006	56,400,000	-	56,400,000	0.41%	0.30%	162.17
2007	73,870,000	-	73,870,000	0.52%	0.38%	212.29
2008	90,115,000	-	90,115,000	0.67%	0.48%	261.38
2009	83,125,000	-	83,125,000	0.62%	0.47%	239.17
2010	75,765,000	-	75,765,000	0.56%	0.47%	217.99

Source: Washtenaw County Finance Department

WASHTENAW COUNTY
Computation of Net Direct and Overlapping Debt
As of December 31, 2010

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation tax notes	\$ 26,000,000	\$ 26,000,000	\$ -
Building authority bonds	75,765,000	-	75,765,000
Notes payable	175,280	-	175,280
Water Resources bonds and notes	11,388,989	10,874,968	514,021
Public Works water and sewer debt	29,882,279	29,882,279	-
Road Commission debt	1,251,000	1,251,000	-
	\$ 144,462,548	\$ 68,008,247	76,454,301
Overlapping debt			
School districts			930,798,549
Cities			215,738,257
Townships			78,761,819
Villages			9,197,000
Intermediate school district			307,318
Community colleges			38,142,623
Library			25,760,772
			1,298,706,338
Net direct and overlapping debt			\$ 1,375,160,639

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

WASHTENAW COUNTY
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2010

Assessed value	\$ 16,263,508,267
Debt limit (10% of assessed value)	\$ 1,626,350,827
Debt applicable to limit - general obligation bonds	144,462,548
Legal debt margin	\$ 1,481,888,279

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

Source: Washtenaw County Finance Department

WASHTENAW COUNTY
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	329,308	\$ 11,774,476	\$ 35,867	2.9%
2002	334,351	12,232,147	36,794	3.6%
2003	338,562	12,869,105	38,323	4.1%
2004	338,782	13,391,280	39,528	4.2%
2005	342,124	13,578,433	39,689	4.2%
2006	347,792	13,874,107	39,892	4.6%
2007	347,969	14,233,752	40,905	4.7%
2008	344,767	13,482,692	39,107	7.3%
2009	347,563 (a)	13,482,692 (a)	39,107 (a)	8.6%
2010	347,563 (a)	13,482,692 (a)	39,107 (a)	6.6% (b)

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

(b) Preliminary reported as of December 31, 2010

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

WASHTENAW COUNTY
Principal Employers
Current Year and Nine Years Ago

Employer	2010			2001		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
University of Michigan	26,423	1	15.51%	14,804	1	7.95%
Trinity Health	5,255	2	3.09%	4,243	5	-
Ann Arbor Public Schools	3,579	3	2.10%	1,900	9	1.02%
U.S. Government	2,621	4	1.54%	2,585	6	1.39%
Eastern Michigan University	1,956	5	1.15%	2,223	7	1.19%
Thomson Reuters	1,773	6	1.04%	-	-	0.00%
State of Michigan	1,569	7	0.92%	2,054	8	1.10%
Washtenaw County	1,324	8	0.78%	1,300	11	0.70%
Borders Group	895	9	0.53%	1,800	10	0.97%
Ford Motor Company	823	10	0.48%	5,638	4	3.03%
City of Ann Arbor	745	11	0.44%	1,000	13	0.54%
Ypsilanti Public Schools	643	12	0.38%	699	15	0.38%
General Motors	625	13	0.37%	5,870	3	-
DTE Energy Co.	618	14	0.36%	-	-	-
U.S. Postal Service	610	15	0.36%	551	19	-
Washtenaw Community College	590	16	0.35%	-	-	0.00%
Lincoln Consolidated Schools	523	17	0.31%	-	-	0.00%
Domino's Pizza Inc.	520	18	0.31%	550	20	0.30%
IHA	502	19	0.29%	-	-	-
Chelsea School District	437	20	0.26%	862	14	0.46%
	<u>52,031</u>		<u>30.55%</u>	<u>46,079</u>		<u>19.03%</u>

Source: Crain's Detroit Business

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010
Legislative								
Board of Commissioners	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
Trial Court Clerk Services	-	-	-	-	-	-	-	19.0
District Court	44.6	44.0	44.0	47.0	48.0	51.0	49.0	51.0
Trial Court-Probate	9.0	11.0	10.0	11.0	11.0	11.0	12.0	12.0
Trial Court-Juvenile Center	31.4	25.3	28.3	25.5	26.0	27.0	23.8	24.8
Trial Court-Friend of the Court	59.0	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
Public Defender	22.0	22.0	21.0	21.0	22.0	22.0	18.0	16.0
General Government								
County Administration	5.0	4.0	4.0	4.0	6.0	6.0	5.5	3.5
Corporation Counsel	1.8	1.5	1.5	1.5	1.5	1.5	1.0	1.0
Budget	-	4.0	4.0	5.0	5.0	5.0	4.0	4.5
Finance	27.0	20.0	20.0	20.0	20.0	18.3	16.2	16.0
Information & Tech Systems	45.0	35.0	34.0	34.0	27.8	27.3	24.6	24.5
Equalization	14.0	14.0	13.0	14.0	14.0	14.0	13.0	13.0
Human Resources	13.0	8.0	8.0	8.0	7.0	9.8	9.0	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
Treasurer	13.5	13.8	12.8	12.8	14.5	14.5	15.5	16.5
Drain/Water Resources Commissioner	21.0	22.0	21.0	21.0	18.0	20.0	20.0	19.0
Economic Development & energy	-	-	-	-	-	-	-	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
Facilities Management	38.0	30.0	31.0	31.0	28.5	27.5	22.0	22.5
Support Services - Fleet	3.0	3.0	3.0	3.0	3.0	2.5	1.0	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
Prosecuting Attorney - CRP	7.2	7.2	7.2	7.2	7.2	6.4	6.3	6.2
Prosecuting Attorney - Domestic Violence	24.0	8.0	7.0	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
Building Inspection/Services	25.0	15.0	13.3	13.3	28.9	9.5	9.6	5.0
Emergency Management	3.0	4.0	4.0	5.0	5.0	5.0	5.0	2.0
E-911 - Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
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
Solid Waste	1.8	1.8	1.0	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
Public Health	86.2	69.6	70.8	70.8	72.9	74.8	72.4	68.4
Community Support & Treatment Services	271.1	235.5	251.8	265.4	276.5	281.5	308.0	301.0
Washtenaw Community Health Organization	50.1	63.2	65.2	78.1	80.1	78.1	73.1	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
Child Care - Detention	29.6	30.2	30.2	30.0	29.9	28.9	28.2	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
Employment Training & Community Services	22.1	19.4	19.4	19.4	19.4	19.4	18.9	18.9
Head Start	36.5	36.5	36.5	37.0	37.3	37.3	37.3	36.3
Community Development	-	-	4.0	5.0	6.5	5.7	9.0	10.0
Culture & Recreation								
Parks & Recreation	36.0	31.0	33.0	35.0	35.0	40.0	42.0	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
Total	1,486.8	1,376.1	1,383.9	1,418.8	1,455.5	1,428.8	1,415.1	1,361.3

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

WASHTENAW COUNTY
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Sheriff:										
Number of incidents	61,433	56,942	54,644	53,266	52,479	53,279	51,191	60,449	61,563	63,825
Number of crash reports	7,499	4,656	4,703	4,339	4,273	6,611	3,259	4,118	2,803	2,876
Number of arrests	2,921	2,900	2,648	2,509	2,306	1,127	2,108	3,876	6,980	2,388
Number of bookings	7,833	8,419	8,093	7,135	6,969	6,993	7,084	7,433	7,176	7,152
Public Works										
Centerline miles of road maintained	1,580	1,582	1,594	1,603	1,612	1,624	1,634	1,647	1,650	1,652
Health										
Public Health:										
Vaccines administered	37,535	41,642	44,971	40,410	54,143	46,454	53,409	49,688	46,600	57,522
Number of monthly participants	4,125	4,522	4,559	4,667	4,580	4,660	4,712	4,920	5,000	5,700
Culture & Recreation										
Parks & Recreation:										
Recreation center participation	368,221	395,190	414,354	363,709	367,581	370,696	346,298	317,029	341,078	338,148
Aquatic center participation	88,409	89,343	77,195	75,127	107,403	104,453	111,183	104,172	92,062	113,635
Rounds of Golf	43,273	40,816	39,249	39,169	37,591	37,049	33,580	31,120	35,880	33,316
Boat Rental	744	904	541	652	734	602	590	822	731	792

Source: Washtenaw County Finance Department

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sheriff										
Vehicle patrol units:										
Police service automobiles	60	82	82	85	85	85	90	90	89	87
Animal control	-	1	1	2	2	2	2	2	2	2
Marine safety	-	2	6	2	2	2	3	3	3	3
Jail	-	16	16	17	17	17	17	17	18	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
Park acreage:										
Parkland	1,376	1,376	1,438	1,438	1,647	1,762	1,834	1,903	1,943	1,943
Natural areas	-	-	438	715	780	980	1,079	1,659	1,767	2,044
Picnic areas	12	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
County recreation center	1	1	1	1	1	1	1	1	1	1
Fishing structures	4	3	3	3	3	3	3	3	3	3
Pavilions	6	11	11	12	12	12	12	12	12	13
Concession	-	-	-	3	3	3	3	3	3	3
Multi-purpose	-	-	-	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	2	1	1	1	1	1	1
Swimming pools (in/out)	-	2	2	2	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
Trails:										
Nature	13	7	7	9	9	9	10	10	11	12
Exercise	1	1	1	1	1	1	1	1	1	1
Multiuse	1	8	8	8	8	8	8	8	8	8
Playgrounds	-	6	6	6	6	7	7	7	7	6
Water Areas:										
Water parks	1	1	1	1	1	1	1	1	1	1
Spray play feature	1	3	3	3	3	3	3	3	3	3
Lazy river ride	-	-	-	1	1	1	1	1	1	1
Public works										
Centerline miles of county roads:										
Federal and State	180	180	180	180	576	576	580	580	580	580
Primary	529	529	529	542	586	587	588	588	589	589
Local	758	758	756	743	703	704	706	706	705	705
Subdivision	282	282	296	308	323	333	340	353	356	357

WASHTENAW COUNTY
Schedule of Insurance
As of December 31, 2010

<u>Type of Coverage</u> <u>Name of Company</u>	<u>Policy Period</u>	<u>Premium</u>	<u>Description</u>
Genesis Insurance Company	10/1/10-10/1/11	\$ 743,252	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.	10/1/10-10/1/11	117,542	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	10/1/10-10/1/11	Included	Covers scheduled portable equipment consisting of radio and video equipment, boats and trailers, etc. All risk coverage.
Data Processing Coverage	10/1/10-10/1/11	Included	Covers data processing equipment, media and extra expense. Limit \$500,000 per occurrence.
Employee Benefit Liability	10/1/10-10/1/11	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.	10/1/10-10/1/11	11,764	Covers loss to the County caused by dishonesty or fraudulent act of an employee or failure to faithfully perform the duties or the position. Limit \$5,000,000 with \$10,000 loss deductible. All County employees covered. Public Employee Blanket Bond.
Public Officials Genesis Insurance Company	10/1/10-10/1/11	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.	10/1/10-10/1/11	130,235	Covers Public Health 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	10/1/10-10/1/11	Included	Covers boilers and air conditioning units, broad form basis (except cast iron), including repair and/ or replacement on most objects. \$1,000 deductible.
Lawyers Professional Lloyds/National Legal Aid and Defender Association	10/1/10-10/1/11 3/1/10-3/1/11	1,730 15,307	Covers Employee related issues in Public Defender's Office. Professional liability limit \$1,000,000. Disciplinary proceedings limit \$5,000. Also covers Labor Relation Attorney and Corp Counsel. Personal injury \$1,000,000/1,000,000. Disciplinary proceeding \$10,000. Subject to deductible.

Continued...

WASHTENAW COUNTY
Schedule of Insurance
As of December 31, 2010

<u>Type of Coverage</u> <u>Name of Company</u>	<u>Policy Period</u>	<u>Premium</u>	<u>Description</u>
Short-Term Bond Burnham & Flower of Michigan The Hartford	12/01/10-03/31/11	\$ 25,610	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	10/1/10-10/1/11	35,315	Covers 20 Judges, Magistrates and referees \$1,000,000 liability coverage per claim. \$2,500 deductible.
Federal Insurance Companies	10/1/10-10/1/11	11,550	Fiduciary Liability Policy for Washtenaw County covering the VEBA, MPPP and WCERS Systems with limits of \$3,000,000.
United States Liability	10/1/10-10/1/11	4,726	Liquor Liability Insurance Policy for Pierce Lake Golf Course
Workers' Compensation BROADSPIRE	02/01/09-02/01/10	41,935	TPA for Claims Service.
Safety National	02/01/09-02/01/10	52,218	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
Dental Delta Dental Core Plan	Monthly	Varies	100% basic dental, 50% other services, 50% Prosthodontics and Orthodontic services, \$750 annual limit.
Dental Delta Dental Retiree Plan	Monthly	Varies	100% basic dental, 50% other services, 50% Prosthodontics, no Orthodontic services, \$750 annual limit
Dental Delta Dental Premier Plan for those in Flex Benefits who choose this option	Monthly	Varies	100% basic dental, 80% other services, including sealants, 50% Orthodontics services, \$1,000 annual limit and \$1,750 lifetime for Orthodontics.
Life Insurance Unum Provident	Monthly	Varies	Covers death of employee and/or AD&D. All full-time employees with choice of coverage equal to 1 X annual salary up to 50K, 2 X annual salary up to 100K, or 3 X annual salary up to 150K. MNA Employee basic coverage (coverage up to 50K or 1 X annual salary)
Vision Care Blue Cross/Blue Shied/ Vision Service Plan (VSP)	Monthly	Varies	Vision Care option pays for certain vision care tests and supplies when obtained from a participating provider after County employee pays the provider the required co-payment amount.

