

Comprehensive Annual Financial Report  
Year Ended December 31, 2012



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WASHTENAW COUNTY, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2012

Prepared by the Finance Department

## ON THE COVER

Washtenaw County has many cherished, beautiful and memorable sights. Some photos taken from various places around the County are displayed on the cover of this publication, representing some of the local units of government within our boundaries. We would like to thank all of the artists featured for the phenomenal landscapes captured. Below is a list of the artists for the pictures shown on the Comprehensive Annual Financial Report cover:

Top photo: "A Path to the Sky", © 2011 Tom Meacham (cleveralias on Flickr).

Taken by Barton Dam in Ann Arbor.

First middle photo: "Saline Sunset", © 2009 Bob (Mr. History on Flickr).

Taken on the Braun Farm outside of Saline.

Second middle photo: "The Clocktower - Chelsea, Michigan", © 2009 Steve Brown (sjb4photos on Flickr).

Taken of the famous landmark in Chelsea.

Third middle photo: "Depot Town sunset", © 2009 Steve Brown (sjb4photos on Flickr).

Taken on a July cruise night in Ypsilanti.

Bottom photo: "Downtown Ann Arbor December Night", © 2009 John Retzer (GoldBlogger.Com on Flickr).

A long exposure of Main Street on a December night in Ann Arbor.

Cover compiled and designed by Nathan Zemanek, 2011

# WASHTENAW COUNTY

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2012

### BOARD OF COMMISSIONERS

Conan Smith, Chair

Barbara Levin Bergman  
Leah Gunn  
Rob Turner  
Dan Smith  
Alicia Ping

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

### COUNTY ADMINISTRATOR

Verna J. McDaniel

### FINANCE DIRECTOR

Kelly L. Belknap

### INDEPENDENT AUDITORS

Rehmann Robson

# WASHTENAW COUNTY

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# WASHTENAW COUNTY

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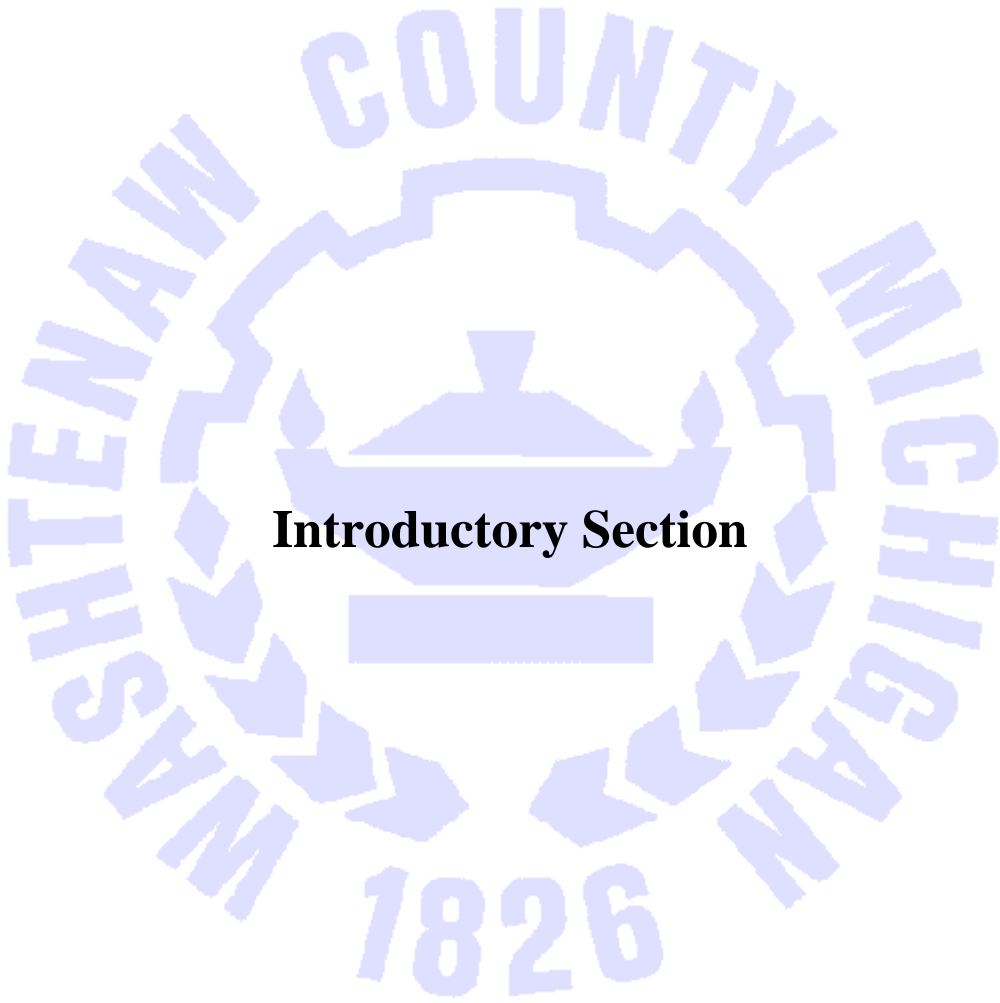
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**Introductory Section**

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## COUNTY ADMINISTRATOR

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

March 26, 2013

To the Board of Commissioners and Citizens of  
Washtenaw County:



The Comprehensive Annual Financial Report (CAFR) of Washtenaw County for the year ended December 31, 2012, 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, 2012.

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 unmodified ("clean") opinion on Washtenaw County's financial statements for the year ended December 31, 2012. 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 and 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 2011 population of 347,962. Its major cities are Ann Arbor and Ypsilanti, with estimated 2011 populations of 114,925 and 19,596, respectively. Washtenaw County is empowered to levy a property tax, the primary source of funding, on both real and personal property located within its boundaries.

The governmental structure of Washtenaw County is based upon the State Constitution and the general laws of the State of Michigan. The County's legislative body, and its administrative body for many functions, is the County Board of Commissioners. Through December 31, 2012, the Board of Commissioners consisted of eleven members elected by direct vote from single-member districts every two years. The redistricting process, which statutorily takes place every ten years, has reduced the number of commissioners to nine starting on January 1, 2013. In Washtenaw County, the Board of Commissioners appoints a County Administrator who is responsible for daily operations. In addition to the Board of Commissioners, there are fifteen elected officials serving the County in judicial, administrative, or staff officer roles. An organization chart depicting the County structure is shown on the page following this letter.

Washtenaw County provides a full range of services in the following service area groups (formerly known as communities of interest): civic infrastructure, economic development, emergency preparedness and response, health and human services, land use and environment, public safety and justice, and support services. The County is responsible for the management and financing of these operations. Other services are provided through legally separate entities. The Washtenaw County Building Authority, although legally separate, functions as a department because its sole purpose is to finance and construct the County's public buildings, and therefore has been included as an integral part of the County's financial statements. Washtenaw County is also financially accountable for five legally separate component units: Department of Public Works Projects, Water Resources Commissioner, Hazardous Material Response Team Authority, Brownfield Redevelopment Authority and Road Commission, all of which are reported separately within the County's financial statements. Additional information on all of these legally separate entities can be found in the notes to the financial statements (See Note 1).

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

## Local Economy

Major industries located within the government's boundaries or in close proximity include: educational services; health care and social assistance; manufacturing; professional, scientific, and management services; arts, entertainment and recreation; accommodation and food services; and retail trade. In addition, many high quality educational institutions, most notably the University of Michigan and Eastern Michigan University, and healthcare facilities are located within our borders. The County also is a significant economic presence thanks to the vast array of services provided by over 1,300 employees. The innovative-based economy in the county is thriving.

Because of its location in a region with a varied economic base, unemployment has been consistently below the state average, currently at 9.1 percent, and is also below the national average, currently at 8.1 percent. During the last decade, the unemployment rate has increased from a decade low of 3.2 percent (2002). 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 2002, the unemployment rate steadily rose to a decade high of 8.5 percent in 2009 before trending downward to 5.4 percent in December, 2011. The rate further decreased in 2012 and is currently at 5.1 percent. Unemployment in Washtenaw County is expected to remain below both the state and national averages.

Washtenaw County has maintained strong population and personal income growth over the past decade. This growth is expected to continue in the foreseeable future. Our estimated 2011 population figure is 347,962. The projected 2040 population is 386,235. According to recent data released by the U.S. Census Bureau in 2010, Washtenaw County had a median age of 33.3, while Michigan had a 38.9 median age. The low median age assures that the future will hold a broad pool from which employers can select skilled candidates for work in various business sectors. Over 50% of our residents 25 years and older have completed four or more years of college. The median household income (as of 2010) of our residents is over \$10,000 higher than that of the State of Michigan. This indicates a healthy local economy and a higher standard of living for our residents.

Washtenaw County's taxable property value has increased by more than 23% over the last ten years. Taxable property values have realized an average 6.9% increase in growth per year for the period of 2002 through 2008. In 2009, the County saw its first ever decline in taxable property values. From 2009 through 2012, the total taxable property value fell approximately 10.7%. The County's total taxable property value for 2012 was approximately \$13.9 billion, a decrease over the prior year of \$106 million. Even though other statistics indicate a strong local economy, the economic base of the County has decreased for the fourth consecutive year. These decreases are not nearly as dramatic as others experienced in the region.

## Long-term Financial Planning

Total fund balance in the general fund (16.8% of total general fund expenditures and transfers out) falls within policy guidelines set by the Board of Commissioners for budgetary and planning purposes. The Board has continued its commitment to plan future budgets to meet the goal of a reserve for subsequent years representing at least 8.0% of general fund expenditures and transfers out.

The Board of Commissioners has committed to ensure the long-term fiscal stability of the County. The County completes long-term projections of at least two budget cycles (four years), and updates them frequently to ensure that the full impact of decisions are understood. The County has worked diligently over the years making long-term fiscal stability a top priority, which has resulted in higher bond ratings, reasonable levels of debt, reserves in line with policy and annual surpluses. However, not since the Great Depression (from 1929 through 1941) have we experienced such profound economic loss.

The budget is a set of complex and interrelated assumptions, but nobody can predict the future. The County's projections on property taxes will be tested, once again, come April of 2013 when the 2013 Equalization Report is published. Through development and adoption of the 2012/13 budget, a review of revenue opportunities was conducted, resulting in \$1.6 million in enhanced revenues. Each department identified proposals to reduce expenditures resulting in anticipated savings of \$4.6 million. Finally, a review of the organizational structure and non-department specific expenditures was conducted. The result was another \$1.5 million in expenditure reductions. The projections for 2014/15 still reveal a long-term structural deficit. Projections are developed with an attempt to balance the short-term with the long-term, both from a fiscal perspective and community impact perspective.

On the revenue side, the major assumption is that property tax revenue will continue to decline. Currently, the County is estimating a reduction of 2% in 2013 in taxable value. Other revenues including fees and fines are estimated to remain relatively flat. The State of Michigan has struggled to balance its budgets in recent years, and although we have seen some positive actions taken, the impact on the County is uncertain. The most pressing concern comes in 2013 when the County's revenue sharing reserve special revenue fund is depleted. The State of Michigan did reinstate the County revenue sharing in October of 2012, though at a reduced level.

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

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

## Relevant Financial Policies

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

## Major Initiatives

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

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

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

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Washtenaw County, Michigan for its CAFR for the fiscal year ended December 31, 2011. This was the 22nd consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The County also received the GFOA's Distinguished Budget Presentation Award for its budget for the biennium period beginning January 1, 2012. 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 2011 PAFR was the County's sixth 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  
Janet Egeler  
Marie Irwin  
Susan Shipley  
Sara Wuellner

Terry Ballantyne  
Jennifer Brassow  
Ashley Gelisse  
Mary Kowalski  
Stefanie Thacker

Don Bilbey  
Peter Collinson  
SiRui Huang  
Kirsten Osborn  
Xiaohong Wu

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

Sincerely,



Verna J. McDaniel  
County Administrator/Controller



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washtenaw County  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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.

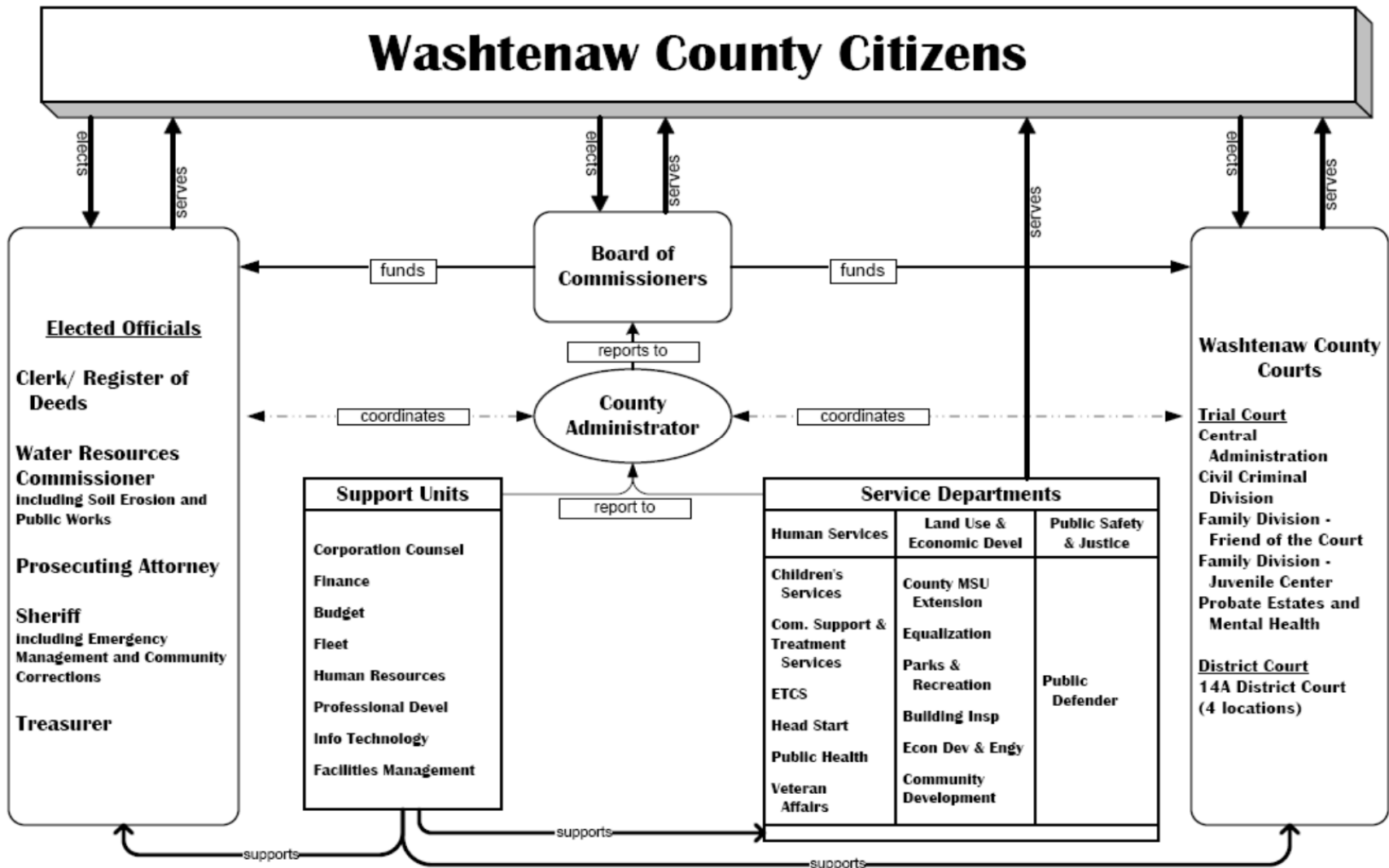


*Christopher P. Morille*

President

*Jeffrey R. Egan*

Executive Director



# WASHTENAW COUNTY

## PRINCIPAL OFFICIALS

At December 31, 2012

### Board of Commissioners

Conan Smith, Chair

Barbara Levin Bergman  
Leah Gunn  
Rob Turner  
Dan Smith  
Alicia Ping

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

### District Court Judges

Richard E. Conlin

J. Cedric Simpson

Kirk W. Tabbey

### Trial Court Judges

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

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

### Clerk/Register of Deeds

Lawrence Kestenbaum

### Water Resources Commissioner

Janis A. Bobrin

### Prosecuting Attorney

Brian Mackie

### Sheriff

Jerry L. Clayton

### Treasurer

Catherine McClary

### County Administrator

Verna J. McDaniel

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**Financial Section**

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**INDEPENDENT AUDITORS' REPORT**

March 26, 2013

To the Board of Commissioners  
of Washtenaw County  
Ann Arbor, Michigan**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Washtenaw County, Michigan* as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the employment training and community services (ETCS) special revenue fund, which represents 2.1% of the assets and 4.7% of the revenues of the aggregate remaining fund information and 0.7% of the assets and 4.6% of the revenues of the governmental activities. Also, we did not audit the financial statements of the Washtenaw County Road Commission, which represents 76.1% of the assets and 83.8% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the ETCS special revenue fund and Washtenaw County Road Commission, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinions*

In our opinion, based on our audit and the 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, 2012, 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.

### *Other Matters*

#### *Required Supplementary Information*

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



*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2013 on our consideration of Washtenaw County's internal control 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washtenaw County's internal control over financial reporting and compliance.



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**Management's Discussion  
and Analysis**

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# WASHTENAW COUNTY

## 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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, as listed in the table of contents, and the accompanying basic financial statements.

### Financial Highlights

- The net position of the County was \$230.6 million at December 31, 2012. Of this amount, \$31.1 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The County's net position increased by \$8.8 million during 2012.
- The County's governmental funds (this includes the general, special revenue, debt service and capital projects funds) reported combined fund balances of \$76.5 million at December 31, 2012, a decrease of \$9.3 million from last year. Seventy-eight percent of the ending fund balances, \$59.7 million, is subject to the underlying limitations applicable to the particular special revenue, debt service and capital project funds. Twenty-two percent of this total amount, \$16.8 million, is available for spending at the government's discretion (general fund unassigned fund balance).
- At December 31, 2012 the fund balance in the general fund was \$16.8 million. This was an increase of nearly \$2.3 million compared to the prior year. The fund balance in the general fund is now approximately 16.8 percent of total general fund expenditures and transfers out.
- The County's investment in capital assets (net of accumulated depreciation) increased by \$7.9 million during 2012.
- The County's total bonded debt, excluding delinquent tax notes, decreased by \$8.4 million in 2012.

### Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position 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 this discussion and analysis and the schedules concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to certain employees.

# WASHTENAW COUNTY

## Management's Discussion and Analysis

### Reporting the County as a Whole

The Statements of Net Position and 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 statements of net position and activities report information about the County as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows 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 present financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. During 2012, the net position of the County increased by \$8.8 million.

The statements of net position and 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.

# WASHTENAW COUNTY

## Management's Discussion and Analysis

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

The County maintains more than 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general, community support and treatment services, parks and recreation, revenue sharing reserve, enhanced emergency communication system millage, and county capital project funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements and schedules* elsewhere in 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.

# WASHTENAW COUNTY

## Management's Discussion and Analysis

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.

### 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 position and changes in fiduciary net position. 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.

### Additional Information

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

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

### Financial Analysis of the County as a Whole

This government-wide financial analysis focuses on the net position and changes in net position of the County's governmental and business-type activities. As noted earlier, net position may serve over time as a useful indicator of a government's financial health. As the following table shows, the County's net position was \$230.6 million at December 31, 2012.



# WASHTENAW COUNTY

## Management's Discussion and Analysis

By far, the largest portion of the County's net position, 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. This amounted to \$150.0 million at December 31, 2012. 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.

Restricted net position amounted to \$49.5 million at December 31, 2012. This represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position was \$31.1 million at December 31, 2012 and may be used to meet the government's ongoing obligations to citizens and creditors.

### Washtenaw County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 115,602,448	\$ 123,208,588	\$ 36,818,517	\$ 41,213,711	\$ 152,420,965	\$ 164,422,299
Capital assets	204,656,916	196,783,340	5,446	11,124	204,662,362	196,794,464
<b>Total assets</b>	<b>320,259,364</b>	<b>319,991,928</b>	<b>36,823,963</b>	<b>41,224,835</b>	<b>357,083,327</b>	<b>361,216,763</b>
Deferred charge on refunding	408,354	555,609	-	-	408,354	555,609
Long-term liabilities	79,191,685	87,928,738	19,535,788	24,526,804	98,727,473	112,455,542
Other liabilities	14,405,361	13,824,081	35,920	82,917	14,441,281	13,906,998
<b>Total liabilities</b>	<b>93,597,046</b>	<b>101,752,819</b>	<b>19,571,708</b>	<b>24,609,721</b>	<b>113,168,754</b>	<b>126,362,540</b>
Taxes levied but intended for subsequent period	13,687,790	13,607,650	-	-	13,687,790	13,607,650
Net position:						
Net investment in capital assets	149,976,610	133,832,314	5,446	11,124	149,982,056	133,843,438
Restricted	32,262,018	45,073,107	17,246,809	16,603,990	49,508,827	61,677,097
Unrestricted	31,144,254	26,281,647	-	-	31,144,254	26,281,647
<b>Total net position</b>	<b>\$ 213,382,882</b>	<b>\$ 205,187,068</b>	<b>\$ 17,252,255</b>	<b>\$ 16,615,114</b>	<b>\$ 230,635,137</b>	<b>\$ 221,802,182</b>

# WASHTENAW COUNTY

## Management's Discussion and Analysis

At December 31, 2012, the County is able to report positive balances in all three categories of net position (unrestricted, restricted and net investment in capital assets), both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

The County's net position increased by \$8.8 million during 2012, composed of an \$8.2 million increase for governmental activities and a \$0.6 million increase for business-type activities.

**Governmental Activities.** As noted above, total revenues and transfers exceeded total expenses by \$8.2 million during 2012. Total revenues and transfers for governmental activities were \$0.3 million less than the prior year. Key elements of this decrease were as follows:

- Charges for services revenues increased by \$3.0 million during 2012 due primarily to additional revenues being received in the Sheriff's Office (wireless 911, road patrol, and central dispatch) Building Inspection (building permit fees), Public Health (receipt of monies from the State of Michigan for cost based reimbursement for the Maternal Infant Health program) and the Clerk/Register of Deeds Office (increased volume of real estate transfer taxes).
- Operating grants and contributions decreased by \$1.8 million during 2012. The major source of the decrease was in two areas of the Office of Community and Economic Development: Community Development and Employment Training and Community Services (ETCS) experienced a decrease in federal and state grant dollars of \$1.7 million and \$3.0 million respectively. Community Support and Treatment Services (CSTS) intergovernmental revenue increased \$3.1 million due to certain activities being accounted for in CSTS during 2012 that were accounted for in the Washtenaw County Health Organization (WCHO) during 2011.
- Capital grants and contributions rose by \$1.2 million during 2012. This resulted from a significant increase in Homeland Security grant dollars for the Emergency Management division of the Sheriff's Office.
- Transfers decreased by \$1.8 million during 2012 due to a smaller transfer from the delinquent tax funds to the Capital Reserve Fund (compared to the previous year) based upon the available balance in several delinquent tax funds after their notes payable were fully paid off.

# WASHTENAW COUNTY

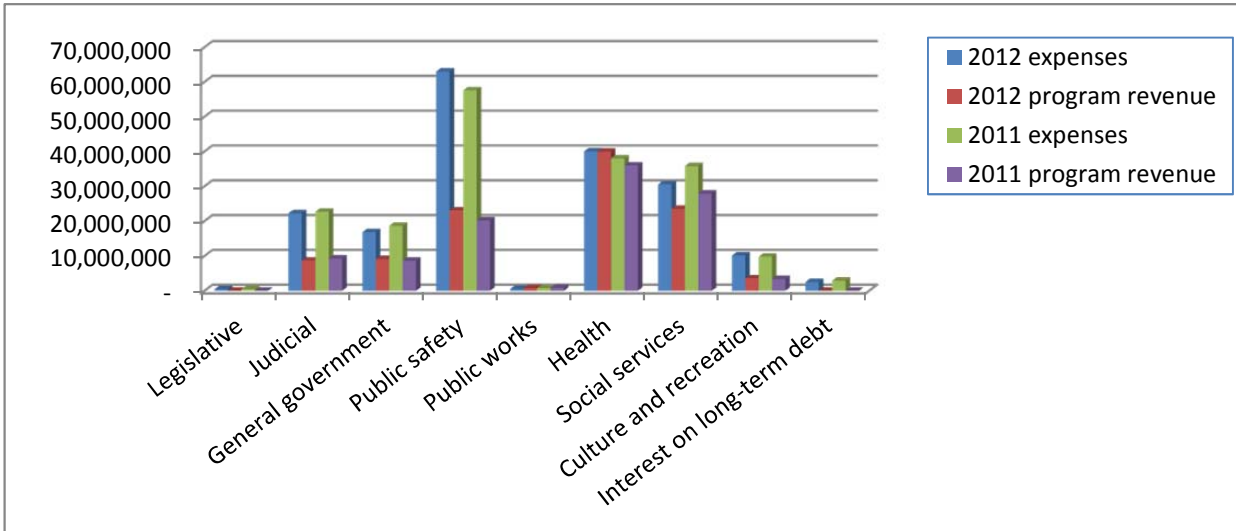
## Management's Discussion and Analysis

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 34,705,989	\$ 31,700,891	\$ 6,267,936	\$ 6,815,385	\$ 40,973,925	\$ 38,516,276
Grants and contributions:						
Operating	72,298,292	74,135,727	-	-	72,298,292	74,135,727
Capital	1,692,183	501,837	-	-	1,692,183	501,837
General revenue:						
Property taxes	76,320,529	76,744,940	-	-	76,320,529	76,744,940
Accommodations taxes restricted for tourist programs						
	4,305,258	3,993,639	-	-	4,305,258	3,993,639
Grants and contributions not restricted to specific programs						
	838,212	1,340,281	-	-	838,212	1,340,281
Investment earnings	352,708	502,567	103,367	164,008	456,075	666,575
Gain on sale of capital assets	-	44,220	-	-	-	44,220
<b>Total revenue</b>	<b>190,513,171</b>	<b>188,964,102</b>	<b>6,371,303</b>	<b>6,979,393</b>	<b>196,884,474</b>	<b>195,943,495</b>
<b>Expenses</b>						
Legislative	458,654	477,251	-	-	458,654	477,251
Judicial	22,276,127	22,688,793	-	-	22,276,127	22,688,793
General government	16,809,012	18,654,907	-	-	16,809,012	18,654,907
Public safety	63,007,827	57,583,782	-	-	63,007,827	57,583,782
Public works	537,429	750,515	-	-	537,429	750,515
Health	40,050,076	38,020,491	-	-	40,050,076	38,020,491
Social services	30,552,937	35,795,507	-	-	30,552,937	35,795,507
Culture and recreation	10,133,523	9,785,702	-	-	10,133,523	9,785,702
Interest on long-term debt	2,541,827	2,938,944	-	-	2,541,827	2,938,944
Delinquent tax collections and related activities	-	-	1,686,934	1,621,084	1,686,934	1,621,084
<b>Total expenses</b>	<b>186,367,412</b>	<b>186,695,892</b>	<b>1,686,934</b>	<b>1,621,084</b>	<b>188,054,346</b>	<b>188,316,976</b>
<b>Increase in net position</b>						
before transfers	4,145,759	2,268,210	4,684,369	5,358,309	8,830,128	7,626,519
Transfers	4,050,055	5,897,642	(4,047,228)	(5,879,140)	2,827	18,502
<b>Increase in net position</b>	<b>8,195,814</b>	<b>8,165,852</b>	<b>637,141</b>	<b>(520,831)</b>	<b>8,832,955</b>	<b>7,645,021</b>
Net position - beginning, as restated	205,187,068	197,021,216	16,615,114	17,135,945	221,802,182	214,157,161
<b>Net position - ending</b>	<b>\$ 213,382,882</b>	<b>\$ 205,187,068</b>	<b>\$ 17,252,255</b>	<b>\$ 16,615,114</b>	<b>\$ 230,635,137</b>	<b>\$ 221,802,182</b>

# WASHTENAW COUNTY

## Management's Discussion and Analysis

### 2012 & 2011 Expenses and Program Revenue - Governmental Activities

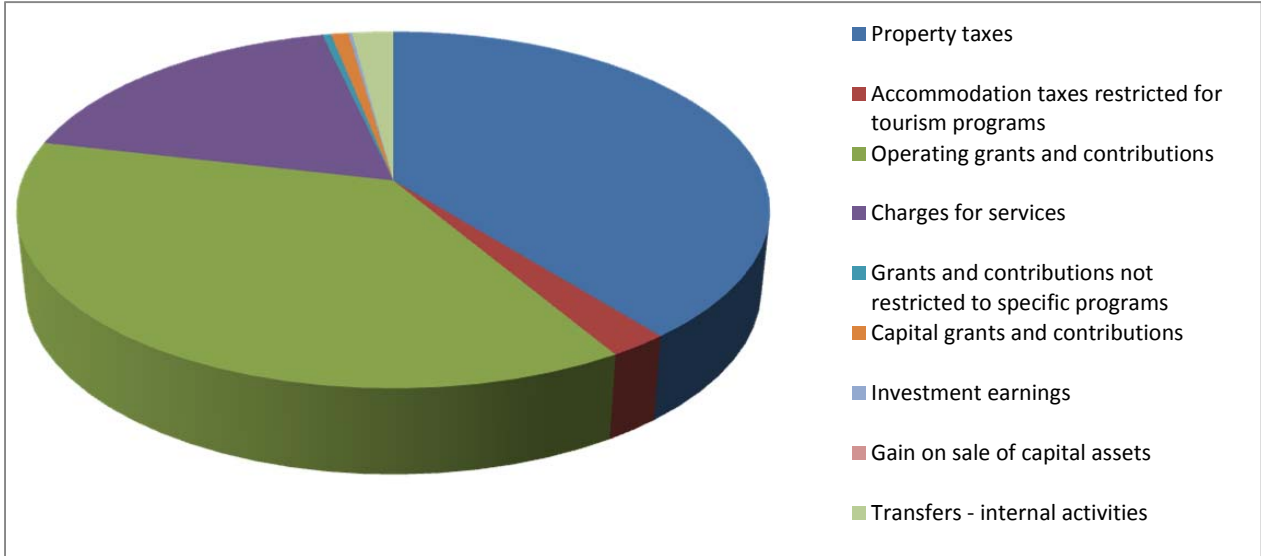


Total expenses for governmental activities decreased \$0.3 million during 2012 compared to the prior

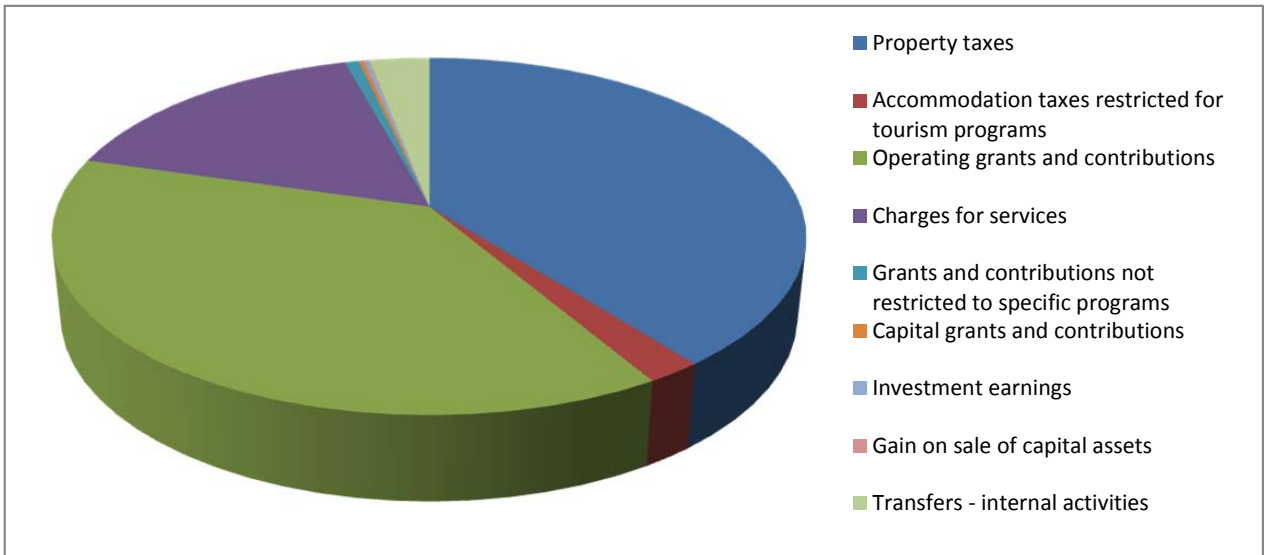
- General government expenses decreased \$1.8 million due mainly to increased cost allocation plan charges recovered from user departments.
- Public safety expenses rose \$5.4 million due to greater expenditures for Homeland Security grants, the consolidation of dispatch services with the City of Ann Arbor resulting in the addition of 15 full-time employees, and growth in the number of Sheriff road patrol by 4 deputies. These contributed to a rise in salary, fringe benefit and overtime costs.
- Health expenses increased \$2.0 million due to certain activities being accounted for in CSTS during 2012 that were accounted for in the Washtenaw County Health Organization (WCHO) during 2011 and 12 months of expenses being reported for the Environmental Health division of Public Health during 2012 compared to 9 months during 2011 due to Environmental Health (which had formerly had a December 31 year-end) being merged into the Public Health Fund which has a September 30 year-end.
- Social services expenses declined \$5.2 million. This was most notably seen in two areas of the Office of Community and Economic Development where significantly fewer federal and state dollars were available to spend: there was a \$1.7 million decrease in expenses for Community Development and a \$3.0 million decrease for Employment Training and Community Services.

Management's Discussion and Analysis

2012 Revenue by Source - Governmental Activities  
\$194,563,226



2011 Revenue by Source - Governmental Activities  
\$194,861,744



Business-type Activities. Business-type activities increased the County’s net position by approximately \$0.6 million during 2012. Key elements of the increase were as follows:

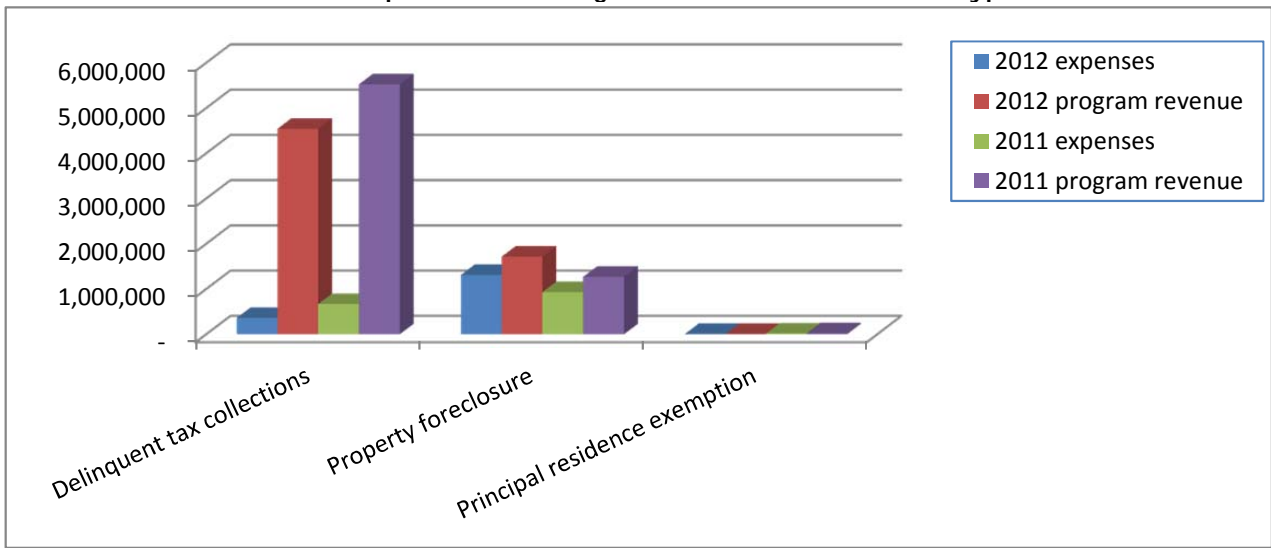
- Charges for services revenue for property foreclosure increased by \$0.5 million during 2012, due to a greater volume of property sales due to non-payment of taxes owed from prior years.
- Charges for services revenue for delinquent tax collections (including interest charges and collection fees) decreased by a total of nearly \$1.0 million during 2012, due to a declining base of delinquent taxes owed in the current year.

# WASHTENAW COUNTY

## Management's Discussion and Analysis

- Operating expenses for property foreclosure increased by nearly \$0.4 million due to more properties being involved in the foreclosure process during 2012 resulting in increased auction expenses and increased losses from the sale of foreclosed properties (several of which were large parcels).
- Delinquent tax expenses decreased by nearly \$0.4 million, almost \$0.2 million due to lower interest expenses on the delinquent tax notes due to a smaller amount of principal being outstanding and approximately \$0.2 million due to an allowance for doubtful accounts that was recorded in 2011 that was not increased in 2012.
- Transfers out of the delinquent tax funds to the capital reserve fund decreased by \$1.9 million because fewer dollars were available at December 31, 2012 after certain delinquent tax notes were repaid.

2012 & 2011 Expenses and Program Revenues - Business-type Activities



### Financial Analysis of the County's Funds

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

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

# WASHTENAW COUNTY

## Management's Discussion and Analysis

At December 31, 2012, the County's governmental funds reported combined ending fund balances of \$76.5 million, a decrease of \$9.3 million compared to the prior year. Seventy-eight percent of the ending fund balances, \$59.7 million, is subject to the underlying limitations applicable to the particular special revenue, debt service and capital project funds and is not available for new spending because it has already been restricted or committed for community support and treatment services' activities, land acquisition under the natural area preservation program, parks and recreation activities, replacement for state revenue sharing, enhancements to emergency communication systems and for improvements to existing assets and new construction for capital projects, long-term advances, as well as other external constraints. The other 22 percent of this total amount, \$16.8 million, is available for spending at the government's discretion (general fund unassigned fund balance).

The general fund is the chief operating fund of the County. At December 31, 2012, the fund balance of the general fund was \$16.8 million, an increase of \$2.3 million from the prior year. As a measure of its liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 16.8 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 community support and treatment services fund had no fund balance at September 30, 2012 (its year end), a decrease of \$0.3 million from the prior year. This decrease resulted from the transfer of the accumulated surplus in this fund to the general fund during 2012.

The parks and recreation fund had a fund balance of \$23.2 million at December 31, 2012, a decrease of \$6.6 million from the prior year. This decrease was due to significant capital expenditures during the year on three projects: the Rolling Hills Master Plan, Independence Lake Park and the Border-to-Border Trail. The parks and recreation fund utilizes voter-approved millages to fund parks and recreation programs and activities and land acquisitions meeting the criteria of the natural areas preservation program. Fund balance will be used in subsequent years for these purposes.

The revenue sharing reserve fund had a fund balance of \$4.0 million at December 31, 2012, a decrease of \$6.8 million from the prior year. This fund is mandated by the State of Michigan. It was established to account for accelerated property tax collections that were authorized by State statute as a temporary replacement for state revenue sharing payments to counties (which were suspended by the State during 2004). Annual tax payments, each equal to 1/3 of the annual property tax levy, were placed in this fund over a three year period beginning in 2004. At the same time, the County began transferring monies from this fund to the general fund according to a schedule established by the Michigan Department of Treasury. This fund will transfer \$4.0 million to the general fund during 2013 at which time the fund balance will be depleted. The State has resumed the payment of revenue sharing monies to the County.

The enhanced emergency communication system millage fund had a fund balance of \$1.7 million at December 31, 2012, a decrease of \$0.6 million from the prior year. This fund accounts for the revenues provided by a voter-approved 10-year millage which began in 2006 and for the payment of principal and interest on the long-term general obligation debt issued to finance the construction of the new digital emergency communication system for the County as well as the ongoing maintenance costs of the system.

# WASHTENAW COUNTY

## Management's Discussion and Analysis

The county capital projects fund accounts for the renovations and modifications of existing facilities, new capital construction projects and the purchase of capital equipment, as well as maintenance to existing facilities (such as replacement of roof systems, carpeting, and other interior finishes). The county capital projects fund had a fund balance of \$20.5 million at December 31, 2012, an increase of \$0.4 million from the prior year.

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

Restricted and unrestricted net position of the delinquent tax, other enterprise and internal service funds at the end of the year amounted to \$15.3 million, \$1.9 million and \$8.5 million, respectively. The delinquent tax fund had an increase in net position for the year of \$0.3 million, whereas the other enterprise funds had an increase of \$0.3 million and the internal service funds had an increase of \$2.2 million. Other factors concerning the financial position of the delinquent tax fund have already been addressed in the discussion of the County's business type activities.

### General Fund Budgetary Highlights

There was a net increase of \$3.5 million (3.6%) to general fund revenues (including other financing sources) from the original to the final budget. Taxes increased \$2.4 million (4.0%) because the current year property tax revenues were higher as the decline in the tax base was only 0.77% rather than the projected decline of 5.0% when the budget was adopted.

Charges for services increased \$0.8 million (3.9%) for sheriff revenues for police dispatch services, circuit court and probate court fees and costs, and substance abuse prevention and treatment services. Other financing sources increased \$0.7 million (9.37%) for anticipated E-911 revenues as a result of consolidated dispatch with the City of Ann Arbor and district court telecommunications equipment capital lease. Intergovernmental revenues increased \$0.5 million (8.5%) for state liquor tax and other anticipated community reimbursements. Other small increases and decreases in revenue budgets also took place.

There was a corresponding \$3.5 million (3.6%) net increase between the original and final amended expenditure budget (including other financing uses). There was a budget increase of \$2.1 million (4.0%) for the Sheriff's Office for public safety activities for consolidated dispatch services with the City of Ann Arbor. In addition, there was a \$1.0 million (6.0%) increase in the other financial uses budget for transfers out. This was offset by a decrease in the undesignated allocation for coordinated funding activities monitored by the Office of Community and Economic Development.

There was a net budget increase of \$0.4 million (2.4%) for judicial activities for the trial court, district court and public defender. There was a budget increase of \$0.4 million for the principal, interest and finance charges associated with the annual payments for capital equipment for the debt service payments associated with a lease. This increase was offset by a reduction of the same amount within information and technology activities within the general government function. Other small increases and decreases in expenditure budgets also took place.



# WASHTENAW COUNTY

## Management's Discussion and Analysis

Overall, actual general fund revenues, including other financing sources, were more than the final budget. Actual general fund expenditures, including other financing uses, were less than the final budget. Actual revenues were more than actual expenditures. This resulted in an increase in the actual fund balance of \$2,261,989 which was \$521,866 more than the final budget amount.

### Capital Asset and Debt Administration

**Capital Assets.** The County's investment in capital assets for its governmental activities at December 31, 2012 was \$204.7 million (net of accumulated depreciation), an increase of \$7.9 million over last year. This investment in capital assets includes land, buildings, easement property, improvements, and machinery and equipment. The County's business-type activities have a nominal investment in capital assets of \$5,446 (net of accumulated depreciation) at December 31, 2012.

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

- Parks and recreation spent \$12.2 million on capital improvements during 2012, including \$3.3 million on a new bridge crossing over the Huron River and an additional 2.3 miles of trails as part of the Border-to-Border Trail, \$4.2 million on the addition of the Blue Heron Bay at Independence Lake Park, \$2.2 million on Phase 2 of the Rolling Hills Master Plan project which includes administrative offices, reconfigured parking lot and water park entry, new bath house and waterslides. Parks and recreation also acquired 310 acres of land for \$1.5 million under the Natural Areas Preservation Program.

Washtenaw County's Capital Assets  
(net of depreciation)

	Governmental activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 40,606,475	\$ 38,859,300	\$ -	\$ -	\$ 40,606,475	\$ 38,859,300
Construction in progress	4,610,735	221,326	-	-	4,610,735	221,326
Buildings and easement property	109,062,447	111,972,171	-	-	109,062,447	111,972,171
Improvements other than buildings	39,023,124	35,097,202	-	-	39,023,124	35,097,202
Machinery and equipment	11,354,135	10,633,341	5,446	11,124	11,359,581	10,644,465
<b>Total</b>	<b>\$ 204,656,916</b>	<b>\$ 196,783,340</b>	<b>\$ 5,446</b>	<b>\$ 11,124</b>	<b>\$ 204,662,362</b>	<b>\$ 196,794,464</b>

# WASHTENAW COUNTY

## Management's Discussion and Analysis

Long-term Debt. At December 31, 2012, the County had total bonded debt outstanding of \$79.1 million. This entire amount is backed by the full faith and credit of the County.

### Washtenaw County's Outstanding Debt General Obligation

	Governmental activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 59,590,000	\$ 68,005,000	\$ -	\$ -	\$ 59,590,000	\$ 68,005,000
Delinquent tax notes	-	-	19,500,000	24,500,000	19,500,000	24,500,000
<b>Total</b>	<b>\$ 59,590,000</b>	<b>\$ 68,005,000</b>	<b>\$ 19,500,000</b>	<b>\$ 24,500,000</b>	<b>\$ 79,090,000</b>	<b>\$ 92,505,000</b>

The County's total general obligation debt decreased by \$13.4 million during 2012. The County retired debt of \$8.3 million in general obligation bonds and \$25.0 million in delinquent tax notes, issued \$20.0 million in delinquent tax notes, and refunded \$11.4 million in general obligation bonds. Debt service requirements for general obligation bonds of \$7.9 million and interest of \$1.7 million are due during 2013. The principal payment for delinquent tax notes of \$14.0 million and interest payments of \$0.2 million are due during 2013.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$1.5 billion which is significantly in excess of the County's outstanding general obligation debt.

#### 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 2013:

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

# WASHTENAW COUNTY

## Management's Discussion and Analysis

- To limit the County's liability to the defined benefit retirement system, a cost-sharing model was negotiated capping the employer rate at 10% and increasing the employee contribution from 7.5% to 10%. This will assist with the potential cost increases within the pension system for 2013.
- The unemployment rate for the County is currently 5.1%, lower than a year ago. This compares favorably to the state's average unemployment rate of 9.1% and the national average rate of 8.1%.
- 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 2012 the applicable inflation rate was 2.7%, but the actual change in taxable value was 0.77%. Therefore, due to the laws that limit growth, the economy and housing market declines, as well as the shutdown of operations by two of the largest taxpayers in the County, property tax revenues are budgeted to decline by 2.0% in 2013.
- The County continues to operate with great uncertainty as the State of Michigan struggles to find solutions to balance its budget. An impact on the County is certain. The most pressing concern comes in 2013 when our revenue sharing reserve fund is depleted. The 2013 budget assumes that the State of Michigan will reinstate county revenue sharing/county incentive program at 75% of previous levels after the reserve fund is depleted.
- The County has committed to maintaining a general fund balance that is at least 8.0% of operating expenditures. The 2012 fiscal year budget includes a projected surplus to be carried forward and used to balance the 2013 fiscal year budget.
- Overall, financial trends in the region compare mixed in relation to national indices. Analysis of revenue, expenditure, operating position, debt structure, unfunded liabilities, condition of capital plant, and community needs and resources indicators are examined across time to provide a framework for objective investigation.

### Contacting the County's Financial Management

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

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**Basic Financial Statements**

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**Government-wide Financial Statements**

# WASHTENAW COUNTY

## Statement of Net Position

December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and pooled investments	\$ 82,897,135	\$ 11,766,732	\$ 94,663,867	\$ 20,331,834
Receivables, net	28,735,155	24,885,915	53,621,070	52,149,921
Prepaid items and other assets	3,970,158	165,870	4,136,028	1,279,415
Capital assets not being depreciated	45,217,210	-	45,217,210	28,453,211
Capital assets being depreciated, net	159,439,706	5,446	159,445,152	263,841,933
Net pension asset	-	-	-	98,085
<b>Total assets</b>	<b>320,259,364</b>	<b>36,823,963</b>	<b>357,083,327</b>	<b>366,154,399</b>
<b>Deferred outflows of resources</b>				
Deferred charge on refunding	408,354	-	408,354	281,163
<b>Liabilities</b>				
Accounts payable and accrued expenses	13,387,155	18,482	13,405,637	9,684,088
Accrued interest payable	443,806	17,438	461,244	357,623
Unearned revenue	574,400	-	574,400	2,114,762
Long-term liabilities:				
Due within one year	9,462,914	14,004,045	23,466,959	4,379,542
Due in more than one year	65,767,325	5,531,743	71,299,068	44,978,848
Other noncurrent liability - net other postemployment benefit liability	3,961,446	-	3,961,446	673,715
<b>Total liabilities</b>	<b>93,597,046</b>	<b>19,571,708</b>	<b>113,168,754</b>	<b>62,188,578</b>
<b>Deferred inflows of resources</b>				
Taxes levied for a subsequent period	13,687,790	-	13,687,790	-
Deferred gain on refunding	-	-	-	628
<b>Total deferred inflows of resources</b>	<b>13,687,790</b>	<b>-</b>	<b>13,687,790</b>	<b>628</b>
<b>Net position</b>				
Net investment in capital assets	149,976,610	5,446	149,982,056	272,507,757
Restricted for:				
Debt service	-	15,304,363	15,304,363	880,219
Capital projects	-	-	-	9,576,051
State revenue sharing	4,022,175	-	4,022,175	-
Public safety	2,885,799	-	2,885,799	-
Health	419,851	-	419,851	-
Social services	937,077	-	937,077	-
Culture and recreation	23,214,457	-	23,214,457	-
Economic development	782,659	-	782,659	-
Property foreclosure	-	1,917,023	1,917,023	-
Principal residence exemption	-	25,423	25,423	-
Unrestricted	31,144,254	-	31,144,254	21,282,329
<b>Total net position</b>	<b>\$ 213,382,882</b>	<b>\$ 17,252,255</b>	<b>\$ 230,635,137</b>	<b>\$ 304,246,356</b>

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



# WASHTENAW COUNTY

## Statement of Activities

Year Ended December 31, 2012

Functions / Programs	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
Legislative	\$ 458,654	\$ -	\$ -	\$ -	\$ (458,654)
Judicial	22,276,127	3,307,633	5,377,317	-	(13,591,177)
General government	16,809,012	5,807,947	3,299,403	-	(7,701,662)
Public safety	63,007,827	17,760,432	3,626,161	1,692,183	(39,929,051)
Public works	537,429	125,658	670,602	-	258,831
Health	40,050,076	3,872,371	36,062,756	-	(114,949)
Social services	30,552,937	481,592	23,026,324	-	(7,045,021)
Culture and recreation	10,133,523	3,350,356	235,729	-	(6,547,438)
Interest on long-term debt	2,541,827	-	-	-	(2,541,827)
<b>Total governmental activities</b>	<b>186,367,412</b>	<b>34,705,989</b>	<b>72,298,292</b>	<b>1,692,183</b>	<b>(77,670,948)</b>
Business-type activities:					
Delinquent tax collection	363,295	4,541,776	-	-	4,178,481
Property foreclosure	1,312,856	1,716,032	-	-	403,176
Principal residence exemption	10,783	10,128	-	-	(655)
<b>Total business-type activities</b>	<b>1,686,934</b>	<b>6,267,936</b>	<b>-</b>	<b>-</b>	<b>4,581,002</b>
<b>Total primary government</b>	<b>\$ 188,054,346</b>	<b>\$ 40,973,925</b>	<b>\$ 72,298,292</b>	<b>\$ 1,692,183</b>	<b>\$ (73,089,946)</b>
<b>Component units</b>					
Department of Public Works Projects	\$ 2,315,134	\$ -	\$ -	\$ 1,704,709	\$ (610,425)
Water Resources Commissioner	2,322,071	171,911	-	4,586,010	2,435,850
Hazardous Materials Response Authority	46,100	53,726	22,956	-	30,582
Road Commission	30,637,214	-	37,569,956	-	6,932,742
Brownfield Redevelopment Authority	1,117,302	-	-	-	(1,117,302)
<b>Total component units</b>	<b>\$ 36,437,821</b>	<b>\$ 225,637</b>	<b>\$ 37,592,912</b>	<b>\$ 6,290,719</b>	<b>\$ 7,671,447</b>

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# WASHTENAW COUNTY

## Statement of Activities

Year Ended December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (77,670,948)	\$ 4,581,002	\$ (73,089,946)	\$ 7,671,447
General revenues:				
Property taxes	76,320,529	-	76,320,529	678,288
Accommodation taxes restricted for tourism programs	4,305,258	-	4,305,258	-
Grants and contributions not restricted to specific programs	838,212	-	838,212	-
Unrestricted investment earnings	352,708	103,367	456,075	95,396
Gain on sale of capital assets	-	-	-	18,575
Transfers - internal activities	4,050,055	(4,047,228)	2,827	-
Total general revenues and transfers	85,866,762	(3,943,861)	81,922,901	792,259
Change in net position	8,195,814	637,141	8,832,955	8,463,706
Net position, beginning of year, as restated	205,187,068	16,615,114	221,802,182	295,782,650
Net position, end of year	\$ 213,382,882	\$ 17,252,255	\$ 230,635,137	\$ 304,246,356

concluded

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



**Fund Financial Statements**

WASHTENAW COUNTY

Balance Sheet - Governmental Funds  
December 31, 2012

	General	Community Support and Treatment Services	Parks and Recreation	Revenue Sharing Reserve	Enhanced Emergency Communication System Millage
<b>Assets</b>					
Cash and pooled investments	\$ 15,549,313	\$ 1,531	\$ 25,858,218	\$ 4,022,175	\$ 2,045,022
Receivables:					
Taxes - current	-	-	8,489,276	-	2,381,617
Taxes - delinquent	190,473	-	-	-	-
Accounts	1,158,187	-	4,000	-	-
Interfund receivable	-	-	-	-	-
Due from other governments	2,961,006	1,392,028	-	-	-
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>\$ 19,858,979</b>	<b>\$ 1,393,559</b>	<b>\$ 34,351,494</b>	<b>\$ 4,022,175</b>	<b>\$ 4,426,639</b>
<b>Liabilities</b>					
Accounts payable	\$ 504,757	\$ 137,334	\$ 1,263,186	\$ -	\$ -
Accrued liabilities	2,365,662	429,090	128,850	-	-
Due to other governments	10,000	827,135	-	-	-
Interfund payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Advances from other governments	-	-	-	-	-
<b>Total liabilities</b>	<b>2,880,419</b>	<b>1,393,559</b>	<b>1,392,036</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	190,473	-	-	-	-
Taxes levied for a subsequent period	-	-	9,745,001	-	2,732,355
<b>Total deferred inflows of resources</b>	<b>190,473</b>	<b>-</b>	<b>9,745,001</b>	<b>-</b>	<b>2,732,355</b>
<b>Fund balances</b>					
Nonspendable for prepaid items	-	-	-	-	-
Restricted for:					
Revenue sharing reserve	-	-	-	4,022,175	-
Economic development	-	-	-	-	-
Public safety	-	-	-	-	1,694,284
Health	-	-	-	-	-
Social services	-	-	-	-	-
Culture and recreation	-	-	23,214,457	-	-
Capital projects	-	-	-	-	-
Committed for:					
Economic development	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health	-	-	-	-	-
Social services	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Unassigned	16,788,087	-	-	-	-
<b>Total fund balances</b>	<b>16,788,087</b>	<b>-</b>	<b>23,214,457</b>	<b>4,022,175</b>	<b>1,694,284</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 19,858,979</b>	<b>\$ 1,393,559</b>	<b>\$ 34,351,494</b>	<b>\$ 4,022,175</b>	<b>\$ 4,426,639</b>

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



County Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 18,841,542	\$ 8,494,893	\$ 74,812,694
-	1,055,057	11,925,950
-	-	190,473
207,839	1,311,977	2,682,003
1,283,455	-	1,283,455
235,108	6,216,453	10,804,595
-	47,559	47,559
<u>\$ 20,567,944</u>	<u>\$ 17,125,939</u>	<u>\$ 101,746,729</u>
\$ 94,040	\$ 2,198,209	\$ 4,197,526
7,374	871,775	3,802,751
-	826,872	1,664,007
-	1,283,455	1,283,455
-	371,017	371,017
-	78,000	78,000
<u>101,414</u>	<u>5,629,328</u>	<u>11,396,756</u>
-	-	190,473
-	1,210,434	13,687,790
<u>-</u>	<u>1,210,434</u>	<u>13,878,263</u>
-	47,559	47,559
-	-	4,022,175
-	782,659	782,659
-	1,191,316	2,885,600
-	419,851	419,851
-	937,077	937,077
-	-	23,214,457
6,034,152	-	6,034,152
-	141,965	141,965
-	1,623,508	1,623,508
-	1,008,522	1,008,522
-	2,042,647	2,042,647
-	2,087,712	2,087,712
-	3,361	3,361
14,432,378	-	14,432,378
-	-	16,788,087
<u>20,466,530</u>	<u>10,286,177</u>	<u>76,471,710</u>
<u>\$ 20,567,944</u>	<u>\$ 17,125,939</u>	<u>\$ 101,746,729</u>

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# WASHTENAW COUNTY

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2012

Fund balances - total governmental funds	\$ 76,471,710
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	267,460,321
Accumulated depreciation	(65,815,793)
Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.	
	2,626,336
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 position (and netted against bonds payable).	
Bond discounts	36,554
Bond premiums	(418,122)
Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net position.	
	408,354
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 position.	
	11,551,126
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds, notes and capital leases payable	(60,877,572)
Accrued interest on bonds payable	(443,806)
Other postemployment benefit obligation	(3,961,446)
Accrued compensated absences	(13,654,780)
Net position of governmental activities	<u>\$ 213,382,882</u>

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, 2012

	General	Community Support and Treatment Services	Parks and Recreation	Revenue Sharing Reserve	Enhanced Emergency Communication System Millage
<b>Revenues</b>					
Property taxes	\$ 62,723,877	\$ -	\$ 9,840,044	\$ -	\$ 2,730,790
Accommodation taxes	-	-	-	-	-
Licenses and permits	266,421	-	-	-	-
Intergovernmental	6,446,696	26,368,628	-	-	-
Charges for services	20,646,196	-	3,350,356	-	16,500
Fines and forfeits	919,733	-	-	-	-
Investment income	53,757	-	142,482	-	13,930
Other	2,026,571	110,878	208,579	-	-
<b>Total revenues</b>	<b>93,083,251</b>	<b>26,479,506</b>	<b>13,541,461</b>	<b>-</b>	<b>2,761,220</b>
<b>Expenditures</b>					
Current:					
Legislative	455,758	-	-	-	-
Judicial	16,583,079	-	-	-	-
General government	5,068,655	-	-	-	-
Public safety	54,037,578	-	-	-	299,799
Public works	149,355	-	-	-	-
Health	-	26,644,694	-	-	-
Social services	317,154	-	-	-	-
Culture and recreation	391,430	-	20,122,441	-	-
Other unallocated	4,259,390	-	-	-	-
Debt service:					
Principal	344,647	-	-	-	-
Interest and fiscal charges	26,509	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>81,633,555</b>	<b>26,644,694</b>	<b>20,122,441</b>	<b>-</b>	<b>299,799</b>
Revenues over (under) expenditures	11,449,696	(165,188)	(6,580,980)	-	2,461,421
<b>Other financing sources (uses)</b>					
Issuance of bonds and contracts	-	-	-	-	-
Premium on bonds	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	-	-
Capital leases	71,316	-	-	-	-
Transfers in	8,889,362	165,190	-	-	-
Transfers out	(18,148,385)	(343,052)	-	(6,828,640)	(3,024,847)
<b>Total other financing sources (uses)</b>	<b>(9,187,707)</b>	<b>(177,862)</b>	<b>-</b>	<b>(6,828,640)</b>	<b>(3,024,847)</b>
<b>Net change in fund balances</b>	<b>2,261,989</b>	<b>(343,050)</b>	<b>(6,580,980)</b>	<b>(6,828,640)</b>	<b>(563,426)</b>
Fund balances, beginning of year	14,526,098	343,050	29,795,437	10,850,815	2,257,710
<b>Fund balances, end of year</b>	<b>\$ 16,788,087</b>	<b>\$ -</b>	<b>\$ 23,214,457</b>	<b>\$ 4,022,175</b>	<b>\$ 1,694,284</b>

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



County Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,025,818	\$ 76,320,529
-	4,305,258	4,305,258
-	2,554,687	2,821,108
46,338	36,949,327	69,810,989
1,073,357	5,067,226	30,153,635
-	329,921	1,249,654
78,253	22,081	310,503
409,858	4,131,627	6,887,513
<u>1,607,806</u>	<u>54,385,945</u>	<u>191,859,189</u>
-	-	455,758
-	5,055,950	21,639,029
-	5,400,218	10,468,873
-	7,258,857	61,596,234
-	404,566	553,921
-	13,823,887	40,468,581
-	29,756,664	30,073,818
-	95,968	20,609,839
-	-	4,259,390
60,869	8,364,476	8,769,992
-	2,664,659	2,691,168
-	166,892	166,892
<u>3,862,427</u>	<u>-</u>	<u>3,862,427</u>
<u>3,923,296</u>	<u>72,992,137</u>	<u>205,615,922</u>
<u>(2,315,490)</u>	<u>(18,606,192)</u>	<u>(13,756,733)</u>
182,607	11,315,000	11,497,607
-	239,678	239,678
-	(11,385,000)	(11,385,000)
-	-	71,316
10,221,389	24,114,871	43,390,812
<u>(7,718,086)</u>	<u>(3,277,747)</u>	<u>(39,340,757)</u>
<u>2,685,910</u>	<u>21,006,802</u>	<u>4,473,656</u>
370,420	2,400,610	(9,283,077)
<u>20,096,110</u>	<u>7,885,567</u>	<u>85,754,787</u>
<u>\$ 20,466,530</u>	<u>\$ 10,286,177</u>	<u>\$ 76,471,710</u>

## WASHTENAW COUNTY

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
Year Ended December 31, 2012

Net change in fund balances - total governmental funds \$ (9,283,077)

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.

Capital outlay	15,561,604
Depreciation expense	(7,588,208)
Loss on disposal of capital assets	(55,254)

Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds. (1,404,470)

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 position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Installment contract proceeds	(182,607)
Refunding bond proceeds	(11,315,000)
Premium on bonds	(239,678)
Payment to escrow agent	11,385,000
Principal payments on long-term liabilities	8,425,345
Principal payments on capital leases	344,647
Capital lease proceeds	(71,316)

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

Change in accrued interest payable on long-term debt	156,446
Amortization of discount on bonds	(4,760)
Amortization of premium on bonds	118,403
Amortization of deferred charge on refunding	(147,255)

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.

Net operating income from governmental activities in internal service funds	2,090,447
Interest revenue from governmental internal service funds	42,205
Net gain on sale of capital assets in governmental internal service funds	44,547

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.

Change in other postemployment benefit obligation	246,536
Change in accrual for accrued compensated absences	72,259

Change in net position of governmental activities \$ 8,195,814

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, 2012

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 59,766,404	\$ 62,184,094	\$ 62,723,877	\$ 539,783
Licenses and permits	177,812	276,996	266,421	(10,575)
Intergovernmental	5,778,414	6,271,281	6,446,696	175,415
Charges for services	19,916,915	20,700,176	20,646,196	(53,980)
Fines and forfeits	1,012,100	1,012,100	919,733	(92,367)
Investment income	100,000	100,000	53,757	(46,243)
Other	1,942,211	1,956,698	2,026,571	69,873
<b>Total revenues</b>	<b>88,693,856</b>	<b>92,501,345</b>	<b>93,083,251</b>	<b>581,906</b>
<b>Expenditures</b>				
Legislative -				
Board of commissioners	505,664	505,664	455,758	49,906
Judicial:				
Circuit court	4,040,962	4,314,140	4,339,347	(25,207)
District court	5,617,713	5,713,625	5,740,419	(26,794)
Probate court	1,246,850	1,224,477	1,170,034	54,443
Probate court - juvenile	2,740,374	2,623,679	2,419,177	204,502
Probation department	179,677	179,677	166,278	13,399
Public defender	2,595,420	2,755,577	2,747,824	7,753
<b>Total judicial</b>	<b>16,420,996</b>	<b>16,811,175</b>	<b>16,583,079</b>	<b>228,096</b>
General government:				
Information technology	5,954,009	5,426,692	5,347,064	79,628
Building authority	7,085	7,085	4,675	2,410
Clerk / Register	4,089,151	3,918,944	3,744,125	174,819
Human resources	1,619,610	1,724,838	1,703,035	21,803
Water resources commissioner	2,723,102	2,875,576	2,696,890	178,686
Equalization	1,445,616	1,445,616	1,202,241	243,375
Finance	2,907,564	2,947,506	2,876,131	71,375
Corporation counsel	463,955	432,916	381,540	51,376
Treasurer	1,421,599	1,464,033	1,459,708	4,325
Administrator	535,159	601,614	591,319	10,295
Allocated to other departments	(15,135,999)	(14,979,506)	(14,938,073)	(41,433)
<b>Total general government</b>	<b>6,030,851</b>	<b>5,865,314</b>	<b>5,068,655</b>	<b>796,659</b>

continued...

# WASHTENAW COUNTY

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

Year Ended December 31, 2012

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Public safety:				
Emergency management	\$ 447,721	\$ 458,651	\$ 453,177	\$ 5,474
Sheriff	46,041,823	48,120,319	48,091,825	28,494
Prosecuting attorney	5,517,864	5,517,864	5,492,576	25,288
Total public safety	52,007,408	54,096,834	54,037,578	59,256
Public works	108,466	167,183	149,355	17,828
Social services -				
Veterans counselor	331,094	338,009	317,154	20,855
Culture - county extension	382,261	389,556	391,430	(1,874)
Other unallocated	2,250,575	3,562,882	4,259,390	(696,508)
Debt service:				
Principal	-	325,968	344,647	(18,679)
Interest and fiscal charges	-	26,509	26,509	-
Total debt service	-	352,477	371,156	(18,679)
Total expenditures	78,037,315	82,089,094	81,633,555	455,539
Revenues over expenditures	10,656,541	10,412,251	11,449,696	1,037,445
Other financing sources (uses)				
Capital leases	-	71,316	71,316	-
Transfers in	7,995,396	8,673,289	8,889,362	216,073
Transfers out	(16,425,159)	(17,416,733)	(18,148,385)	(731,652)
Total other financing uses	(8,429,763)	(8,672,128)	(9,187,707)	(515,579)
Net change in fund balance	2,226,778	1,740,123	2,261,989	521,866
Fund balance, beginning of year	14,526,098	14,526,098	14,526,098	-
Fund balance, end of year	\$ 16,752,876	\$ 16,266,221	\$ 16,788,087	\$ 521,866

concluded

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

# WASHTENAW COUNTY

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Support and Treatment Services Special Revenue Fund  
Year Ended September 30, 2012

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 26,177,857	\$ 26,177,857	\$ 26,368,628	\$ 190,771
Other	495,510	495,510	110,878	(384,632)
Total revenues	26,673,367	26,673,367	26,479,506	(193,861)
Expenditures				
Health	26,838,557	26,838,557	26,644,694	193,863
Revenues under expenditures	(165,190)	(165,190)	(165,188)	2
Other financing sources				
Transfers in	165,190	165,190	165,190	-
Transfers out	-	-	(343,052)	(343,052)
Total other sources (uses)	165,190	165,190	(177,862)	(343,052)
Net change in fund balance	-	-	(343,050)	(343,050)
Fund balance, beginning of year	343,050	343,050	343,050	-
Fund balance, end of year	\$ 343,050	\$ 343,050	\$ -	\$ (343,050)

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, 2012

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 8,723,912	\$ 8,723,912	\$ 9,840,044	\$ 1,116,132
Charges for services	3,310,000	3,310,000	3,350,356	40,356
Investment income	190,000	190,000	142,482	(47,518)
Other	184,044	184,044	208,579	24,535
<b>Total revenues</b>	<b>12,407,956</b>	<b>12,407,956</b>	<b>13,541,461</b>	<b>1,133,505</b>
<b>Expenditures</b>				
Culture and recreation	20,190,595	20,190,595	20,122,441	68,154
<b>Net change in fund balance</b>	<b>(7,782,639)</b>	<b>(7,782,639)</b>	<b>(6,580,980)</b>	<b>1,201,659</b>
Fund balance, beginning of year	29,795,437	29,795,437	29,795,437	-
<b>Fund balance, end of year</b>	<b>\$ 22,012,798</b>	<b>\$ 22,012,798</b>	<b>\$ 23,214,457</b>	<b>\$ 1,201,659</b>

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, 2012

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
Other financing uses				
Transfers out	\$ (6,815,342)	\$ (6,815,342)	\$ (6,828,640)	\$ (13,298)
Fund balance, beginning of year	<u>10,850,815</u>	<u>10,850,815</u>	<u>10,850,815</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,035,473</u>	<u>\$ 4,035,473</u>	<u>\$ 4,022,175</u>	<u>\$ (13,298)</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, 2012

	Budget Original	Budget Final	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 2,617,870	\$ 2,617,870	\$ 2,730,790	\$ 112,920
Charges for services	18,000	18,000	16,500	(1,500)
Investment income	-	-	13,930	13,930
<b>Total revenues</b>	<b>2,635,870</b>	<b>2,635,870</b>	<b>2,761,220</b>	<b>125,350</b>
<b>Expenditures</b>				
Public safety	120,500	120,500	299,799	(179,299)
<b>Revenues over expenditures</b>	<b>2,515,370</b>	<b>2,515,370</b>	<b>2,461,421</b>	<b>(53,949)</b>
<b>Other financing uses</b>				
Transfers out	(3,024,625)	(3,024,625)	(3,024,847)	(222)
<b>Net change in fund balance</b>	<b>(509,255)</b>	<b>(509,255)</b>	<b>(563,426)</b>	<b>(54,171)</b>
<b>Fund balance, beginning of year</b>	<b>2,257,710</b>	<b>2,257,710</b>	<b>2,257,710</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 1,748,455</b>	<b>\$ 1,748,455</b>	<b>\$ 1,694,284</b>	<b>\$ (54,171)</b>

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



# WASHTENAW COUNTY

## Statement of Net Position

Proprietary Funds  
December 31, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 9,937,425	\$ 1,829,307	\$ 11,766,732	\$ 8,084,432
Receivables:				
Delinquent taxes	16,924,056	-	16,924,056	-
Interest and collection fees	3,982,604	-	3,982,604	-
Accounts	-	-	-	165,100
Due from other governments	3,977,716	1,539	3,979,255	340,705
Inventories	-	-	-	9,409
Prepaid items	-	165,870	165,870	3,913,190
Total current assets	34,821,801	1,996,716	36,818,517	12,512,836
Noncurrent assets - capital assets, net	-	5,446	5,446	3,012,388
<b>Total assets</b>	<b>34,821,801</b>	<b>2,002,162</b>	<b>36,823,963</b>	<b>15,525,224</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	6,911	6,911	504,817
Accrued liabilities	-	11,571	11,571	109,560
Due to other governments	-	-	-	40,491
Unearned revenue	-	-	-	12,911
Accrued interest payable	17,438	-	17,438	-
Current portion of:				
Accrued compensated absences	-	4,045	4,045	45,860
Claims payable	-	-	-	2,237,500
General obligation notes payable	14,000,000	-	14,000,000	-
Total current liabilities	14,017,438	22,527	14,039,965	2,951,139
Long-term liabilities:				
Accrued compensated absences	-	31,743	31,743	270,459
Claims payable	-	-	-	752,500
General obligation notes payable	5,500,000	-	5,500,000	-
Total long-term liabilities	5,500,000	31,743	5,531,743	1,022,959
<b>Total liabilities</b>	<b>19,517,438</b>	<b>54,270</b>	<b>19,571,708</b>	<b>3,974,098</b>
<b>Net position</b>				
Net investment in capital assets	-	5,446	5,446	3,012,388
Restricted for:				
Debt service	15,304,363	-	15,304,363	-
Property foreclosure	-	1,917,023	1,917,023	-
Principal residence exemption	-	25,423	25,423	-
Unrestricted	-	-	-	8,538,738
<b>Total net position</b>	<b>\$ 15,304,363</b>	<b>\$ 1,947,892</b>	<b>\$ 17,252,255</b>	<b>\$ 11,551,126</b>

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

# WASHTENAW COUNTY

## Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
Operating revenues				
Charges for services	\$ -	\$ 1,716,032	\$ 1,716,032	\$ 40,068,243
Interest charges	3,327,579	10,128	3,337,707	-
Collection fees on taxes	1,214,197	-	1,214,197	-
<b>Total operating revenues</b>	<b>4,541,776</b>	<b>1,726,160</b>	<b>6,267,936</b>	<b>40,068,243</b>
Operating expenses				
Personnel services	36,265	364,387	400,652	2,794,139
Contractual services	60,193	35,431	95,624	806,702
Supplies	77	101,960	102,037	1,541,323
Occupancy	-	-	-	2,548,485
Auction expenses	-	229,121	229,121	-
Fees	-	44,588	44,588	-
P.A. 123 foreclosure loss	-	479,772	479,772	-
Title research	-	51,815	51,815	-
Telephone	-	771	771	685,384
Equipment repair and rental	-	3,258	3,258	657,587
Building repair and rental	-	-	-	166,373
Benefits and insurance premiums	-	-	-	26,807,957
Other	-	6,858	6,858	837,011
Depreciation	-	5,678	5,678	1,132,835
<b>Total operating expenses</b>	<b>96,535</b>	<b>1,323,639</b>	<b>1,420,174</b>	<b>37,977,796</b>
<b>Operating income</b>	<b>4,445,241</b>	<b>402,521</b>	<b>4,847,762</b>	<b>2,090,447</b>
Nonoperating revenues (expenses)				
Investment earnings	95,758	7,609	103,367	42,205
Interest expense and fiscal charges	(266,760)	-	(266,760)	-
Gain on sale of equipment	-	-	-	44,547
<b>Total nonoperating revenues (expenses)</b>	<b>(171,002)</b>	<b>7,609</b>	<b>(163,393)</b>	<b>86,752</b>
Income before transfers	4,274,239	410,130	4,684,369	2,177,199
Transfers out	(3,972,228)	(75,000)	(4,047,228)	-
Change in net position	302,011	335,130	637,141	2,177,199
Net position, beginning of year	15,002,352	1,612,762	16,615,114	9,373,927
<b>Net position, end of year</b>	<b>\$ 15,304,363</b>	<b>\$ 1,947,892</b>	<b>\$ 17,252,255</b>	<b>\$ 11,551,126</b>

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

# WASHTENAW COUNTY

## Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
Cash flows from operating activities				
Cash received from customers	\$ 33,851,156	\$ 2,872,749	\$ 36,723,905	\$ -
Cash received from interfund services	-	-	-	40,040,213
Cash payments for delinquent taxes	(24,979,792)	-	(24,979,792)	-
Cash payments to employees	-	(355,403)	(355,403)	(2,757,156)
Cash payments to suppliers	(96,535)	(1,157,399)	(1,253,934)	(36,768,229)
Cash payments for interfund services	-	-	-	(32,657)
Net cash provided by operating activities	<u>8,774,829</u>	<u>1,359,947</u>	<u>10,134,776</u>	<u>482,171</u>
Cash flows from noncapital financing activities				
Transfers out	(3,972,228)	(75,000)	(4,047,228)	-
Advances from other funds	-	-	-	(6,789)
Proceeds from issuing long-term debt	20,000,000	-	20,000,000	-
Principal paid on long-term debt	(25,000,000)	-	(25,000,000)	-
Interest paid on long-term debt	(275,802)	-	(275,802)	-
Net cash used by noncapital financing activities	<u>(9,248,030)</u>	<u>(75,000)</u>	<u>(9,323,030)</u>	<u>(6,789)</u>
Cash flows from capital and related financing activities				
Proceeds from sale of equipment	-	-	-	191,455
Payments for equipment acquisitions	-	-	-	(1,235,177)
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,043,722)</u>
Cash flows from investing activities				
Investment income	<u>95,758</u>	<u>7,609</u>	<u>103,367</u>	<u>42,205</u>
Change in cash and pooled investments	(377,443)	1,292,556	915,113	(526,135)
Cash and pooled investments, beginning of year	<u>10,314,868</u>	<u>536,751</u>	<u>10,851,619</u>	<u>8,610,567</u>
Cash and pooled investments, end of year	<u>\$ 9,937,425</u>	<u>\$ 1,829,307</u>	<u>\$ 11,766,732</u>	<u>\$ 8,084,432</u>

continued...

# WASHTENAW COUNTY

## Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Delinquent Tax Revolving	Other Enterprise Funds	Total	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 4,445,241	\$ 402,521	\$ 4,847,762	\$ 2,090,447
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	5,678	5,678	1,132,835
Changes in assets and liabilities:				
Receivables	7,290,777	-	7,290,777	(50,000)
Due from other governments	(2,961,189)	1,146,589	(1,814,600)	21,970
Inventories	-	-	-	(716)
Prepaid items	-	(165,870)	(165,870)	(2,205,954)
Accounts payable	-	(37,173)	(37,173)	(144,848)
Accrued liabilities	-	(782)	(782)	(3,796)
Interest payable	-	-	-	157
Unearned revenue	-	-	-	10,001
Claims payable	-	-	-	(409,700)
Accrued compensated absences	-	8,984	8,984	41,775
Net cash provided by operating activities	<u>\$ 8,774,829</u>	<u>\$ 1,359,947</u>	<u>\$ 10,134,776</u>	<u>\$ 482,171</u>

concluded

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

# WASHTENAW COUNTY

## Statement of Fiduciary Net Position

Fiduciary Funds  
December 31, 2012

	Pension and Other Employee Benefit Trust Funds	Agency Fund
<b>Assets</b>		
Cash and pooled investments	\$ 1,272,587	\$ 38,836,279
Investments, at fair value:		
Equities	156,505,714	-
United States treasuries	5,716,588	-
United States treasury strips	16,364,728	-
United States agencies	27,876,829	-
Corporate securities	20,974,042	-
Multi-strategy limited partnership	4,620,597	-
Real estate limited partnership	19,105,233	-
Hedge funds	3,748,782	-
Mutual funds	24,352,798	-
Money market funds	18,279,971	-
Accounts receivable	52,963	-
Accrued interest and dividends	315,351	-
<b>Total assets</b>	<b>299,186,183</b>	<b>\$ 38,836,279</b>
<b>Liabilities</b>		
Accounts payable	175,570	\$ -
Accrued liabilities	292,570	-
Undistributed receipts	-	38,836,279
<b>Total liabilities</b>	<b>468,140</b>	<b>\$ 38,836,279</b>
<b>Net position</b>		
Held in trust for pension and other employee benefits	<b>\$ 298,718,043</b>	

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

# WASHTENAW COUNTY

## Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefit Trust Funds Year Ended December 31, 2012

### Additions

#### Investment income:

##### From investing activities:

Net appreciation in fair value of investments	\$ 24,460,605
Interest and dividends	4,966,632
Investment management fees	<u>(1,136,718)</u>
Net income from investing activities	<u>28,290,519</u>

##### From securities lending activities:

Gross earnings	18,248
Borrower rebates	664
Securities fees	(7,501)
Loss on impairment of invested securities lending collateral	<u>(328,171)</u>
Net loss from securities lending activities	<u>(316,760)</u>

#### Total net investment income

27,973,759

#### Contributions:

Employer	23,560,816
Employees	5,357,725
On behalf - federal Medicare Part D subsidy	<u>346,410</u>
Total contributions	<u>29,264,951</u>

#### Other additions - retiree medical premiums

15,511

#### Total additions

57,254,221

### Deductions

Participant benefits	30,022,955
Payments to terminated participants	104,706
Administrative expenses	581,755
Participant refunds	<u>1,758,736</u>

#### Total deductions

32,468,152

#### Net additions (deductions) to net position held in trust

Employees' pension benefits	\$ 12,084,882
Postemployment healthcare benefits	11,717,529
Other employee benefits	<u>983,658</u>

#### Total net additions to net position held in trust

24,786,069

#### Net position held in trust for benefits, beginning of year

273,931,974

#### Net position held in trust for benefits, end of year

Restricted for employees' pension benefits	219,819,199
Restricted for employees' postemployment healthcare benefits	77,871,202
Restricted for other employees' benefits	<u>1,027,642</u>

#### Total net position held in trust for benefits, end of year

\$298,718,043

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

WASHTENAW COUNTY

Combining Statement of Net Position  
Discretely Presented Component Units  
December 31, 2012

	Department of Public Works Projects	Water Resources Commissioner	Hazardous Materials Response Authority	Road Commission	Brownfield Redevelopment Authority	Total
<b>Assets</b>						
Cash and pooled investments	\$ 372,777	\$ 9,159,111	\$ 124,668	\$ 10,622,453	\$ 52,825	\$ 20,331,834
Receivables, net	32,479,361	8,510,330	-	11,160,230	-	52,149,921
Prepaid items and other assets	-	-	-	1,279,415	-	1,279,415
Capital assets not being depreciated	-	1,399,009	-	27,054,202	-	28,453,211
Capital assets being depreciated, net	-	35,401,674	-	228,440,259	-	263,841,933
Net pension asset	-	-	-	98,085	-	98,085
<b>Total assets</b>	<b>32,852,138</b>	<b>54,470,124</b>	<b>124,668</b>	<b>278,654,644</b>	<b>52,825</b>	<b>366,154,399</b>
<b>Deferred outflows of resources</b>						
Deferred charge on refunding	267,616	-	-	13,547	-	281,163
<b>Liabilities</b>						
Accounts payable / accrued expenses	88,387	6,391,897	-	3,203,804	-	9,684,088
Accrued interest payable	176,805	94,469	-	86,349	-	357,623
Unearned revenue	-	-	-	2,114,762	-	2,114,762
<b>Long-term liabilities:</b>						
Due within one year	1,850,000	1,246,671	-	1,282,871	-	4,379,542
Due in more than one year	24,911,170	12,522,944	-	7,544,734	-	44,978,848
Other noncurrent liability - net other postemployment benefit liability	-	-	-	673,715	-	673,715
<b>Total liabilities</b>	<b>27,026,362</b>	<b>20,255,981</b>	<b>-</b>	<b>14,906,235</b>	<b>-</b>	<b>62,188,578</b>
<b>Deferred inflows of resources</b>						
Deferred gain on refunding	628	-	-	-	-	628
<b>Net position</b>						
Net investment in capital assets	-	23,031,068	-	249,476,689	-	272,507,757
<b>Restricted for:</b>						
Debt service	32,269	847,950	-	-	-	880,219
Capital projects	6,060,495	3,515,556	-	-	-	9,576,051
Unrestricted	-	6,819,569	124,668	14,285,267	52,825	21,282,329
<b>Total net position</b>	<b>\$ 6,092,764</b>	<b>\$ 34,214,143</b>	<b>\$ 124,668</b>	<b>\$ 263,761,956</b>	<b>\$ 52,825</b>	<b>\$ 304,246,356</b>

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

# WASHTENAW COUNTY

## Combining Statement of Activities

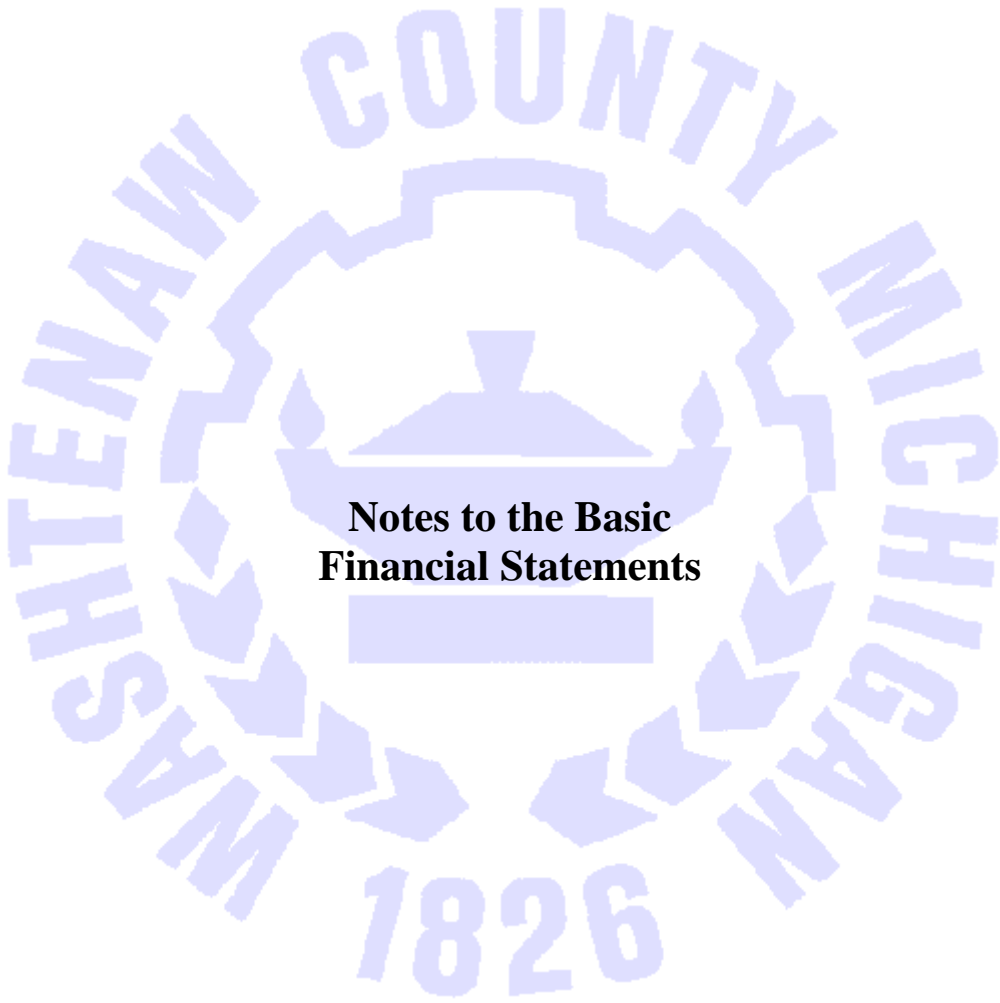
Discretely Presented Component Units

Year Ended December 31, 2012

	Department of Public Works Projects	Water Resources Commissioner	Hazardous Materials Response Authority	Road Commission	Brownfield Redevelopment Authority	Total
<b>Expenses</b>						
Public safety	\$ -	\$ -	\$ 46,100	\$ -	\$ -	\$ 46,100
Public works	2,315,134	2,322,071	-	-	1,117,302	5,754,507
Highways and streets	-	-	-	30,637,214	-	30,637,214
<b>Total expenses</b>	<b>2,315,134</b>	<b>2,322,071</b>	<b>46,100</b>	<b>30,637,214</b>	<b>1,117,302</b>	<b>36,437,821</b>
<b>Program revenues</b>						
Charges for services	-	171,911	53,726	-	-	225,637
Operating grants and contributions	-	-	22,956	37,569,956	-	37,592,912
Capital grants and contributions	1,704,709	4,586,010	-	-	-	6,290,719
<b>Total program revenues</b>	<b>1,704,709</b>	<b>4,757,921</b>	<b>76,682</b>	<b>37,569,956</b>	<b>-</b>	<b>44,109,268</b>
<b>Net program (expense) revenue</b>	<b>(610,425)</b>	<b>2,435,850</b>	<b>30,582</b>	<b>6,932,742</b>	<b>(1,117,302)</b>	<b>7,671,447</b>
<b>General revenues</b>						
Property taxes	-	-	-	-	678,288	678,288
Unrestricted investment earnings	4,964	40,687	453	48,604	688	95,396
Gain on sale of capital assets	-	-	-	18,575	-	18,575
<b>Total general revenues</b>	<b>4,964</b>	<b>40,687</b>	<b>453</b>	<b>67,179</b>	<b>678,976</b>	<b>792,259</b>
<b>Change in net position</b>	<b>(605,461)</b>	<b>2,476,537</b>	<b>31,035</b>	<b>6,999,921</b>	<b>(438,326)</b>	<b>8,463,706</b>
<b>Net position, beginning of year</b>	<b>6,698,225</b>	<b>31,737,606</b>	<b>93,633</b>	<b>256,762,035</b>	<b>491,151</b>	<b>295,782,650</b>
<b>Net position, end of year</b>	<b>\$ 6,092,764</b>	<b>\$ 34,214,143</b>	<b>\$ 124,668</b>	<b>\$263,761,956</b>	<b>\$ 52,825</b>	<b>\$304,246,356</b>

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





**Notes to the Basic  
Financial Statements**

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# WASHTENAW COUNTY

## Notes to the Financial Statements

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# WASHTENAW COUNTY

## Notes To Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Reporting Entity

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

#### *Blended Component Unit*

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

#### *Discretely Presented Component Units*

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

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

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

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

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

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

The community support and treatment services, public health and environmental health funds (special revenue funds of the County) are reported on a September 30 year end in order to enhance the value of this document to certain readers and users.

### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and 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.

# WASHTENAW COUNTY

## Notes To Financial Statements

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

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The County reports the following major governmental funds:

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

The *community support and treatment services special revenue fund* accounts for the activities of delivering an array of mental health services to residents. Its major source of funding for the contractual services it provides is intergovernmental revenues from the Washtenaw Community Health Organization.

# WASHTENAW COUNTY

## Notes To Financial Statements

The *parks and recreation special revenue fund* accounts for the operations of the County-owned parks and recreational facilities and for the millage approved by County voters for the purchase of natural areas within the County. Its major source of funding is from voter-approved millages and from fees collected from visitors to the various parks.

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

The *enhanced emergency communication system millage special revenue fund* accounts for the resources accumulated, including a voter-approved millage that began in 2006, and payments made for principal and interest on long-term general obligation debt that finances acquisition, construction, renovation, maintenance and operation of an upgrade to the County's communication system.

The *county capital projects fund* accounts for the construction of County buildings as well as renovation/small construction projects performed on existing County facilities and the purchase of capital equipment. Bond proceeds are often used to finance these projects.

The government reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

The *special revenue funds* account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or 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.

# WASHTENAW COUNTY

## Notes To Financial Statements

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

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

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

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

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

### Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

#### *Deposits and Investments*

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

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

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the governing body, with the assistance of a valuation service; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value.



# WASHTENAW COUNTY

## Notes To Financial Statements

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

### *Receivables and Payables*

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

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

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

### *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.

# WASHTENAW COUNTY

## Notes To Financial Statements

### *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Water Resources Commissioner and Road Commission component units. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are defined by the Road Commission as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

For the Road Commission, 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

### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

### *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.

# WASHTENAW COUNTY

## Notes To Financial Statements

### *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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts 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.

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometime report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items that qualify for reporting in this category. One is the deferred gain on refunding reported in the government-wide statement of net position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

### *Fund Equity*

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually require to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Assignments, if any, will be authorized by the Board of Commissioners; however, no such authorizations have yet been made. Unassigned fund balance is the residual classification used for a general fund.

# WASHTENAW COUNTY

## Notes To Financial Statements

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the County's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance, if any. Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### 2. BUDGETARY INFORMATION

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

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

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

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

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

### 3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

# WASHTENAW COUNTY

## Notes To Financial Statements

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

	Final Budget	Actual	Excess
<b>General fund</b>			
Judicial -			
Circuit court	\$ 4,314,140	\$ 4,339,347	\$ 25,207
District court	5,713,625	5,740,419	26,794
Culture - county extension	389,556	391,430	1,874
Other unallocated	3,562,882	4,259,390	696,508
Debt service - principal	325,968	344,647	18,679
Transfers out	17,416,733	18,148,385	731,652
<b>Community support and treatment service special revenue fund</b>			
Transfers out	-	343,052	343,052
<b>Revenue sharing reserve special revenue fund</b>			
Transfers out	6,815,342	6,828,640	13,298
<b>Enhanced emergency communication system millage special revenue fund</b>			
Public safety	120,500	299,799	179,299
Transfers out	3,024,625	3,024,847	222
<b>Nonmajor special revenue funds</b>			
Accommodation ordinance tax - general government	3,233,525	4,185,824	952,299
Building services - public safety	586,981	632,341	45,360
Building services - transfers out	-	111,052	111,052
Department of Human Services - social services	54,109	717,097	662,988
E-911 - transfers out	1,008,054	1,589,401	581,347
OCED - Economic development millage - general government	703,913	731,572	27,659
Environmental health - transfers out	-	930,930	930,930
Inmate concessions - public safety	270,972	458,216	187,244
Mental health donations - transfers out	165,000	165,190	190
Other special revenue funds - social services	-	74,033	74,033
Sheriff's grants - public safety	697,605	942,837	245,232
Veterans' trust - social services	347,486	366,484	18,998

These excesses over appropriations were funded by available fund balance.

# WASHTENAW COUNTY

## Notes To Financial Statements

### 4. DEPOSITS, INVESTMENTS AND SECURITIES LENDING

Following is a reconciliation of deposits and investments as of December 31, 2012:

	Primary Government	Component Units	Total
<b>Statement of Net Position:</b>			
Cash and pooled investments	\$ 94,663,867	\$ 20,331,834	\$ 114,995,701
<b>Statement of Fiduciary Net Position:</b>			
Cash and pooled investments	40,108,866	-	40,108,866
Investments	297,545,282	-	297,545,282
<b>Total</b>	<b>\$ 432,318,015</b>	<b>\$ 20,331,834</b>	<b>\$ 452,649,849</b>
<b>Deposits and Investments:</b>			
Bank deposits (checking accounts and certificates of deposit)			\$ 22,077,101
Investments in securities, mutual funds and similar vehicles:			
Treasurer's investment pool			136,739,541
Employees retirement system			218,697,615
Money purchase pension plan			982,934
Voluntary employees beneficiary association			77,864,733
Cash on hand			43,481
Net effect of funds with different fiscal year ends			(3,755,556)
<b>Total</b>			<b>\$ 452,649,849</b>

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

*Custodial Credit Risk - Deposits.* Deposits are exposed to custodial credit risk if they are not covered by depository insurance. The Federal Government provides \$250,000 of FDIC insurance per customer and unlimited coverage on non-interest bearing checking accounts. The County had \$13,728,753 of insured deposits through this coverage. At December 31, 2012, of the County's total bank balance of \$21,556,946 (total book balance was \$22,077,101), \$7,828,193 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 Treasurer's investment pool holdings as of December 31, 2012:

U.S. agencies	\$ 30,326,538
Michigan municipal bonds and notes	48,449,571
Commercial paper	25,948,468
Money market funds	<u>32,014,964</u>
<b>Total</b>	<b><u>\$ 136,739,541</u></b>

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

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

As of December 31, 2012, 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. All of the County's investments in money market funds are rated AAAM by S&P. 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, 2012, the Treasurer's investment pool had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
U.S. agencies	Federal Home Loan Bank	6.59%
U.S. agencies	Federal Farm Credit Bank	10.98%
Michigan tax notes	Kent County Tax Note 2012	20.86%
Michigan tax notes	Washtenaw County Tax Note 2012	5.86%

*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.

# WASHTENAW COUNTY

## Notes To Financial Statements

As of December 31, 2012, maturities of the County's debt securities were as follows:

	Investment maturities (fair value by years)				
	Fair Value	Less Than 1	1 - 5	6 - 10	Over 10
U.S. agencies	\$ 30,326,538	\$ 4,006,580	\$ 26,319,958	\$ -	\$ -
Michigan municipal bonds and notes	48,449,571	36,579,965	11,362,365	507,241	-
Commercial paper	25,948,468	25,948,468	-	-	-
<b>Total</b>	<b>\$ 104,724,577</b>	<b>\$ 66,535,013</b>	<b>\$ 37,682,323</b>	<b>\$ 507,241</b>	<b>\$ -</b>

### 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 those investments as of December 31, 2012: (investments at fair value, as determined by quoted market price):

Equities	\$ 123,669,295
U.S. treasuries	5,716,588
U.S. treasury strips	16,364,728
U.S. agencies	27,876,829
Corporate securities	20,785,282
Real estate investment trusts	18,077,922
Money market funds	6,206,971
<b>Total investments</b>	<b>\$ 218,697,615</b>

*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 70% of its investments in fixed securities be limited to those rated BBB 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, 2012, \$2,440,655 of the System's investments in securities of U.S. agencies were explicitly guaranteed by the U.S. government and therefore are not subject to credit risk. Of the remaining balance, \$25,389,205 was implicitly guaranteed and rated AA by Standard & Poor's.



# WASHTENAW COUNTY

## Notes To Financial Statements

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

AAA	\$ 3,071,161
AA	3,730,937
A	7,100,388
BBB	4,739,197
BB	137,575
B	100,635
CCC	78,160
CC	199,670
D	43,006
Not rated	<u>1,584,553</u>
	<u>\$ 20,785,282</u>

The System’s investments in money market funds were rated AAA by Standard & Poors and real estate investment trusts were not rated. The System did 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 were not exposed to custodial credit risk since the securities were held by the counterparty’s trust department or agent in the System’s name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the System’s investment in a single issuer. The System’s investment policy requires that no more than: 40% of its assets be invested in domestic equities, 20% in international equities, 5% in private equities, 15% in hedge funds, 10% in real estate and 39% in fixed income securities.

At December 31, 2012, the System’s investment portfolio was concentrated as follows:

Investment Type	Issuer	% of Portfolio
Large cap equities	D. E. Shaw Group, LLC	21.48%
U.S. agencies	Federal National Mortgage Association	7.52%

*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 and a maximum weighted average portfolio maturity of 10 years.

# WASHTENAW COUNTY

## Notes To Financial Statements

As of December 31, 2012, maturities of the System's debt securities were as follows:

	Investment maturities (fair value by years)				
	Fair Value	Less Than 1	1 - 5	6 - 10	Over 10
U.S. treasuries	\$ 5,716,588	\$ 648,379	\$ 2,268,709	\$ 1,210,271	\$ 1,589,229
U.S. treasury strips	16,364,728	-	9,792,332	4,883,137	1,689,259
U.S. agencies	27,876,829	13,680	1,777,196	10,636,487	15,449,466
Corporate securities	20,785,282	1,197,875	8,047,085	3,695,321	7,845,001
<b>Total</b>	<b>\$ 70,743,427</b>	<b>\$ 1,859,934</b>	<b>\$ 21,885,322</b>	<b>\$ 20,425,216</b>	<b>\$ 26,572,955</b>

Money market funds have a rolling maturity date of less than sixty days as of December 31, 2012. Of the above balances, \$1,022,069 of U.S. treasuries securities, \$13,566,825 of U.S. treasury strips securities, \$20,095,250 of U.S. agencies securities, and \$11,162,071 of corporate securities are callable.

The System's portfolio of U.S. agencies and corporate securities includes certain collateralized mortgage obligations (with interest-only and principal-only strips), 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	\$ 920,970
Principal-only strips	1,256,457
Mortgage pass-through asset-backed securities	11,148,265
Variable-rate securities	3,594,060
Inverse variable-rate securities	1,661,707

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.

# WASHTENAW COUNTY

## Notes To Financial Statements

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, 2012, the System held 59 variable-rate investments with a fair value of \$3,594,060. The coupon rates for these investments range from 0.31% to 4.69%; 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), 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 semi-annually; and the coupon multiplier is 1.0 times the benchmark index, plus 0.2% to 19.80%, with a cap ranging from 6.00% to 13.47% and a floor ranging from 0.0% to 3.18%.

As of December 31, 2012, the System held 63 inverse variable-rate investments with a fair value of \$1,661,707. With inverse variable-rate securities, coupon payments decline as interest rates increase. The coupon rates for these investments range from 4.84% to 15,257.45%; 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 frequency is monthly; the coupon payment frequency is monthly or semi-annually; and coupon multipliers range from negative 1,500 to negative 1.0 times the benchmark index, plus 7.95% to 14.20%, with a cap ranging from 5.05% to 15,573.50% and a floor ranging from 0.0% to 11.0%.

*Securities Lending.* A contract approved by the System's Board of Directors, permits the System to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives securities or irrevocable bank letters of credit as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral securities and letters of credit are initially pledged at 102 percent of the market value of the securities lent, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

Securities on loan at year-end are classified in the preceding schedule of custodial credit risk according to the category for the collateral received on the securities lent. At year-end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

Effective April 30, 2012, the System terminated its securities lending agreement.

### *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.

# WASHTENAW COUNTY

## Notes To Financial Statements

The Plan's investments were held by its trustee, a third-party financial institution. The management agreement between the Plan and the trustee required thirteen separate mutual funds, including ten stock funds, one balanced fund, one bond fund, and one guaranteed interest fund. Participants selected the particular funds into which their contributions and the related County matching contributions were made. All of the Plan's investments totaling \$982,934 were in mutual funds.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At December 31, 2012 the Plan's bond mutual fund was not rated by a nationally recognized statistical rating organization. The Plan's investment policy did not address credit risk.

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

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At December 31, 2012, the effective maturity of the Plan's bond mutual fund was 6.09 years. The Plan's investment policy did not address interest rate risk.

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

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

The VEBA's investments were held by an independent investment management company. Following is a summary of its investments as of December 31, 2012:

Investments at fair value, as determined by quoted market prices:	
Equities	\$ 32,836,419
Corporate securities	188,760
Multi-strategy limited partnership	4,620,597
Real estate limited partnership	1,027,311
Hedge funds limited partnership	3,748,782
Bond mutual fund	23,369,864
Money market funds	<u>12,073,000</u>
 Total investments	 <u>\$ 77,864,733</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.

# WASHTENAW COUNTY

## Notes To Financial Statements

As of December 31, 2012, the VEBA's investments in money market funds were rated AAA by Standard & Poor's. The VEBA's investment in its bond mutual fund was not rated at December 31, 2012. The VEBA's investments in corporate securities were rated by Standard & Poor's as follows:

CC	\$	20,140
CCC		93,875
Not rated		<u>74,745</u>
	\$	<u>188,760</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, 2012, the VEBA's investment portfolio was concentrated as follows:

Investment Type	Issuer	% of Portfolio
Multi-strategy	Hatteras Core Alternatives TEI Institutional Fund, Limited Partnership	5.93%
Money market funds	Various	15.51%

# WASHTENAW COUNTY

## Notes To Financial Statements

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

	Investment maturities (fair value by years)				
	Fair Value	Less Than 1	1 - 5	6 - 10	Over 10
Corporate securities	\$ 188,760	\$ -	\$ 94,885	\$ -	\$ 93,875

Money market funds had a rolling maturity date of less than 60 days as of December 31, 2012. One of the bond mutual funds had a weighted average maturity of 6.04 years as of December 31, 2012; the other had a weighted average maturity of 2.76 years. Of the above balances, \$93,875 of the corporate securities was callable as of December 31, 2012.

### 5. RECEIVABLES

Receivables in the governmental activities, of which \$1,166,775 of leases receivable are not expected to be collected within one year, are as follows:

Taxes	\$ 12,116,423
Accounts	2,857,103
Leases	2,626,327
Intergovernmental	11,145,302
Less: allowance for uncollectible accounts	<u>(10,000)</u>
	<u>\$ 28,735,155</u>

Receivables for the business-type activities are composed of amounts due from taxpayers for delinquent taxes and related interest and collection fees (84.0 percent) and amounts due from other governments for chargebacks of uncollected delinquent taxes (16.0 percent), which are net of an allowance for uncollectibles from Sylvan Township of approximately \$178,823 (17.5 percent) on receivables of \$1,019,829.

Component unit receivables totaling \$52.1 million are comprised of leases receivable (51.0 percent), special assessments receivable (24.8 percent), accounts receivable (23.7 percent) and due from other governments (0.5 percent).

# WASHTENAW COUNTY

## Notes To Financial Statements

### 6. CAPITAL ASSETS

*Primary Government*. Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 38,859,300	\$ 1,747,175	\$ -	\$ 40,606,475
Construction in progress	221,326	4,459,664	(70,255)	4,610,735
	<u>39,080,626</u>	<u>6,206,839</u>	<u>(70,255)</u>	<u>45,217,210</u>
Capital assets being depreciated:				
Buildings and improvements	155,686,660	493,995	(151,381)	156,029,274
Improvements other than buildings	43,860,272	6,601,698	-	50,461,970
Machinery and equipment	21,377,982	3,564,504	(2,133,036)	22,809,450
	<u>220,924,914</u>	<u>10,660,197</u>	<u>(2,284,417)</u>	<u>229,300,694</u>
Less accumulated depreciation for:				
Buildings and improvements	(43,714,489)	(3,396,390)	144,052	(46,966,827)
Improvements other than buildings	(8,763,070)	(2,675,776)	-	(11,438,846)
Machinery and equipment	(10,744,641)	(2,648,877)	1,938,203	(11,455,315)
	<u>(63,222,200)</u>	<u>(8,721,043)</u>	<u>2,082,255</u>	<u>(69,860,988)</u>
Total capital assets being depreciated, net	<u>157,702,714</u>	<u>1,939,154</u>	<u>(202,162)</u>	<u>159,439,706</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 196,783,340</u>	<u>\$ 8,145,993</u>	<u>\$ (272,417)</u>	<u>\$ 204,656,916</u>
<b>Business-type activities</b>				
Capital assets being depreciated -				
Machinery and equipment	\$ 46,643	\$ -	\$ -	\$ 46,643
Less accumulated depreciation for - Machinery and equipment	<u>(35,519)</u>	<u>(5,678)</u>	<u>-</u>	<u>(41,197)</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 11,124</u>	<u>\$ (5,678)</u>	<u>\$ -</u>	<u>\$ 5,446</u>

# WASHTENAW COUNTY

## Notes To Financial Statements

Depreciation expense was charged to activities of the primary government as follows:

Governmental activities	
Legislative	\$ 7,629
Judicial	1,118,724
General government	1,181,723
Public safety	2,745,488
Health	357,953
Social services	426,861
Culture and recreation	1,749,830
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,132,835</u>
Total depreciation expense - governmental activities	<u>\$ 8,721,043</u>
Business-type activities	<u>\$ 5,678</u>

### *Discretely Presented Component Units*

*Water Resources Commissioner.* Capital asset activity of the Water Resources Commissioner for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets not being depreciated -				
Construction in progress	\$ 2,836,637	\$ 4,759,520	\$ (6,197,148)	\$ 1,399,009
Capital assets being depreciated:				
Infrastructure	38,769,985	6,197,148	-	44,967,133
Machinery and equipment	363,649	-	-	363,649
	<u>39,133,634</u>	<u>6,197,148</u>	<u>-</u>	<u>45,330,782</u>
Less accumulated depreciation for:				
Infrastructure	(8,954,418)	(775,398)	-	(9,729,816)
Machinery and equipment	(165,410)	(33,882)	-	(199,292)
	<u>(9,119,828)</u>	<u>(809,280)</u>	<u>-</u>	<u>(9,929,108)</u>
Total capital assets being depreciated, net	<u>30,013,806</u>	<u>5,387,868</u>	<u>-</u>	<u>35,401,674</u>
Water Resources Commissioner capital assets, net	<u>\$ 32,850,443</u>	<u>\$ 10,147,388</u>	<u>\$ (6,197,148)</u>	<u>\$ 36,800,683</u>



# WASHTENAW COUNTY

## Notes To Financial Statements

*Road Commission.* Capital asset activity for the Road Commission for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets not being depreciated -				
Land and land improvements	\$ 26,409,188	\$ 645,014	\$ -	\$ 27,054,202
Capital assets being depreciated:				
Buildings and storage bins	14,032,131	511,394	-	14,543,525
Road equipment	13,205,382	409,703	(234,951)	13,380,134
Other equipment	2,220,319	41,576	-	2,261,895
Brine wells and gravel pits	136,386	-	-	136,386
Infrastructure	370,585,047	19,438,978	-	390,024,025
	<u>400,179,265</u>	<u>20,401,651</u>	<u>(234,951)</u>	<u>420,345,965</u>
Less accumulated depreciation for:				
Buildings and storage bins	(5,216,892)	(354,220)	-	(5,571,112)
Road equipment	(11,472,592)	(547,224)	234,951	(11,784,865)
Other equipment	(1,918,553)	(64,843)	-	(1,983,396)
Brine wells and gravel pits	(136,386)	-	-	(136,386)
Infrastructure	(157,625,064)	(14,804,883)	-	(172,429,947)
	<u>(176,369,487)</u>	<u>(15,771,170)</u>	<u>234,951</u>	<u>(191,905,706)</u>
Total capital assets being depreciated, net	<u>223,809,778</u>	<u>4,630,481</u>	<u>-</u>	<u>228,440,259</u>
Road Commission capital assets, net	<u>\$ 250,218,966</u>	<u>\$ 5,275,495</u>	<u>\$ -</u>	<u>\$ 255,494,461</u>

## 7. PAYABLES

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

Accounts	\$ 4,702,343
Wages, fringe benefits and other accrued liabilities	6,980,314
Intergovernmental	<u>1,704,498</u>
Total	<u>\$ 13,387,155</u>

# WASHTENAW COUNTY

## Notes To Financial Statements

### 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund receivables and payables at year-end is as follows:

	Due from Other Funds	Due to Other Funds
Interfund receivable/payable		
County capital projects fund	\$ 1,283,455	\$ -
Nonmajor governmental funds	-	1,283,455
	<u>1,283,455</u>	<u>1,283,455</u>
Totals	<u>\$ 1,283,455</u>	<u>\$ 1,283,455</u>

Interfund receivables/payables represent short-term working capital loans for funds with negative cash balances in the County's cash and investment pool as of year end.

A summary of interfund transfers for the year ended December 31, 2012, is as follows:

	Transfers In				Totals
	General	CSTS	County Capital Projects	Nonmajor Governmental	
Transfers Out					
General	\$ -	\$ -	\$ 4,914,348	\$ 13,234,037	\$ 18,148,385
CSTS	343,052	-	-	-	343,052
RSR	6,828,640	-	-	-	6,828,640
EECS	-	-	-	3,024,847	3,024,847
CCP	-	-	1,115,261	6,602,825	7,718,086
NMGF	1,536,070	165,190	326,152	1,250,335	3,277,747
DTR	106,600	-	3,865,628	-	3,972,228
NMEF	75,000	-	-	-	75,000
Timing	-	-	-	2,827	2,827
	<u>\$ 8,889,362</u>	<u>\$ 165,190</u>	<u>\$ 10,221,389</u>	<u>\$ 24,114,871</u>	<u>\$ 43,390,812</u>

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

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

# WASHTENAW COUNTY

## Notes To Financial Statements

Total transfers in for the primary government as shown in the accompanying financial statements were \$43,390,812 and total transfers out were \$43,387,985. The difference between these amounts, \$2,827, is attributable to transactions with September 30 year-end funds. As such, this is reported as an uneliminated internal balance in the statement of activities.

### 9. LEASES

Capital Leases - During 2012 and prior years, the County entered into lease agreements as lessee for financing the acquisition of information and technology computer equipment and 14th District Court video 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.

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

Machinery and equipment	\$ 1,374,153
Less accumulated depreciation	<u>(563,616)</u>
Total	<u><u>\$ 810,537</u></u>

The net present value of future minimum lease payments as of December 31, 2012, were as follows:

2013	\$ 378,262
2014	378,262
2015	<u>356,775</u>
Total minimum lease payments	1,113,299
Less: amount representing interest	<u>(83,793)</u>
Present value of minimum lease payments	<u><u>\$ 1,029,506</u></u>

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

2013	\$ 997,499
2014	827,780
2015	581,655
2016	596,655
2017	610,703
2018	618,203
2019	625,703
2020	<u>363,203</u>
Total	<u><u>\$ 5,221,401</u></u>

In addition, for the year ended December 31, 2012, 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.

# WASHTENAW COUNTY

## Notes To Financial Statements

Total operating lease payments for the year ended December 31, 2012, were \$928,339.

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 2012 and continuing for the next eight years.

### 10. 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 \$116.24 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 \$27.5 million issued in prior years. During the year general obligation tax notes totaling \$20.0 million were issued.

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

Purpose	Interest Rates	Amount
Governmental activities	2.0 - 4.75%	\$ 46,295,000
Governmental activities - refunding	1.5 - 3.5%	13,295,000
Business-type activities	0.70 - 1.65%	<u>19,500,000</u>
		<u>\$ 79,090,000</u>

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

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 7,870,000	\$ 1,710,458	\$ 14,000,000	\$ 154,875
2014	7,285,000	1,826,728	5,500,000	43,875
2015	7,700,000	1,577,484	-	-
2016	6,970,000	1,325,578	-	-
2017	3,605,000	1,082,214	-	-
2018-2022	13,990,000	3,903,407	-	-
2023-2027	11,380,000	1,550,788	-	-
2028	790,000	17,775	-	-
	<u>\$ 59,590,000</u>	<u>\$ 12,994,432</u>	<u>\$ 19,500,000</u>	<u>\$ 198,750</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, 2012 is \$136,328. Willow Run Airport Authority will be reimbursing the County for the debt service payments made by the County.

*Installment contracts.* During the year, the County entered into a long-term installment contract. The original amount of the installment contract was \$182,607. Payments are due in equal annual installments of \$60,869 through the year 2014.

*Current refunding.* During fiscal year 2012, the County issued \$11,315,000 in refunding bonds to refund \$4,415,000 of capital improvement bonds (series 2004) and \$6,970,000 of refunding bonds (series 2005) in order to reduce future debt service requirements by \$1,549,808, which represents a net present value savings of \$1,453,447. At December 31, 2012, no balances remain outstanding on the refunded debt because all such bonds have been called.

### *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. All of these bonds are direct obligations, and pledge the full faith and credit, of the County and the associated municipalities and/or authorities. The bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year through April 1, 2028 and bear interest at varying rates from 1.625% to 5.000%. Such bonds currently outstanding are summarized as follows:

Purpose	Interest Rates	Amount
General obligation	1.625 - 5.0%	\$ 11,772,279
General obligation - refunding	2.0 - 4.25%	<u>14,850,000</u>
		<u>\$ 26,622,279</u>

# WASHTENAW COUNTY

## Notes To Financial Statements

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

Year Ended December 31,	Principal	Interest
2013	\$ 1,850,000	\$ 840,597
2014	2,545,000	773,718
2015	2,545,000	697,153
2016	2,580,000	616,340
2017	2,405,000	536,511
2018-2022	8,757,279	1,691,031
2023-2027	5,730,000	419,675
2028	210,000	1,706
	<u>\$ 26,622,279</u>	<u>\$ 5,576,731</u>

Water Resources Commissioner. General obligation drain improvement bonds and notes are issued to finance certain drainage district construction projects. The original amount of general obligation bonds and notes issued in prior years was \$18,162,848. During the year, general obligation bonds of \$2,071,354 were issued. Installment obligations of \$143,204 outstanding (for drain maintenance equipment) is due in one installment on June 1, 2013 with interest of 4.75%.

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

Purpose	Interest Rates	Amount
Drain improvement	0.85 - 5.15%	\$ 13,824,392

# WASHTENAW COUNTY

## Notes To Financial Statements

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

Year Ended December 31,	Principal	Interest
2013	\$ 1,246,671	\$ 401,505
2014	1,069,666	370,380
2015	916,950	328,723
2016	766,950	305,092
2017	741,950	284,434
2018-2022	3,887,900	1,102,963
2023-2027	4,113,962	540,138
2028-2032	2,478,543	79,204
2033	50,000	-
	<u>15,272,592</u>	<u>3,412,439</u>
Less amount able to draw	(1,448,536)	-
Accrued expenditures	<u>336</u>	
	<u>\$ 13,824,392</u>	<u>\$ 3,412,439</u>

Road Commission. The Road Commission has a lease payable to the Washtenaw County Building Authority for the debt service costs related to bonds that were sold for the construction of Yard 2. The lease agreement terminates with the retirement of the bond issue in September 2013. The annual lease payment is equal to the related bond principal and interest. In addition, transportation fund notes were issued in accordance with the statutory requirements of Michigan Public Act 143 of 1943, as amended. The monies from these notes were used to fund improvements in subdivisions in Ypsilanti Township. Also, special assessment bonds outstanding represent the financing of public improvements that benefit specific districts (Scio and Pittsfield Townships). These districts are specifically assessed for the cost of the improvement.

Following is a summary of debt currently outstanding:

Purpose	Interest Rates	Amount
Public works	0.75 - 3.79%	\$ 8,024,000

# WASHTENAW COUNTY

## Notes To Financial Statements

Annual principal and interest maturities as of December 31, 2012 are as follows:

Year Ended December 31,	Principal	Interest
2013	\$ 1,209,000	\$ 176,938
2014	781,000	141,522
2015	781,000	132,187
2016	780,000	116,501
2017	781,000	100,444
2018-2022	<u>3,692,000</u>	<u>251,829</u>
	<u>\$ 8,024,000</u>	<u>\$ 919,421</u>

### Changes in Long-term Debt

Long-term liability activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Loan from State of Michigan	\$ 155,804	\$ -	\$ (19,476)	\$ 136,328	\$ 19,476
Installment contracts	-	182,607	(60,869)	121,738	60,869
Capital leases	1,302,837	71,316	(344,647)	1,029,506	336,262
General obligation bonds	68,005,000	11,315,000	(19,730,000)	59,590,000	7,870,000
Deferred amounts for:					
Issuance discounts	(41,314)	-	4,760	(36,554)	-
Issuance premiums	296,847	239,678	(118,403)	418,122	-
Compensated absences	14,001,583	9,052,562	(9,083,046)	13,971,099	1,176,307
<b>Total governmental activities</b>	<u>\$ 83,720,757</u>	<u>\$ 20,861,163</u>	<u>\$ (29,351,681)</u>	<u>\$ 75,230,239</u>	<u>\$ 9,462,914</u>

Deductions in general obligation bonds above include \$11,385,000 of refunded bonds and deductions in premiums above include \$50,883 in unamortized premiums related to these refunded bonds.

<b>Business-type activities</b>					
Delinquent tax revolving -					
General obligation notes	\$ 24,500,000	\$ 20,000,000	\$ (25,000,000)	\$ 19,500,000	\$ 14,000,000
Compensated absences	26,804	30,085	(21,101)	35,788	4,045
<b>Total business-type activities</b>	<u>\$ 24,526,804</u>	<u>\$ 20,030,085</u>	<u>\$ (25,021,101)</u>	<u>\$ 19,535,788</u>	<u>\$ 14,004,045</u>



# WASHTENAW COUNTY

## Notes To Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<i>Department of Public Works</i>					
General obligation bonds	\$ 27,992,279	\$ 2,500,000	\$ (3,870,000)	\$ 26,622,279	\$ 1,850,000
Deferred amounts for:					
Issuance discounts	(55,365)	-	5,834	(49,531)	-
Issuance premiums	188,921	21,515	(22,014)	188,422	-
<b>Total Department of Public Works</b>	<b>\$ 28,125,835</b>	<b>\$ 2,521,515</b>	<b>\$ (3,886,180)</b>	<b>\$ 26,761,170</b>	<b>\$ 1,850,000</b>
<i>Water Resources Commissioner</i>					
General obligation bonds	\$ 11,724,240	\$ 2,071,354	\$ (730,789)	\$ 13,064,805	\$ 847,000
Notes payable	879,600	-	(263,217)	616,383	256,467
Installment obligation	180,708	-	(37,504)	143,204	143,204
Deferred amounts for -					
Issuance discounts	(58,618)	-	3,841	(54,777)	-
<b>Total Water Resources Commissioner</b>	<b>\$ 12,725,930</b>	<b>\$ 2,071,354</b>	<b>\$ (1,027,669)</b>	<b>\$ 13,769,615</b>	<b>\$ 1,246,671</b>
<i>Road Commission</i>					
Michigan transportation fund notes	\$ 300,000	\$ 6,000,000	\$ (300,000)	\$ 6,000,000	\$ 600,000
Special assessment	945,000	738,000	(99,000)	1,584,000	169,000
Lease payable	850,000	-	(410,000)	440,000	440,000
Deferred amounts for -					
Issuance premiums	-	115,140	(6,606)	108,534	11,325
Compensated absences	724,873	631,140	(660,942)	695,071	62,546
<b>Total Road Commission</b>	<b>\$ 2,819,873</b>	<b>\$ 7,484,280</b>	<b>\$ (1,476,548)</b>	<b>\$ 8,827,605</b>	<b>\$ 1,282,871</b>

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, \$316,319 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.

# WASHTENAW COUNTY

## Notes To Financial Statements

### 11. NET INVESTMENT IN CAPITAL ASSETS

Following is a summary of the net investment in capital assets as of December 31, 2012:

	Governmental Activities	Business-type Activities	Total
<b>Capital assets</b>			
Capital assets not being depreciated	\$ 45,217,210	\$ -	\$ 45,217,210
Capital assets being depreciated, net	159,439,706	5,446	159,445,152
Total capital assets	<u>204,656,916</u>	<u>5,446</u>	<u>204,662,362</u>
<b>Related debt</b>			
General obligation bonds and notes	59,590,000	-	59,590,000
Unspent bond proceeds	(6,034,152)	-	(6,034,152)
Installment contracts	121,738	-	121,738
Capital leases payable	1,029,506	-	1,029,506
Issuance discounts	(36,554)	-	(36,554)
Issuance premiums	418,122	-	418,122
Refunding loss	(408,354)	-	(408,354)
Total related debt	<u>54,680,306</u>	<u>-</u>	<u>54,680,306</u>
Net investment in capital assets	<u>\$ 149,976,610</u>	<u>\$ 5,446</u>	<u>\$ 149,982,056</u>

### 12. OTHER INFORMATION

#### Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has established internal service funds to account for and finance its uninsured risks of loss. Under this program, the internal service funds provide coverage up to a maximum of \$450,000 for each general liability, police liability or property claim. The internal service funds also provide coverage up to \$450,000 for any settlement, with all attorney fees being covered under the insurance policy for public officials and employee liability claims, up to \$500,000 for each worker's compensation claim, and up to \$250,000 for each professional liability claim. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss.

All funds of the County participate in the program and make payments to the internal service funds based on rates established to fund estimated actual liabilities. The total claims liability of \$2,990,000 reported in the funds at December 31, 2012, 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%.

# WASHTENAW COUNTY

## Notes To Financial Statements

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

	2012	2011
Balance at the beginning of year	\$ 3,399,700	\$ 3,237,000
Current year claims and changes in estimates	26,815,199	25,942,773
Claims paid	(27,224,899)	(25,780,073)
Balance at end of year	<u>\$ 2,990,000</u>	<u>\$ 3,399,700</u>

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

### Contingent Liabilities

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

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

### Property Taxes

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

# WASHTENAW COUNTY

## Notes To Financial Statements

The taxable value of real and personal property for the July 1, 2012 general operating levy was \$14.0 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 0.0286 mills for veterans relief purposes and .0600 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, 2012 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 (\$16.9 million at December 31, 2012, not including accrued interest and collection fees) are pledged to a bank for payment of the notes payable; the subsequent collection of the receivables, interest and collection fees thereon, and investment earnings are used to extinguish the debt.

### Joint Venture

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

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

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

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

# WASHTENAW COUNTY

## Notes To Financial Statements

### Jointly Governed Organizations

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

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

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

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

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

There was no financial activity for the Authority for the year ended December 31, 2012. Public safety dispatching services for the Sheriff's Department, Northfield Township Police and the Michigan State Police were provided by the County during 2012.

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

# WASHTENAW COUNTY

## Notes To Financial Statements

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.

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.

# WASHTENAW COUNTY

## Notes To Financial Statements

### 13. 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 were required to contribute 8.0% and 10.0%, 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, 2012, represents 1,956.42% and 7.50%, respectively, of annual covered payroll.

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

Annual required contribution	\$ 7,174,819
Contributions made	<u>7,174,819</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of the December 31, 2010, actuarial valuation using the aggregate cost actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities.

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2010	\$ 6,516,006	100%	\$ -
2011	7,387,597	100%	-
2012	7,174,819	100%	-

# WASHTENAW COUNTY

## Notes To Financial Statements

The funded status of the System as of December 31, 2011, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 295,091,474	
Actuarial value of assets	(2)	<u>193,721,156</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 101,370,318</u>	(1) - (2)
Funded ratio	(4)	<u>65.6%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 53,246,350</u>	
UAAL as % of covered payroll	(6)	<u>190.4%</u>	(3) / (5)

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

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

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.



# WASHTENAW COUNTY

## Notes To Financial Statements

Additional information as of the latest actuarial valuation includes:

Valuation date	12/31/11
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 27 years. Sheriff's division liabilities were amortized over ten 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

*Money Purchase Pension Plan.* The Washtenaw County Money Purchase Pension Plan (MPPP; the "Plan") is a defined contribution pension plan established and administered by Washtenaw County to provide benefits at retirement to all regular County employees hired on or after January 1, 1989; however, most Plan members were required to withdraw from MPPP during 2008 and 2009 and enroll in ERS. Accordingly, MPPP member account balances were transferred to ERS. Plan members were required to contribute 7.5% of covered salary. The County was required to match the plan member contributions. Plan provisions and contribution requirements are established and may be amended by the Washtenaw County Board of Commissioners, subject to the County's various collective bargaining agreements. The employer and employee contributions totaled \$3,166 each for the year ended December 31, 2012. At December 31, 2012, there was one member.

*Voluntary Employees' Beneficiary Association.* The Washtenaw County Voluntary Employees' Beneficiary Association (VEBA; the "Plan") is a single-employer defined benefit postemployment 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.

# WASHTENAW COUNTY

## Notes To Financial Statements

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, 2012 were \$13,426,328. Although an actuarial valuation of the Plan was completed during 2011, 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, 2012, 835 members received healthcare benefits under the Plan, and the cost of those benefits amounted to \$7,486,926.

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

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

Annual required contribution	\$ 13,079,918
Interest on net OPEB obligation	315,599
Adjustment to annual required contribution	<u>(215,724)</u>
Net OPEB cost	13,179,793
Contributions made	<u>(13,426,328)</u>
Decrease in net OPEB obligation	(246,535)
Net OPEB obligation, beginning of year	<u>4,207,981</u>
Net OPEB obligation, end of year	<u><u>\$ 3,961,446</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, 2012, and the two preceding years, were as follows:

Three-Year Trend Information			
Year Ended December 31,	Annual Net OPEB Cost	Percentage of Annual Net OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 12,216,072	103.0%	\$ 5,052,063
2011	12,128,183	107.0%	4,207,981
2012	13,179,793	101.9%	3,961,446

# WASHTENAW COUNTY

## Notes To Financial Statements

The funded status of the Plan as of December 31, 2011, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 214,054,100	
Actuarial value of assets	(2)	<u>65,592,609</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 148,461,491</u>	(1) - (2)
Funded ratio	(4)	<u>30.6%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 72,081,777</u>	
UAAL as % of covered payroll	(6)	<u>206.0%</u>	(3) / (5)

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

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

# WASHTENAW COUNTY

## Notes To Financial Statements

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	12/31/2011
Actuarial cost method	Entry-age normal cost
Amortization method	Level percentage of pay, closed
Remaining amortization period	26 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	5.0%
Healthcare cost trend rate	9% initial; 5% ultimate
Inflation rate	2.5%
Post-retirement benefit increases	None

### County Administered Plans - Summary of Significant Accounting Policies

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

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of applicable boards, with the assistance of a valuation service.

# WASHTENAW COUNTY

## Notes To Financial Statements

### Municipal Employees' Retirement System of Michigan

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

The County is required to contribute at an actuarially determined rate; the current rates were 7.22% for the Police Officers Association of Michigan (POAM) and 9.94% for the Command Officers Association of Michigan (COAM), of their annual covered payrolls. The POAM and COAM employees were required to contribute 9.00% of their annual covered payrolls. The contribution requirements of the County are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members are established and may be amended by the County, subject to collective bargaining agreements and depending on the MERS contribution program adopted by the County.

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

Annual required contribution	\$ 1,626,313
Contributions made	<u>1,626,313</u>
Change in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age normal cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 8.0%; (b) projected salary increases of 1.0% per year compounded annually, attributable to inflation; and (c) additional projected salary increases of 0.0% to 13.0% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period is 27 years.

Three-Year Trend Information			
Years Ended December 31,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2010	\$ 2,169,087	100%	\$ -
2011	1,531,043	100%	-
2012	1,626,313	100%	-

# WASHTENAW COUNTY

## Notes To Financial Statements

The funded status of MERS as of December 31, 2011, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 58,830,535	
Actuarial value of assets	(2)	<u>49,936,026</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 8,894,509</u>	(1) - (2)
Funded ratio	(4)	<u>84.9%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 19,534,633</u>	
UAAL as % of covered payroll	(6)	<u>45.5%</u>	(3) / (5)

A schedule of funding progress presents multiyear trend information about whether the actuarial values of trust assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC.

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

Valuation date	12/31/2011
Actuarial cost method	Entry-age normal cost
Amortization method	Level percentage of pay (open); for divisions that are closed, a 30-year level dollar method is used
Asset valuation method	10-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	1.0% to 14.0% (including 1.0% inflation)
Cost of living adjustments	None

# WASHTENAW COUNTY

## Notes To Financial Statements

### Road Commission - 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, 2012, the Road Commission's annual pension cost of \$1,196,793 for the plan was equal to the Road Commission's annual required contribution which was determined as part of actuarial valuations at December 31, 2009 and 2010, using the entry age normal cost method as well as a supplemental valuation dated March 15, 2012 that is based on the December 31, 2010 valuation. Actual contributions were \$1,294,878, resulting in a net pension asset of \$98,085 as of December 31, 2012. 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% for all years except 2011 to 2014, when the inflation component included is 1%; and (c) no post-retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a ten-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis for divisions that are open to new hires and as a level dollar amount for divisions that are closed to new hires. The amortization period is 27 years. Employees hired prior to January 1, 2012 are required to contribute 8% of their annual covered payroll. Employees hired on or after January 1, 2012 are required to contribute 10% of their annual covered payroll.

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

Annual required contribution	\$ 1,196,793
Amounts contributed	1,294,878
Change in net pension asset	<u>(98,085)</u>
Net pension asset, beginning of year	<u>-</u>
Net pension asset, end of year	<u><u>\$ (98,085)</u></u>

# WASHTENAW COUNTY

## Notes To Financial Statements

The funded status as of December 31, 2011, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 53,061,415	
Actuarial value of assets	(2)	<u>33,954,359</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 19,107,056</u>	(1) - (2)
Funded ratio	(4)	<u>64.0%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 6,057,949</u>	
UAAL as % of covered payroll	(6)	<u>315.4%</u>	(3) / (5)

Complete disclosures regarding the Road Commission's MERS plan are presented in the Road Commission's financial report.

### Road Commission - 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 Road Commissioners through annual budget resolutions.

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.



# WASHTENAW COUNTY

## Notes To Financial Statements

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

Annual required contribution	\$ 1,991,377
Interest on net OPEB obligation	37,631
Adjustment to annual required contribution	<u>(28,224)</u>
Annual OPEB cost	2,000,784
Contributions:	
Payments of current premiums	(1,397,457)
Advance funding	<u>(400,000)</u>
Change in net OPEB obligation	203,327
Net OPEB obligation, beginning of year	<u>470,388</u>
 Net OPEB obligation, end of year	 <u><u>\$ 673,715</u></u>

The Road Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the system, and the net OPEB obligation as of December 31, 2012, and for the two previous years, were as follows:

Three-Year Trend Information			
Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 1,868,502	97.59%	\$ 307,522
2011	1,881,955	91.35%	470,388
2012	2,000,784	89.84%	673,715

The funded status of the system as of December 31, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 28,469,954	
Actuarial value of assets	(2)	<u>3,779,084</u>	
Unfunded AAL (UAAL)	(3)	<u><u>\$ 24,690,870</u></u>	(1) - (2)
Funded ratio	(4)	<u><u>13.27%</u></u>	(2) / (1)
Covered payroll	(5)	<u><u>\$ 6,057,949</u></u>	
UAAL as % of covered payroll	(6)	<u><u>407.58%</u></u>	(3) / (5)

Complete disclosures regarding the Road Commission's OPEB plan are presented in the Road Commission's financial report.

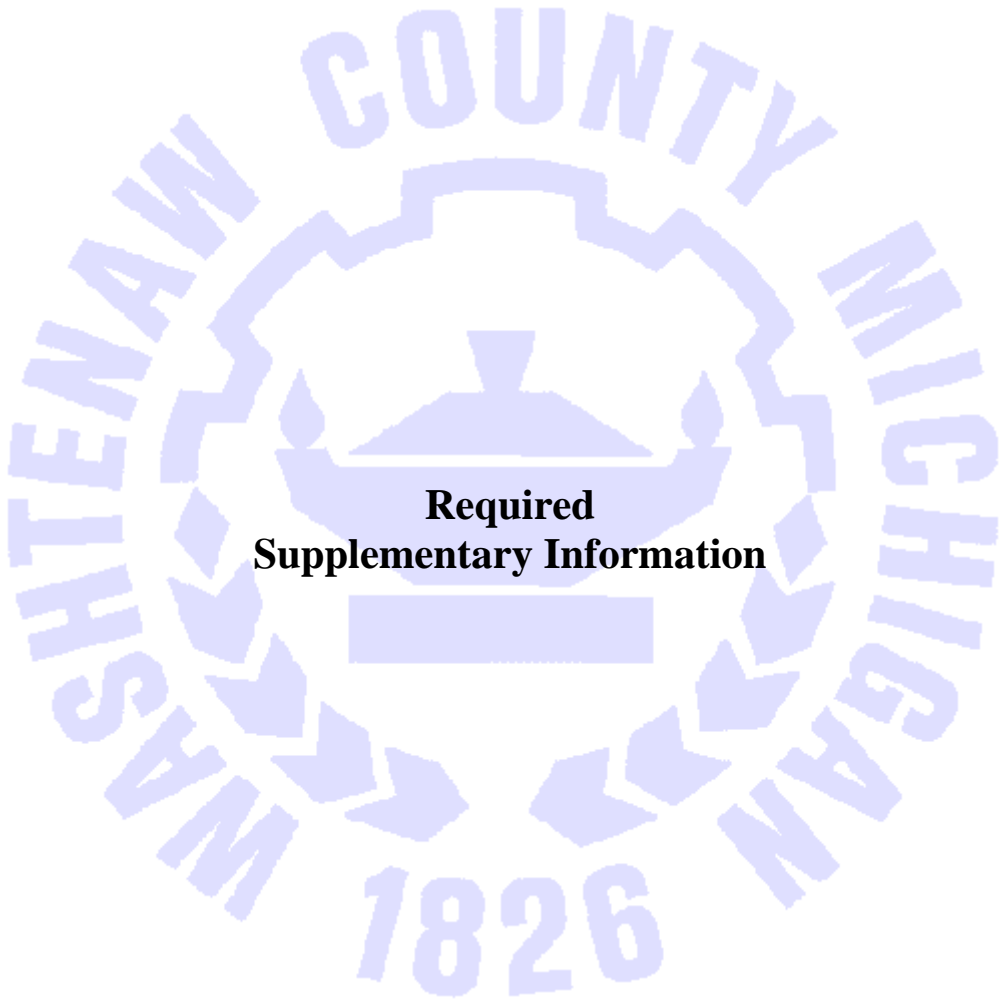
# WASHTENAW COUNTY

## Notes To Financial Statements

### 14. RESTATEMENTS

The County adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. As a result, the beginning net position of the governmental activities was decreased by \$1,018,981 to eliminate unamortized bond issuance costs, which no longer meet the definition of an asset and are now required to be recognized as an expense in the period incurred.





**Required  
Supplementary Information**

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# 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)
2002	\$ 157,473,610	\$ 169,389,000	\$ 11,915,390	93.0%	\$ 12,836,355	92.8%
2003	157,237,691	173,989,111	16,751,420	90.4%	12,332,026	135.8%
2004	150,576,655	177,524,551	26,947,896	84.8%	12,134,962	222.1%
2005	145,093,140	177,684,410	32,591,270	81.7%	11,076,300	294.2%
2006	145,235,953	181,591,924	36,355,971	80.0%	10,243,828	354.9%
2007	150,229,089	190,725,826	40,496,737	78.8%	9,354,679	432.9%
* 2007	210,446,657	265,463,304	55,016,647	79.3%	57,943,478	94.9%
2008	209,556,482	270,299,282	60,742,800	77.5%	61,746,106	98.4%
2009	201,112,644	271,514,028	70,401,384	74.1%	58,041,444	121.3%
2010	199,082,987	283,335,493	84,252,506	70.3%	57,091,642	147.6%
2011	193,721,156	295,091,474	101,370,318	65.6%	53,246,350	190.4%

Note: For purposes of the Schedule of Funding Progress, the actuarial accrued liability values as shown are determined using the entry age actuarial cost method and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. However, for purposes of calculating the ARC, the System uses the aggregate cost actuarial funding method, which does not identify or separately amortize unfunded actuarial liabilities.

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

Schedule of Employer Contributions			
Year Ended December 31	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2003	\$ 1,651,416	\$ 1,651,416	100%
2004	2,451,764	2,451,764	100%
2005	2,700,525	2,700,525	100%
2006	3,845,384	3,845,384	100%
2007	4,827,249	4,827,249	100%
2008	5,359,824	5,359,824	100%
2009	6,752,093	6,752,093	100%
2010	6,516,006	6,516,006	100%
2011	7,387,597	7,387,597	100%
2012	7,174,819	7,174,819	100%

WASHTENAW COUNTY

**Voluntary Employees Beneficiary Association**  
 Required Supplementary Information

Schedule of Funding Progress

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)
2004	\$ 30,159,739	\$ 150,053,560	\$ 119,893,821	20.1%	\$ 69,804,470	171.8%
2005	31,646,289	149,890,222	118,243,933	21.1%	71,477,954	165.4%
2006	37,653,565	183,743,134	146,089,569	20.5%	75,492,444	193.5%
2007	44,747,254	164,107,793	119,360,539	27.3%	76,546,962	155.9%
2008	48,980,535	194,580,255	145,599,720	25.2%	79,802,651	182.4%
2009	52,375,567	192,041,852	139,666,285	27.3%	75,950,342	183.9%
2010	60,423,474	210,172,475	149,749,001	28.7%	75,538,228	198.2%
2011	65,592,609	214,054,100	148,461,491	30.6%	72,081,777	206.0%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
2006	\$ 12,013,367	66.9%
2007	11,952,578	80.7%
2008	13,329,469	82.2%
2009	10,807,274	95.0%
2010	12,073,876	100.0%
2011	12,001,663	100.0%
2012	13,079,918	102.6%

# WASHTENAW COUNTY

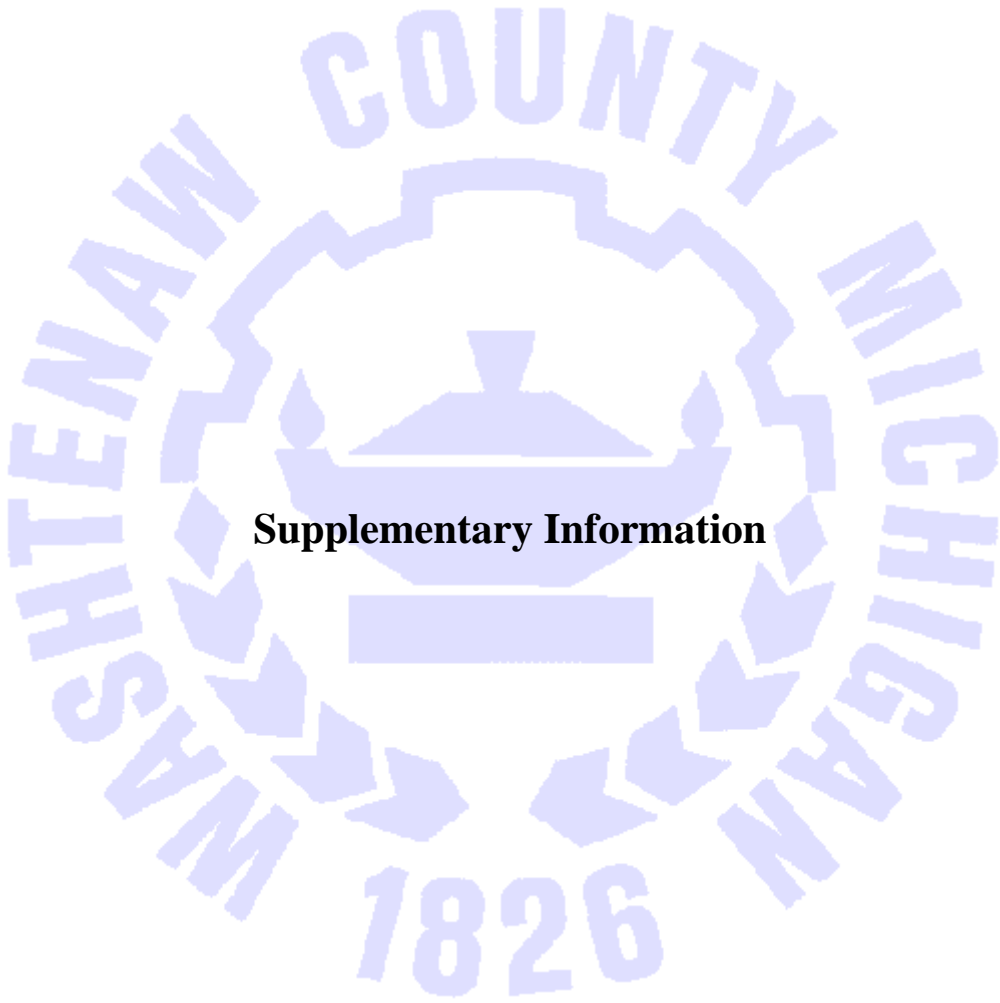
## Municipal Employees' Retirement System of Michigan Required Supplementary Information

Schedule of Funding Progress - Pension Only						
Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3/5)
2002	\$ 12,389,117	\$ 15,438,644	\$ 3,049,527	80.2%	\$ 13,046,728	23.4%
2003	15,087,281	18,117,442	3,030,161	83.3%	14,256,334	21.3%
2004	17,732,213	22,080,360	4,348,147	80.3%	15,616,254	27.8%
2005	20,743,229	25,523,316	4,780,087	81.3%	15,716,990	30.4%
2006	24,068,415	33,442,555	9,374,140	72.0%	17,188,529	54.5%
2007	28,502,361	39,234,595	10,732,234	72.6%	18,526,314	57.9%
2008	32,923,716	45,653,463	12,729,747	72.1%	18,192,992	70.0%
2009	38,243,998	43,001,103	4,757,105	88.9%	17,808,892	26.7%
2010	44,474,881	49,354,128	4,879,247	90.1%	18,976,106	25.7%
2011	49,936,026	58,830,535	8,894,509	84.9%	19,534,633	45.5%

Schedule of Employer Contributions			
Year Ended December 31	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2003	\$ 774,093	\$ 774,093	100.0%
2004	956,387	956,387	100.0%
2005	972,278	972,278	100.0%
2006	1,187,154	1,187,154	100.0%
2007	1,264,818	1,264,818	100.0%
2008	1,317,421	1,317,421	100.0%
2009	1,546,281	1,546,281	100.0%
2010	2,169,087	2,169,087	100.0%
2011	1,531,043	1,531,043	100.0%
2012	1,626,313	1,626,313	100.0%

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**Supplementary Information**

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WASHTENAW COUNTY

Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2012

	Special Revenue Funds					
	Accommodation Ordinance Tax	Aerial Photo	Building Services	Child Care	Community Corrections	Department of Human Services
<b>Assets</b>						
Cash and pooled investments	\$ 1,072,942	\$ 144,013	\$ 418,448	\$ 105,310	\$ 210,920	\$ 44,872
Receivables:						
Taxes - current	-	-	-	-	-	-
Accounts	237,303	-	2,205	-	-	-
Due from other governments	-	-	-	927,698	74,601	78,072
Prepaid items	-	-	199	38,475	-	-
<b>Total assets</b>	<b>\$ 1,310,245</b>	<b>\$ 144,013</b>	<b>\$ 420,852</b>	<b>\$ 1,071,483</b>	<b>\$ 285,521</b>	<b>\$ 122,944</b>
<b>Liabilities</b>						
Accounts payable	\$ 545,210	\$ 2,048	\$ 3,012	\$ 72,641	\$ 28,000	\$ -
Accrued liabilities	1,251	-	18,735	172,261	20,511	-
Due to other governments	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Advances from other governments	-	-	-	-	-	78,000
<b>Total liabilities</b>	<b>546,461</b>	<b>2,048</b>	<b>21,747</b>	<b>244,902</b>	<b>48,511</b>	<b>78,000</b>
<b>Deferred inflows of resources</b>						
Taxes levied for a subsequent period	-	-	-	-	-	-
<b>Fund balances</b>						
Nonspendable	-	-	199	38,475	-	-
Restricted for:						
Economic development	763,784	-	-	-	-	-
Public safety	-	-	398,906	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Committed for:						
Economic development	-	141,965	-	-	-	-
Public safety	-	-	-	-	237,010	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	788,106	-	44,944
Debt service	-	-	-	-	-	-
<b>Total fund balances</b>	<b>763,784</b>	<b>141,965</b>	<b>399,105</b>	<b>826,581</b>	<b>237,010</b>	<b>44,944</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,310,245</b>	<b>\$ 144,013</b>	<b>\$ 420,852</b>	<b>\$ 1,071,483</b>	<b>\$ 285,521</b>	<b>\$ 122,944</b>

Special Revenue Funds

E-911	OCED - Community Development	OCED - Economic Development Millage	Employment Training and Community Services	Environmental Health	Friend of the Court	Head Start	HIDTA Grant	Homeland Security Grants
\$ 180,860	\$ 188,277	\$ 131,979	\$ 408,241	\$ -	\$ -	\$ 36,348	\$ -	\$ -
-	-	714,486	-	-	-	-	-	-
463,954	-	-	-	-	-	-	-	-
146,004	637,207	-	1,695,369	-	635,370	230,448	280,531	679,323
-	-	-	-	-	-	-	-	-
<u>\$ 790,818</u>	<u>\$ 825,484</u>	<u>\$ 846,465</u>	<u>\$ 2,103,610</u>	<u>\$ -</u>	<u>\$ 635,370</u>	<u>\$ 266,796</u>	<u>\$ 280,531</u>	<u>\$ 679,323</u>
\$ 87,300	\$ 297,365	\$ 500	\$ 801,421	\$ -	\$ 4,082	\$ 85,215	\$ 879	\$ 11
4,064	1,529	7,383	100,833	-	155,573	48,137	25,748	7,965
-	-	-	-	-	1,822	-	-	-
-	-	-	-	-	473,893	-	160,740	648,822
-	116,441	-	167,093	-	-	-	208	-
-	-	-	-	-	-	-	-	-
<u>91,364</u>	<u>415,335</u>	<u>7,883</u>	<u>1,069,347</u>	<u>-</u>	<u>635,370</u>	<u>133,352</u>	<u>187,575</u>	<u>656,798</u>
-	-	819,707	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	18,875	-	-	-	-	-	-
699,454	-	-	-	-	-	-	92,956	-
-	-	-	-	-	-	-	-	-
-	410,149	-	407,090	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	22,525
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	627,173	-	-	133,444	-	-
-	-	-	-	-	-	-	-	-
<u>699,454</u>	<u>410,149</u>	<u>18,875</u>	<u>1,034,263</u>	<u>-</u>	<u>-</u>	<u>133,444</u>	<u>92,956</u>	<u>22,525</u>
<u>\$ 790,818</u>	<u>\$ 825,484</u>	<u>\$ 846,465</u>	<u>\$ 2,103,610</u>	<u>\$ -</u>	<u>\$ 635,370</u>	<u>\$ 266,796</u>	<u>\$ 280,531</u>	<u>\$ 679,323</u>

continued...

WASHTENAW COUNTY

Combining Balance Sheet - Nonmajor Governmental Funds  
December 31, 2012

	Special Revenue Funds					
	Inmate Concessions	Juvenile Grants	Mental Health Donation	Other Special Revenue Funds	Prosecuting Attorney Grants	Public Health
<b>Assets</b>						
Cash and pooled investments	\$ 136,106	\$ 12,479	\$ 419,851	\$ 512,919	\$ 157,927	\$ 2,455,675
Receivables:						
Taxes - current	-	-	-	-	-	-
Accounts	-	-	-	10	-	415,865
Due from other governments	-	5,793	-	59,990	187,354	385,214
Prepaid items	-	-	-	-	-	8,885
<b>Total assets</b>	<b>\$ 136,106</b>	<b>\$ 18,272</b>	<b>\$ 419,851</b>	<b>\$ 572,919</b>	<b>\$ 345,281</b>	<b>\$ 3,265,639</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 579	\$ -	\$ 12,785	\$ -	\$ 169,370
Accrued liabilities	-	-	-	69,929	18,697	174,204
Due to other governments	-	-	-	-	250	814,786
Interfund payable	-	-	-	-	-	-
Unearned	-	2,476	-	11,377	-	55,747
Advances from other governments	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>3,055</b>	<b>-</b>	<b>94,091</b>	<b>18,947</b>	<b>1,214,107</b>
<b>Deferred inflows of resources</b>						
Taxes levied for a subsequent period	-	-	-	-	-	-
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	8,885
Restricted for:						
Economic development	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	419,851	-	-	-
Social services	-	-	-	-	-	-
Committed for:						
Economic development	-	-	-	-	-	-
Public safety	136,106	-	-	-	326,334	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	2,042,647
Social services	-	15,217	-	478,828	-	-
Debt service	-	-	-	-	-	-
<b>Total fund balances</b>	<b>136,106</b>	<b>15,217</b>	<b>419,851</b>	<b>478,828</b>	<b>326,334</b>	<b>2,051,532</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 136,106</b>	<b>\$ 18,272</b>	<b>\$ 419,851</b>	<b>\$ 572,919</b>	<b>\$ 345,281</b>	<b>\$ 3,265,639</b>

				Debt Service		
Public Works Solid Waste Program	Sheriff's Grants	Veterans' Trust	Water Resources Commissioner Grants	County	Building Authority	Total Other Governmental Funds
\$ 600,069	\$ 823,493	\$ 175,712	\$ 240,103	\$ 18,349	\$ -	\$ 8,494,893
-	-	340,571	-	-	-	1,055,057
192,640	-	-	-	-	-	1,311,977
-	188,610	-	-	4,869	-	6,216,453
-	-	-	-	-	-	47,559
<u>\$ 792,709</u>	<u>\$ 1,012,103</u>	<u>\$ 516,283</u>	<u>\$ 240,103</u>	<u>\$ 23,218</u>	<u>\$ -</u>	<u>\$ 17,125,939</u>
\$ 6,067	\$ 71,967	\$ 4,888	\$ -	\$ 4,869	\$ -	\$ 2,198,209
8,110	21,027	830	-	14,988	-	871,775
-	10,014	-	-	-	-	826,872
-	-	-	-	-	-	1,283,455
-	7,562	-	10,113	-	-	371,017
-	-	-	-	-	-	78,000
<u>14,177</u>	<u>110,570</u>	<u>5,718</u>	<u>10,113</u>	<u>19,857</u>	<u>-</u>	<u>5,629,328</u>
-	-	390,727	-	-	-	1,210,434
-	-	-	-	-	-	47,559
-	-	-	-	-	-	782,659
-	-	-	-	-	-	1,191,316
-	-	-	-	-	-	419,851
-	-	119,838	-	-	-	937,077
-	-	-	-	-	-	141,965
-	901,533	-	-	-	-	1,623,508
778,532	-	-	229,990	-	-	1,008,522
-	-	-	-	-	-	2,042,647
-	-	-	-	-	-	2,087,712
-	-	-	-	3,361	-	3,361
<u>778,532</u>	<u>901,533</u>	<u>119,838</u>	<u>229,990</u>	<u>3,361</u>	<u>-</u>	<u>10,286,177</u>
<u>\$ 792,709</u>	<u>\$ 1,012,103</u>	<u>\$ 516,283</u>	<u>\$ 240,103</u>	<u>\$ 23,218</u>	<u>\$ -</u>	<u>\$ 17,125,939</u>

concluded

WASHTENAW COUNTY

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance - Nonmajor Governmental Funds  
Year Ended December 31, 2012

	Special Revenue Funds					
	Accommodation Ordinance Tax	Aerial Photo	Building Services	Child Care	Community Corrections	Department of Human Services
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	4,305,258	-	-	-	-	-
Licenses and permits	-	-	974,883	-	-	-
Intergovernmental	-	-	-	4,276,708	424,271	673,605
Charges for services	-	25,639	4,335	-	278,377	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	3,491	613	1,228	-	-	-
Other	-	-	-	481,595	17,205	-
<b>Total revenues</b>	<b>4,308,749</b>	<b>26,252</b>	<b>980,446</b>	<b>4,758,303</b>	<b>719,853</b>	<b>673,605</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	4,185,824	17,188	-	-	-	-
Public safety	-	-	632,341	-	890,840	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	9,030,521	-	717,097
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
<b>Total expenditures</b>	<b>4,185,824</b>	<b>17,188</b>	<b>632,341</b>	<b>9,030,521</b>	<b>890,840</b>	<b>717,097</b>
Revenues over (under) expenditures	122,925	9,064	348,105	(4,272,218)	(170,987)	(43,492)
<b>Other financing sources (uses)</b>						
Issuance of refunding bonds	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	4,538,149	240,983	53,893
Transfers out	-	-	(111,052)	(1,268)	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(111,052)</b>	<b>4,536,881</b>	<b>240,983</b>	<b>53,893</b>
<b>Net change in fund balances</b>	<b>122,925</b>	<b>9,064</b>	<b>237,053</b>	<b>264,663</b>	<b>69,996</b>	<b>10,401</b>
Fund balances, beginning of year	640,859	132,901	162,052	561,918	167,014	34,543
<b>Fund balances, end of year</b>	<b>\$ 763,784</b>	<b>\$ 141,965</b>	<b>\$ 399,105</b>	<b>\$ 826,581</b>	<b>\$ 237,010</b>	<b>\$ 44,944</b>



Special Revenue Funds								
E-911	OCED - Community Development	OCED - Economic Development Millage	Employment Training and Community Services	Environmental Health	Friend of the Court	Head Start	HIDTA Grant	Homeland Security Grants
\$ -	\$ -	\$ 684,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	3,753,998	-	8,130,780	7,230	3,322,373	3,829,340	988,525	1,692,183
2,581,016	16,462	-	-	-	230,064	-	-	-
-	-	-	-	-	2,993	-	-	-
3,479	(3)	3	-	-	-	-	540	(1)
47,298	1,068,688	3,000	885,488	-	-	424,701	-	-
<u>2,631,793</u>	<u>4,839,145</u>	<u>687,372</u>	<u>9,016,268</u>	<u>7,230</u>	<u>3,555,430</u>	<u>4,254,041</u>	<u>989,065</u>	<u>1,692,182</u>
-	-	-	-	-	5,042,351	-	-	-
-	197,704	731,572	-	-	-	-	-	-
876,542	-	-	-	-	-	-	1,080,399	1,692,217
-	-	-	-	-	-	-	-	-
-	5,995,784	-	8,754,338	6,660	-	4,677,481	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>876,542</u>	<u>6,193,488</u>	<u>731,572</u>	<u>8,754,338</u>	<u>6,660</u>	<u>5,042,351</u>	<u>4,677,481</u>	<u>1,080,399</u>	<u>1,692,217</u>
<u>1,755,251</u>	<u>(1,354,343)</u>	<u>(44,200)</u>	<u>261,930</u>	<u>570</u>	<u>(1,486,921)</u>	<u>(423,440)</u>	<u>(91,334)</u>	<u>(35)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
121,570	1,904,521	-	124,518	-	1,486,920	528,048	-	-
(1,589,401)	(264,807)	-	-	(930,930)	-	(110,918)	-	-
<u>(1,467,831)</u>	<u>1,639,714</u>	<u>-</u>	<u>124,518</u>	<u>(930,930)</u>	<u>1,486,920</u>	<u>417,130</u>	<u>-</u>	<u>-</u>
287,420	285,371	(44,200)	386,448	(930,360)	(1)	(6,310)	(91,334)	(35)
412,034	124,778	63,075	647,815	930,360	1	139,754	184,290	22,560
<u>\$ 699,454</u>	<u>\$ 410,149</u>	<u>\$ 18,875</u>	<u>\$ 1,034,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,444</u>	<u>\$ 92,956</u>	<u>\$ 22,525</u>

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WASHTENAW COUNTY

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance - Nonmajor Governmental Funds  
Year Ended December 31, 2012

	Inmate Concessions	Juvenile Grants	Mental Health Donation	Other Special Revenue Funds	Prosecuting Attorney Grants	Public Health
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	1,579,804
Intergovernmental	-	91,356	-	129,461	476,395	6,946,653
Charges for services	-	-	-	-	-	1,879,750
Fines and forfeits	-	-	-	8,500	25,226	-
Investment income (loss)	793	(1)	2,307	1,157	-	-
Other	420,330	10,100	4,137	76,378	-	52,296
<b>Total revenues</b>	<b>421,123</b>	<b>101,455</b>	<b>6,444</b>	<b>215,496</b>	<b>501,621</b>	<b>10,458,503</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	13,599	-	-
General government	-	-	-	267,930	-	-
Public safety	458,216	-	-	-	685,465	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	13,817,227
Social services	-	140,926	-	74,033	-	-
Culture and recreation	-	-	-	95,968	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
<b>Total expenditures</b>	<b>458,216</b>	<b>140,926</b>	<b>-</b>	<b>451,530</b>	<b>685,465</b>	<b>13,817,227</b>
Revenues over (under) expenditures	(37,093)	(39,471)	6,444	(236,034)	(183,844)	(3,358,724)
<b>Other financing sources (uses)</b>						
Issuance of refunding bonds	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	-	-	-
Transfers in	-	1,269	-	272,059	168,906	5,202,027
Transfers out	-	-	(165,190)	(104,181)	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>1,269</b>	<b>(165,190)</b>	<b>167,878</b>	<b>168,906</b>	<b>5,202,027</b>
<b>Net change in fund balances</b>	<b>(37,093)</b>	<b>(38,202)</b>	<b>(158,746)</b>	<b>(68,156)</b>	<b>(14,938)</b>	<b>1,843,303</b>
Fund balances, beginning of year	173,199	53,419	578,597	546,984	341,272	208,229
<b>Fund balances, end of year</b>	<b>\$ 136,106</b>	<b>\$ 15,217</b>	<b>\$ 419,851</b>	<b>\$ 478,828</b>	<b>\$ 326,334</b>	<b>\$ 2,051,532</b>

Special Revenue Funds				Debt Service		Total Other Governmental Funds
Public Works Solid Waste Program	Sheriff's Grants	Veterans' Trust	Water Resources Commissioner Grants	County	Building Authority	
\$ -	\$ -	\$ 341,449	\$ -	\$ -	\$ -	\$ 1,025,818
-	-	-	-	-	-	4,305,258
-	-	-	-	-	-	2,554,687
30,192	603,623	15,520	-	1,557,114	-	36,949,327
-	51,583	-	-	-	-	5,067,226
-	293,202	-	-	-	-	329,921
2,586	4,219	1,115	533	22	-	22,081
640,770	-	-	(359)	-	-	4,131,627
<u>673,548</u>	<u>952,627</u>	<u>358,084</u>	<u>174</u>	<u>1,557,136</u>	<u>-</u>	<u>54,385,945</u>
-	-	-	-	-	-	5,055,950
-	-	-	-	-	-	5,400,218
-	942,837	-	-	-	-	7,258,857
404,566	-	-	-	-	-	404,566
-	-	-	-	-	-	13,823,887
-	-	366,484	-	-	-	29,756,664
-	-	-	-	-	-	95,968
-	-	-	-	7,119,476	1,245,000	8,364,476
-	-	-	-	2,512,896	151,763	2,664,659
-	-	-	-	166,892	-	166,892
<u>404,566</u>	<u>942,837</u>	<u>366,484</u>	<u>-</u>	<u>9,799,264</u>	<u>1,396,763</u>	<u>72,992,137</u>
<u>268,982</u>	<u>9,790</u>	<u>(8,400)</u>	<u>174</u>	<u>(8,242,128)</u>	<u>(1,396,763)</u>	<u>(18,606,192)</u>
-	-	-	-	11,315,000	-	11,315,000
-	-	-	-	239,678	-	239,678
-	-	-	-	(11,385,000)	-	(11,385,000)
-	-	-	-	8,075,246	1,396,762	24,114,871
-	-	-	-	-	-	(3,277,747)
-	-	-	-	8,244,924	1,396,762	21,006,802
268,982	9,790	(8,400)	174	2,796	(1)	2,400,610
509,550	891,743	128,238	229,816	565	1	7,885,567
<u>\$ 778,532</u>	<u>\$ 901,533</u>	<u>\$ 119,838</u>	<u>\$ 229,990</u>	<u>\$ 3,361</u>	<u>\$ -</u>	<u>\$10,286,177</u>

concluded

WASHTENAW COUNTY

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Accommodation Ordinance Tax			Aerial Photo		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	3,400,000	4,305,258	905,258	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	39,000	25,639	(13,361)
Fines and forfeits	25,000	-	(25,000)	-	-	-
Investment income (loss)	-	3,491	3,491	-	613	613
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>3,425,000</b>	<b>4,308,749</b>	<b>883,749</b>	<b>39,000</b>	<b>26,252</b>	<b>(12,748)</b>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	3,233,525	4,185,824	(952,299)	39,000	17,188	21,812
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,233,525</b>	<b>4,185,824</b>	<b>(952,299)</b>	<b>39,000</b>	<b>17,188</b>	<b>21,812</b>
Revenues over (under) expenditures	191,475	122,925	(68,550)	-	9,064	9,064
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>191,475</b>	<b>122,925</b>	<b>(68,550)</b>	<b>-</b>	<b>9,064</b>	<b>9,064</b>
Fund balances, beginning of year	640,859	640,859	-	132,901	132,901	-
<b>Fund balances, end of year</b>	<b>\$ 832,334</b>	<b>\$ 763,784</b>	<b>\$ (68,550)</b>	<b>\$ 132,901</b>	<b>\$ 141,965</b>	<b>\$ 9,064</b>

continued...

WASHTENAW COUNTY

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Building Services			Child Care		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	586,631	974,883	388,252	-	-	-
Intergovernmental	-	-	-	4,320,935	4,276,708	(44,227)
Charges for services	350	4,335	3,985	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	1,228	1,228	-	-	-
Other	-	-	-	484,703	481,595	(3,108)
<b>Total revenues</b>	<b>586,981</b>	<b>980,446</b>	<b>393,465</b>	<b>4,805,638</b>	<b>4,758,303</b>	<b>(47,335)</b>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	586,981	632,341	(45,360)	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	9,477,388	9,030,521	446,867
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>586,981</b>	<b>632,341</b>	<b>(45,360)</b>	<b>9,477,388</b>	<b>9,030,521</b>	<b>446,867</b>
Revenues over (under) expenditures	-	348,105	348,105	(4,671,750)	(4,272,218)	399,532
Other financing sources (uses)						
Transfers in	-	-	-	4,615,173	4,538,149	(77,024)
Transfers out	-	(111,052)	(111,052)	(19,615)	(1,268)	18,347
<b>Total other sources (uses)</b>	<b>-</b>	<b>(111,052)</b>	<b>(111,052)</b>	<b>4,595,558</b>	<b>4,536,881</b>	<b>(58,677)</b>
Net change in fund balances	-	237,053	237,053	(76,192)	264,663	340,855
Fund balances, beginning of year	162,052	162,052	-	561,918	561,918	-
<b>Fund balances, end of year</b>	<b>\$ 162,052</b>	<b>\$ 399,105</b>	<b>\$ 237,053</b>	<b>\$ 485,726</b>	<b>\$ 826,581</b>	<b>\$ 340,855</b>

continued...

WASHTENAW COUNTY

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Community Corrections			Department of Human Services		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	426,473	424,271	(2,202)	54,109	673,605	619,496
Charges for services	255,589	278,377	22,788	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-
Other	5,301	17,205	11,904	-	-	-
<b>Total revenues</b>	<b>687,363</b>	<b>719,853</b>	<b>32,490</b>	<b>54,109</b>	<b>673,605</b>	<b>619,496</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	1,035,387	890,840	144,547	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	54,109	717,097	(662,988)
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,035,387</b>	<b>890,840</b>	<b>144,547</b>	<b>54,109</b>	<b>717,097</b>	<b>(662,988)</b>
<b>Revenues over (under) expenditures</b>	<b>(348,024)</b>	<b>(170,987)</b>	<b>177,037</b>	<b>-</b>	<b>(43,492)</b>	<b>(43,492)</b>
<b>Other financing sources (uses)</b>						
Transfers in	240,983	240,983	-	-	53,893	53,893
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>240,983</b>	<b>240,983</b>	<b>-</b>	<b>-</b>	<b>53,893</b>	<b>53,893</b>
<b>Net change in fund balances</b>	<b>(107,041)</b>	<b>69,996</b>	<b>177,037</b>	<b>-</b>	<b>10,401</b>	<b>10,401</b>
<b>Fund balances, beginning of year</b>	<b>167,014</b>	<b>167,014</b>	<b>-</b>	<b>34,543</b>	<b>34,543</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 59,973</b>	<b>\$ 237,010</b>	<b>\$ 177,037</b>	<b>\$ 34,543</b>	<b>\$ 44,944</b>	<b>\$ 10,401</b>

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WASHTENAW COUNTY

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	E-911			OCED - Community Development		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	5,320,955	3,753,998	(1,566,957)
Charges for services	2,100,000	2,581,016	481,016	-	16,462	16,462
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	3,479	3,479	-	(3)	(3)
Other	36,000	47,298	11,298	1,341,462	1,068,688	(272,774)
<b>Total revenues</b>	<b>2,136,000</b>	<b>2,631,793</b>	<b>495,793</b>	<b>6,662,417</b>	<b>4,839,145</b>	<b>(1,823,272)</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	204,818	197,704	7,114
Public safety	1,245,136	876,542	368,594	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	8,748,293	5,995,784	2,752,509
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,245,136</b>	<b>876,542</b>	<b>368,594</b>	<b>8,953,111</b>	<b>6,193,488</b>	<b>2,759,623</b>
<b>Revenues over (under) expenditures</b>	<b>890,864</b>	<b>1,755,251</b>	<b>864,387</b>	<b>(2,290,694)</b>	<b>(1,354,343)</b>	<b>936,351</b>
<b>Other financing sources (uses)</b>						
Transfers in	117,190	121,570	4,380	2,772,125	1,904,521	(867,604)
Transfers out	(1,008,054)	(1,589,401)	(581,347)	(481,431)	(264,807)	216,624
<b>Total other sources (uses)</b>	<b>(890,864)</b>	<b>(1,467,831)</b>	<b>(576,967)</b>	<b>2,290,694</b>	<b>1,639,714</b>	<b>(650,980)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>287,420</b>	<b>287,420</b>	<b>-</b>	<b>285,371</b>	<b>285,371</b>
<b>Fund balances, beginning of year</b>	<b>412,034</b>	<b>412,034</b>	<b>-</b>	<b>124,778</b>	<b>124,778</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 412,034</b>	<b>\$ 699,454</b>	<b>\$ 287,420</b>	<b>\$ 124,778</b>	<b>\$ 410,149</b>	<b>\$ 285,371</b>

continued...

WASHTENAW COUNTY

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	OCED - Economic Development Millage			Employment Training and Community Services		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Property taxes	\$ 688,913	\$ 684,369	\$ (4,544)	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	8,687,735	8,130,780	(556,955)
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	3	3	-	-	-
Other	-	3,000	3,000	19,105	885,488	866,383
<b>Total revenues</b>	<b>688,913</b>	<b>687,372</b>	<b>(1,541)</b>	<b>8,706,840</b>	<b>9,016,268</b>	<b>309,428</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	703,913	731,572	(27,659)	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	8,819,530	8,754,338	65,192
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>703,913</b>	<b>731,572</b>	<b>(27,659)</b>	<b>8,819,530</b>	<b>8,754,338</b>	<b>65,192</b>
<b>Revenues over (under) expenditures</b>	<b>(15,000)</b>	<b>(44,200)</b>	<b>(29,200)</b>	<b>(112,690)</b>	<b>261,930</b>	<b>374,620</b>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	112,690	124,518	11,828
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,690</b>	<b>124,518</b>	<b>11,828</b>
<b>Net change in fund balances</b>	<b>(15,000)</b>	<b>(44,200)</b>	<b>(29,200)</b>	<b>-</b>	<b>386,448</b>	<b>386,448</b>
<b>Fund balances, beginning of year</b>	<b>63,075</b>	<b>63,075</b>	<b>-</b>	<b>647,815</b>	<b>647,815</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 48,075</b>	<b>\$ 18,875</b>	<b>\$ (29,200)</b>	<b>\$ 647,815</b>	<b>\$ 1,034,263</b>	<b>\$ 386,448</b>

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WASHTENAW COUNTY

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Environmental Health			Friend of the Court		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	14,706	7,230	(7,476)	3,421,715	3,322,373	(99,342)
Charges for services	-	-	-	230,682	230,064	(618)
Fines and forfeits	-	-	-	-	2,993	2,993
Investment income (loss)	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>14,706</b>	<b>7,230</b>	<b>(7,476)</b>	<b>3,652,397</b>	<b>3,555,430</b>	<b>(96,967)</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	5,248,011	5,042,351	205,660
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	14,706	6,660	8,046	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>14,706</b>	<b>6,660</b>	<b>8,046</b>	<b>5,248,011</b>	<b>5,042,351</b>	<b>205,660</b>
Revenues over (under) expenditures	-	570	570	(1,595,614)	(1,486,921)	108,693
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	1,595,614	1,486,920	(108,694)
Transfers out	-	(930,930)	(930,930)	-	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>(930,930)</b>	<b>(930,930)</b>	<b>1,595,614</b>	<b>1,486,920</b>	<b>(108,694)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(930,360)</b>	<b>(930,360)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>
Fund balances, beginning of year	930,360	930,360	-	1	1	-
<b>Fund balances, end of year</b>	<b>\$ 930,360</b>	<b>\$ -</b>	<b>\$ (930,360)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ (1)</b>

continued...

WASHTENAW COUNTY

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Head Start			HIDTA Grant		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,247,522	3,829,340	(418,182)	2,186,458	988,525	(1,197,933)
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	540	540
Other	546,137	424,701	(121,436)	-	-	-
<b>Total revenues</b>	<b>4,793,659</b>	<b>4,254,041</b>	<b>(539,618)</b>	<b>2,186,458</b>	<b>989,065</b>	<b>(1,197,393)</b>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	2,186,458	1,080,399	1,106,059
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	5,353,836	4,677,481	676,355	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>5,353,836</b>	<b>4,677,481</b>	<b>676,355</b>	<b>2,186,458</b>	<b>1,080,399</b>	<b>1,106,059</b>
Revenues over (under) expenditures	(560,177)	(423,440)	136,737	-	(91,334)	(91,334)
Other financing sources (uses)						
Transfers in	700,260	528,048	(172,212)	-	-	-
Transfers out	(140,083)	(110,918)	29,165	-	-	-
<b>Total other sources (uses)</b>	<b>560,177</b>	<b>417,130</b>	<b>(143,047)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	(6,310)	(6,310)	-	(91,334)	(91,334)
Fund balances, beginning of year	139,754	139,754	-	184,290	184,290	-
<b>Fund balances, end of year</b>	<b>\$ 139,754</b>	<b>\$ 133,444</b>	<b>\$ (6,310)</b>	<b>\$ 184,290</b>	<b>\$ 92,956</b>	<b>\$ (91,334)</b>

continued...

WASHTENAW COUNTY

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Homeland Security Grants			Inmate Concessions		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,703,651	1,692,183	(11,468)	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	(1)	(1)	-	793	793
Other	-	-	-	270,972	420,330	149,358
<b>Total revenues</b>	<b>1,703,651</b>	<b>1,692,182</b>	<b>(11,469)</b>	<b>270,972</b>	<b>421,123</b>	<b>150,151</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	1,703,651	1,692,217	11,434	270,972	458,216	(187,244)
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,703,651</b>	<b>1,692,217</b>	<b>11,434</b>	<b>270,972</b>	<b>458,216</b>	<b>(187,244)</b>
Revenues over (under) expenditures	-	(35)	(35)	-	(37,093)	(37,093)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(35)</b>	<b>(35)</b>	<b>-</b>	<b>(37,093)</b>	<b>(37,093)</b>
Fund balances, beginning of year	22,560	22,560	-	173,199	173,199	-
<b>Fund balances, end of year</b>	<b>\$ 22,560</b>	<b>\$ 22,525</b>	<b>\$ (35)</b>	<b>\$ 173,199</b>	<b>\$ 136,106</b>	<b>\$ (37,093)</b>

continued...

WASHTENAW COUNTY

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Juvenile Grants			Mental Health Donation		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	363,581	91,356	(272,225)	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	(1)	(1)	-	2,307	2,307
Other	-	10,100	10,100	-	4,137	4,137
<b>Total revenues</b>	<b>363,581</b>	<b>101,455</b>	<b>(262,126)</b>	<b>-</b>	<b>6,444</b>	<b>6,444</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	386,388	140,926	245,462	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>386,388</b>	<b>140,926</b>	<b>245,462</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>(22,807)</b>	<b>(39,471)</b>	<b>(16,664)</b>	<b>-</b>	<b>6,444</b>	<b>6,444</b>
<b>Other financing sources (uses)</b>						
Transfers in	2,807	1,269	(1,538)	-	-	-
Transfers out	-	-	-	(165,000)	(165,190)	(190)
<b>Total other sources (uses)</b>	<b>2,807</b>	<b>1,269</b>	<b>(1,538)</b>	<b>(165,000)</b>	<b>(165,190)</b>	<b>(190)</b>
<b>Net change in fund balances</b>	<b>(20,000)</b>	<b>(38,202)</b>	<b>(18,202)</b>	<b>(165,000)</b>	<b>(158,746)</b>	<b>6,254</b>
<b>Fund balances, beginning of year</b>	<b>53,419</b>	<b>53,419</b>	<b>-</b>	<b>578,597</b>	<b>578,597</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 33,419</b>	<b>\$ 15,217</b>	<b>\$ (18,202)</b>	<b>\$ 413,597</b>	<b>\$ 419,851</b>	<b>\$ 6,254</b>

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WASHTENAW COUNTY

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Other Special Revenue Funds			Prosecuting Attorney Grants		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	139,802	129,461	(10,341)	727,877	476,395	(251,482)
Charges for services	140,000	-	(140,000)	-	-	-
Fines and forfeits	8,500	8,500	-	-	25,226	25,226
Investment income (loss)	-	1,157	1,157	-	-	-
Other	-	76,378	76,378	-	-	-
<b>Total revenues</b>	<b>288,302</b>	<b>215,496</b>	<b>(72,806)</b>	<b>727,877</b>	<b>501,621</b>	<b>(226,256)</b>
Expenditures						
Current:						
Judicial	20,900	13,599	7,301	-	-	-
General government	605,802	267,930	337,872	-	-	-
Public safety	-	-	-	896,783	685,465	211,318
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	74,033	(74,033)	-	-	-
Culture and recreation	97,250	95,968	1,282	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>723,952</b>	<b>451,530</b>	<b>272,422</b>	<b>896,783</b>	<b>685,465</b>	<b>211,318</b>
Revenues over (under) expenditures	(435,650)	(236,034)	199,616	(168,906)	(183,844)	(14,938)
Other financing sources (uses)						
Transfers in	512,400	272,059	(240,341)	168,906	168,906	-
Transfers out	(140,000)	(104,181)	35,819	-	-	-
<b>Total other sources (uses)</b>	<b>372,400</b>	<b>167,878</b>	<b>(204,522)</b>	<b>168,906</b>	<b>168,906</b>	<b>-</b>
Net change in fund balances	(63,250)	(68,156)	(4,906)	-	(14,938)	(14,938)
Fund balances, beginning of year	546,984	546,984	-	341,272	341,272	-
<b>Fund balances, end of year</b>	<b>\$ 483,734</b>	<b>\$ 478,828</b>	<b>\$ (4,906)</b>	<b>\$ 341,272</b>	<b>\$ 326,334</b>	<b>\$ (14,938)</b>

continued...

WASHTENAW COUNTY

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Public Health			Public Works Solid Waste Program		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	1,435,874	1,579,804	143,930	-	-	-
Intergovernmental	6,515,571	6,946,653	431,082	20,000	30,192	10,192
Charges for services	1,325,587	1,879,750	554,163	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income (loss)	-	-	-	500	2,586	2,086
Other	29,650	52,296	22,646	386,039	640,770	254,731
<b>Total revenues</b>	<b>9,306,682</b>	<b>10,458,503</b>	<b>1,151,821</b>	<b>406,539</b>	<b>673,548</b>	<b>267,009</b>
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	406,539	404,566	1,973
Health	14,340,052	13,817,227	522,825	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>14,340,052</b>	<b>13,817,227</b>	<b>522,825</b>	<b>406,539</b>	<b>404,566</b>	<b>1,973</b>
Revenues over (under) expenditures	(5,033,370)	(3,358,724)	1,674,646	-	268,982	268,982
Other financing sources (uses)						
Transfers in	4,865,096	5,202,027	336,931	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>4,865,096</b>	<b>5,202,027</b>	<b>336,931</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(168,274)	1,843,303	2,011,577	-	268,982	268,982
Fund balances, beginning of year	208,229	208,229	-	509,550	509,550	-
<b>Fund balances, end of year</b>	<b>\$ 39,955</b>	<b>\$ 2,051,532</b>	<b>\$ 2,011,577</b>	<b>\$ 509,550</b>	<b>\$ 778,532</b>	<b>\$ 268,982</b>

continued...

WASHTENAW COUNTY

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Sheriff's Grants			Veterans' Trust		
	Final Budget	Actual	Variance with Final Budget + (-)	Final Budget	Actual	Variance with Final Budget + (-)
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ 344,486	\$ 341,449	\$ (3,037)
Accommodation taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	609,605	603,623	(5,982)	3,000	15,520	12,520
Charges for services	48,000	51,583	3,583	-	-	-
Fines and forfeits	-	293,202	293,202	-	-	-
Investment income (loss)	-	4,219	4,219	-	1,115	1,115
Other	40,000	-	(40,000)	-	-	-
Total revenues	697,605	952,627	255,022	347,486	358,084	10,598
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	697,605	942,837	(245,232)	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Social services	-	-	-	347,486	366,484	(18,998)
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	697,605	942,837	(245,232)	347,486	366,484	(18,998)
Revenues over (under) expenditures	-	9,790	9,790	-	(8,400)	(8,400)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	9,790	9,790	-	(8,400)	(8,400)
Fund balances, beginning of year	891,743	891,743	-	128,238	128,238	-
Fund balances, end of year	\$ 891,743	\$ 901,533	\$ 9,790	\$ 128,238	\$ 119,838	\$ (8,400)

continued...

WASHTENAW COUNTY

■ Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Final Budget and Actual - Nonmajor Special Revenue Funds  
 Year Ended December 31, 2012

	Water Resources Commissioner Grants		
	Final Budget	Actual	Variance with Final Budget + (-)
Revenues			
Property taxes	\$ -	\$ -	\$ -
Accommodation taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	10,000	-	(10,000)
Fines and forfeits	-	-	-
Investment income (loss)	-	533	533
Other	-	(359)	(359)
<b>Total revenues</b>	<b>10,000</b>	<b>174</b>	<b>(9,826)</b>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	10,000	-	10,000
Health	-	-	-
Social services	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
Revenues over (under) expenditures	-	174	174
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	174	174
Fund balances, beginning of year	229,816	229,816	-
<b>Fund balances, end of year</b>	<b>\$ 229,816</b>	<b>\$ 229,990</b>	<b>\$ 174</b>

concluded



# WASHTENAW COUNTY

## Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2012

	Property Foreclosure	Principal Residence Exemption	Total
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 1,803,884	\$ 25,423	\$ 1,829,307
Due from other governments	1,539	-	1,539
Prepaid items	165,870	-	165,870
<b>Total current assets</b>	<b>1,971,293</b>	<b>25,423</b>	<b>1,996,716</b>
Noncurrent assets -			
Capital assets, net	5,446	-	5,446
<b>Total assets</b>	<b>1,976,739</b>	<b>25,423</b>	<b>2,002,162</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	6,911	-	6,911
Accrued liabilities	11,571	-	11,571
Accrued compensated absences, current portion	4,045	-	4,045
<b>Total current liabilities</b>	<b>22,527</b>	<b>-</b>	<b>22,527</b>
Long-term liabilities -			
Accrued compensated absences	31,743	-	31,743
<b>Total liabilities</b>	<b>54,270</b>	<b>-</b>	<b>54,270</b>
<b>Net position</b>			
Net investment in capital assets	5,446	-	5,446
Restricted for:			
Property foreclosure	1,917,023	-	1,917,023
Principal residence exemption	-	25,423	25,423
<b>Total net position</b>	<b>\$ 1,922,469</b>	<b>\$ 25,423</b>	<b>\$ 1,947,892</b>

# WASHTENAW COUNTY

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

Nonmajor Enterprise Funds

Year Ended December 31, 2012

	Property Foreclosure	Principal Residence Exemption	Total
Operating revenues			
Charges for services	\$ 1,716,032	\$ -	\$ 1,716,032
Interest charges	-	10,128	10,128
<b>Total operating revenues</b>	<b>1,716,032</b>	<b>10,128</b>	<b>1,726,160</b>
Operating expenses			
Personnel services	355,545	8,842	364,387
Contractual services	35,431	-	35,431
Supplies	101,960	-	101,960
Auction expenses	229,121	-	229,121
Fees	44,588	-	44,588
P.A. 123 foreclosure loss	479,772	-	479,772
Title research	51,815	-	51,815
Telephone	771	-	771
Equipment repair and rental	3,258	-	3,258
Other	4,917	1,941	6,858
Depreciation	5,678	-	5,678
<b>Total operating expenses</b>	<b>1,312,856</b>	<b>10,783</b>	<b>1,323,639</b>
Operating income (loss)	403,176	(655)	402,521
Nonoperating income			
Investment earnings	7,505	104	7,609
Income (loss) before transfers	410,681	(551)	410,130
Transfers out	(75,000)	-	(75,000)
Change in net position	335,681	(551)	335,130
Net position, beginning of year	1,586,788	25,974	1,612,762
Net position, end of year	\$ 1,922,469	\$ 25,423	\$ 1,947,892

# WASHTENAW COUNTY

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended December 31, 2012

	Property Foreclosure	Principal Residence Exemption	Total
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 2,862,621	\$ 10,128	\$ 2,872,749
Cash payments to employees	(346,561)	(8,842)	(355,403)
Cash payments to suppliers	(1,155,458)	(1,941)	(1,157,399)
<b>Net cash provided (used) by operating activities</b>	<b>1,360,602</b>	<b>(655)</b>	<b>1,359,947</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers out to other funds	(75,000)	-	(75,000)
<b>Cash flows from investing activities</b>			
Investment earnings	7,505	104	7,609
<b>Change in cash and pooled investments</b>	<b>1,293,107</b>	<b>(551)</b>	<b>1,292,556</b>
<b>Cash and pooled investments, beginning of year</b>	<b>510,777</b>	<b>25,974</b>	<b>536,751</b>
<b>Cash and pooled investments, end of year</b>	<b>\$ 1,803,884</b>	<b>\$ 25,423</b>	<b>\$ 1,829,307</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 403,176	\$ (655)	\$ 402,521
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	5,678	-	5,678
Changes in assets and liabilities:			
Due from other governments	1,146,589	-	1,146,589
Prepaid items	(165,870)	-	(165,870)
Accounts payable	(37,173)	-	(37,173)
Accrued liabilities	(782)	-	(782)
Accrued compensated absences	8,984	-	8,984
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,360,602</b>	<b>\$ (655)</b>	<b>\$ 1,359,947</b>

# WASHTENAW COUNTY

## Combining Statement of Net Position

Internal Service Funds

December 31, 2012

	Facilities Management Revolving	Fleet Management Revolving	Fringe Benefit Revolving
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 1,537,086	\$ 1,061,498	\$ 885,691
Accounts receivable	300	-	50,000
Due from other governments	-	-	1,036
Inventories	-	-	-
Prepaid items	-	-	-
<b>Total current assets</b>	<b>1,537,386</b>	<b>1,061,498</b>	<b>936,727</b>
Noncurrent assets:			
Capital assets, net	-	2,583,651	-
<b>Total assets</b>	<b>1,537,386</b>	<b>3,645,149</b>	<b>936,727</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	94,838	2,848	250,211
Accrued liabilities	80,632	5,189	3,774
Due to other governments	40,491	-	-
Unearned revenue	2,910	-	-
Current portion of:			
Compensated absences	37,268	1,366	-
Claims payable	-	-	24,000
<b>Total current liabilities</b>	<b>256,139</b>	<b>9,403</b>	<b>277,985</b>
Long-term liabilities:			
Compensated absences , net	226,227	20,441	-
Claims payable, net	-	-	-
<b>Total long-term liabilities</b>	<b>226,227</b>	<b>20,441</b>	<b>-</b>
<b>Total liabilities</b>	<b>482,366</b>	<b>29,844</b>	<b>277,985</b>
<b>Net position</b>			
Net investment in capital assets	-	2,583,651	-
Unrestricted	1,055,020	1,031,654	658,742
<b>Total net position</b>	<b>\$ 1,055,020</b>	<b>\$ 3,615,305</b>	<b>\$ 658,742</b>



General Services Revolving	Insurance Revolving	Medical Insurance Revolving	Telephone Revolving	Worker's Compensation Revolving	Total
\$ 156,071	\$ 2,010,159	\$ 1,417,222	\$ 41,147	\$ 975,558	\$ 8,084,432
-	-	-	-	114,800	165,100
1,181	-	338,488	-	-	340,705
9,409	-	-	-	-	9,409
-	775,862	3,137,328	-	-	3,913,190
166,661	2,786,021	4,893,038	41,147	1,090,358	12,512,836
428,737	-	-	-	-	3,012,388
595,398	2,786,021	4,893,038	41,147	1,090,358	15,525,224
24,249	46,474	-	41,147	45,050	504,817
-	13,789	996	-	5,180	109,560
-	-	-	-	-	40,491
-	10,001	-	-	-	12,911
-	7,226	-	-	-	45,860
-	504,500	1,337,000	-	372,000	2,237,500
24,249	581,990	1,337,996	41,147	422,230	2,951,139
-	23,791	-	-	-	270,459
-	504,500	-	-	248,000	752,500
-	528,291	-	-	248,000	1,022,959
24,249	1,110,281	1,337,996	41,147	670,230	3,974,098
428,737	-	-	-	-	3,012,388
142,412	1,675,740	3,555,042	-	420,128	8,538,738
\$ 571,149	\$ 1,675,740	\$ 3,555,042	\$ -	\$ 420,128	\$ 11,551,126

# WASHTENAW COUNTY

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

Internal Service Funds

Year Ended December 31, 2012

	Facilities Management Revolving	Fleet Management Revolving	Fringe Benefit Revolving
Operating revenues			
Charges for services	\$ 6,659,574	\$ 2,678,537	\$ 3,858,106
Operating expenses			
Personnel services	2,147,328	145,116	-
Contractual services	142,825	10,467	43,846
Supplies	383,485	881,827	-
Occupancy	2,320,579	172,028	-
Telephone	30,296	2,361	-
Equipment repair and rental	161,558	373,005	-
Building repair and rental	166,373	-	-
Benefit payments and insurance premiums	-	-	3,639,867
Other	744,927	(534)	92,130
Depreciation	-	970,343	-
Total operating expenses	6,097,371	2,554,613	3,775,843
Operating income	562,203	123,924	82,263
Nonoperating revenues (expenses)			
Investment income	5,333	4,066	4,021
Gain (loss) on sale of capital assets	-	49,516	-
Total nonoperating revenues (expenses)	5,333	53,582	4,021
Change in net position	567,536	177,506	86,284
Net position, beginning of year	487,484	3,437,799	572,458
Net position, end of year	\$ 1,055,020	\$ 3,615,305	\$ 658,742

General Services Revolving	Insurance Revolving	Medical Insurance Revolving	Telephone Revolving	Worker's Compensation Revolving	Total
\$ 638,267	\$ 2,576,556	\$ 22,184,731	\$ 659,467	\$ 813,005	\$ 40,068,243
17,324	281,491	-	-	202,880	2,794,139
-	572,955	-	-	36,609	806,702
275,739	272	-	-	-	1,541,323
22,654	33,224	-	-	-	2,548,485
-	-	-	652,727	-	685,384
123,024	-	-	-	-	657,587
-	-	-	-	-	166,373
-	1,457,846	21,375,710	-	334,534	26,807,957
-	488	-	-	-	837,011
155,752	-	-	6,740	-	1,132,835
594,493	2,346,276	21,375,710	659,467	574,023	37,977,796
43,774	230,280	809,021	-	238,982	2,090,447
268	10,457	13,494	-	4,566	42,205
(4,969)	-	-	-	-	44,547
(4,701)	10,457	13,494	-	4,566	86,752
39,073	240,737	822,515	-	243,548	2,177,199
532,076	1,435,003	2,732,527	-	176,580	9,373,927
\$ 571,149	\$ 1,675,740	\$ 3,555,042	\$ -	\$ 420,128	\$ 11,551,126

# WASHTENAW COUNTY

## Combining Statement of Cash Flows Internal Service Funds Year Ended December 31, 2012

	Facilities Management Revolving	Fleet Management Revolving	Fringe Benefit Revolving
Cash flows from operating activities			
Cash received from interfund services	\$ 6,659,574	\$ 2,678,537	\$ 3,807,987
Cash payments to employees	(2,120,195)	(132,135)	(22,113)
Cash payments to suppliers	(3,923,205)	(1,433,945)	(3,809,396)
Cash payments for interfund services	(30,296)	(2,361)	-
Net cash provided (used) by operating activities	<u>585,878</u>	<u>1,110,096</u>	<u>(23,522)</u>
Cash flows from noncapital financing activities			
Advances from other funds	-	-	-
Cash flows from capital and related financing activities			
Proceeds from sale of equipment	-	191,455	-
Payments for equipment acquisitions	-	(1,046,163)	-
Net cash used by capital and related financing activities	<u>-</u>	<u>(854,708)</u>	<u>-</u>
Cash flows from investing activities			
Investment income	<u>5,333</u>	<u>4,066</u>	<u>4,021</u>
Change in cash and pooled investments	591,211	259,454	(19,501)
Cash and pooled investments, beginning of year	<u>945,875</u>	<u>802,044</u>	<u>905,192</u>
Cash and pooled investments, end of year	<u>\$ 1,537,086</u>	<u>\$ 1,061,498</u>	<u>\$ 885,691</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ 562,203	\$ 123,924	\$ 82,263
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	-	970,343	-
Changes in assets and liabilities:			
Accounts receivable	-	-	(50,000)
Due from other governments	-	-	(119)
Inventories	-	-	-
Prepaid items	-	-	-
Accounts payable	(3,615)	2,848	(32,853)
Accrued liabilities	8,800	573	(22,113)
Due to other governments	157	-	-
Unearned revenue	-	-	-
Claims payable	-	-	(700)
Accrued compensated absences	18,333	12,408	-
Net cash provided (used) by operating activities	<u>\$ 585,878</u>	<u>\$ 1,110,096</u>	<u>\$ (23,522)</u>



General Services Revolving	Insurance Revolving	Medical Insurance Revolving	Telephone Revolving	Worker's Compensation Revolving	Total
\$ 638,777	\$ 2,589,515	\$ 22,193,351	\$ 659,467	\$ 813,005	\$ 40,040,213
(17,324)	(264,202)	-	-	(201,187)	(2,757,156)
(399,405)	(2,134,469)	(23,702,432)	(637,806)	(727,571)	(36,768,229)
-	-	-	-	-	(32,657)
<u>222,048</u>	<u>190,844</u>	<u>(1,509,081)</u>	<u>21,661</u>	<u>(115,753)</u>	<u>482,171</u>
-	-	-	(6,789)	-	(6,789)
-	-	-	-	-	191,455
(189,014)	-	-	-	-	(1,235,177)
(189,014)	-	-	-	-	(1,043,722)
<u>268</u>	<u>10,457</u>	<u>13,494</u>	<u>-</u>	<u>4,566</u>	<u>42,205</u>
33,302	201,301	(1,495,587)	14,872	(111,187)	(526,135)
<u>122,769</u>	<u>1,808,858</u>	<u>2,912,809</u>	<u>26,275</u>	<u>1,086,745</u>	<u>8,610,567</u>
<u>\$ 156,071</u>	<u>\$ 2,010,159</u>	<u>\$ 1,417,222</u>	<u>\$ 41,147</u>	<u>\$ 975,558</u>	<u>\$ 8,084,432</u>
\$ 43,774	\$ 230,280	\$ 809,021	\$ -	\$ 238,982	\$ 2,090,447
155,752	-	-	6,740	-	1,132,835
-	-	-	-	-	(50,000)
510	12,959	8,620	-	-	21,970
(716)	-	-	-	-	(716)
50,000	(7,236)	(2,248,718)	-	-	(2,205,954)
(27,272)	(26,449)	-	14,921	(72,428)	(144,848)
-	6,255	996	-	1,693	(3,796)
-	-	-	-	-	157
-	10,001	-	-	-	10,001
-	(46,000)	(79,000)	-	(284,000)	(409,700)
-	11,034	-	-	-	41,775
<u>\$ 222,048</u>	<u>\$ 190,844</u>	<u>\$ (1,509,081)</u>	<u>\$ 21,661</u>	<u>\$ (115,753)</u>	<u>\$ 482,171</u>

# WASHTENAW COUNTY

## Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

December 31, 2012

	Employees' Retirement System	Money Purchase Pension Plan	Voluntary Employees Beneficiary Association
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments:			
Equities	123,669,295	-	32,836,419
United States treasuries	5,716,588	-	-
United States treasury strips	16,364,728	-	-
United States agencies	27,876,829	-	-
Corporate securities	20,785,282	-	188,760
Multi-strategy limited partnership	-	-	4,620,597
Real estate limited partnership	18,077,922	-	1,027,311
Hedge funds limited partnership	-	-	3,748,782
Mutual funds	-	982,934	23,369,864
Money market funds	6,206,971	-	12,073,000
Accounts receivable	-	-	52,963
Accrued interest and dividends	314,220	-	-
<b>Total assets</b>	<b>219,011,835</b>	<b>982,934</b>	<b>77,917,696</b>
<b>Liabilities</b>			
Accounts payable	175,570	-	-
Accrued liabilities	-	-	46,494
<b>Total liabilities</b>	<b>175,570</b>	<b>-</b>	<b>46,494</b>
<b>Net position</b>			
Net position held in trust for pension and other employee benefits	\$ 218,836,265	\$ 982,934	\$ 77,871,202

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



Severance Benefits	Unemployment Benefits	Total
\$ 845,956	\$ 426,631	\$ 1,272,587
-	-	156,505,714
-	-	5,716,588
-	-	16,364,728
-	-	27,876,829
-	-	20,974,042
-	-	4,620,597
-	-	19,105,233
-	-	3,748,782
-	-	24,352,798
-	-	18,279,971
-	-	52,963
733	398	315,351
<u>846,689</u>	<u>427,029</u>	<u>299,186,183</u>
-	-	175,570
<u>6,005</u>	<u>240,071</u>	<u>292,570</u>
<u>6,005</u>	<u>240,071</u>	<u>468,140</u>
<u><u>\$ 840,684</u></u>	<u><u>\$ 186,958</u></u>	<u><u>\$ 298,718,043</u></u>

# WASHTENAW COUNTY

## Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefit Trust Funds Year Ended December 31, 2012

	Employees' Retirement System	Money Purchase Pension Plan	Voluntary Employees Beneficiary Association
<b>Additions:</b>			
Investment income:			
From investing activities:			
Net appreciation in fair value of investments	\$ 19,611,606	\$ 103,143	\$ 4,745,856
Interest and dividends	3,366,041	18,521	1,581,840
Investment management fees	(773,395)	-	(363,323)
Net income from investing activities	<u>22,204,252</u>	<u>121,664</u>	<u>5,964,373</u>
From securities lending activities:			
Gross earnings	18,248	-	-
Borrower rebates	664	-	-
Securities fees	(7,501)	-	-
Loss on impairment of invested securities lending collateral	(328,171)	-	-
Net loss from securities lending activities	<u>(316,760)</u>	<u>-</u>	<u>-</u>
Total net investment income (loss)	<u>21,887,492</u>	<u>121,664</u>	<u>5,964,373</u>
Contributions:			
Employer	7,174,819	3,166	13,079,918
Employees	5,354,559	3,166	-
On behalf - federal Medicare Part D subsidy	-	-	346,410
Total contributions	<u>12,529,378</u>	<u>6,332</u>	<u>13,426,328</u>
Other additions	-	-	15,511
Total additions	<u>34,416,870</u>	<u>127,996</u>	<u>19,406,212</u>
Deductions:			
Participant benefits	20,216,544	-	7,486,926
Payments to terminated participants	-	104,706	-
Administrative expenses	379,998	-	201,757
Participant refunds	1,758,736	-	-
Total deductions	<u>22,355,278</u>	<u>104,706</u>	<u>7,688,683</u>
Net additions (deductions) to net position held in trust	12,061,592	23,290	11,717,529
Net position held in trust for benefits, beginning of year	<u>206,774,673</u>	<u>959,644</u>	<u>66,153,673</u>
Net position held in trust for benefits, end of year	<u>\$ 218,836,265</u>	<u>\$ 982,934</u>	<u>\$ 77,871,202</u>



Severance Benefits	Unemployment Benefits	Total
\$ -	\$ -	\$ 24,460,605
(1,102)	1,332	4,966,632
-	-	(1,136,718)
<u>(1,102)</u>	<u>1,332</u>	<u>28,290,519</u>
-	-	18,248
-	-	664
-	-	(7,501)
-	-	(328,171)
<u>-</u>	<u>-</u>	<u>(316,760)</u>
<u>(1,102)</u>	<u>1,332</u>	<u>27,973,759</u>
2,918,726	384,187	23,560,816
-	-	5,357,725
-	-	346,410
<u>2,918,726</u>	<u>384,187</u>	<u>29,264,951</u>
-	-	15,511
<u>2,917,624</u>	<u>385,519</u>	<u>57,254,221</u>
2,079,414	240,071	30,022,955
-	-	104,706
-	-	581,755
-	-	1,758,736
<u>2,079,414</u>	<u>240,071</u>	<u>32,468,152</u>
838,210	145,448	24,786,069
<u>2,474</u>	<u>41,510</u>	<u>273,931,974</u>
<u>\$ 840,684</u>	<u>\$ 186,958</u>	<u>\$ 298,718,043</u>

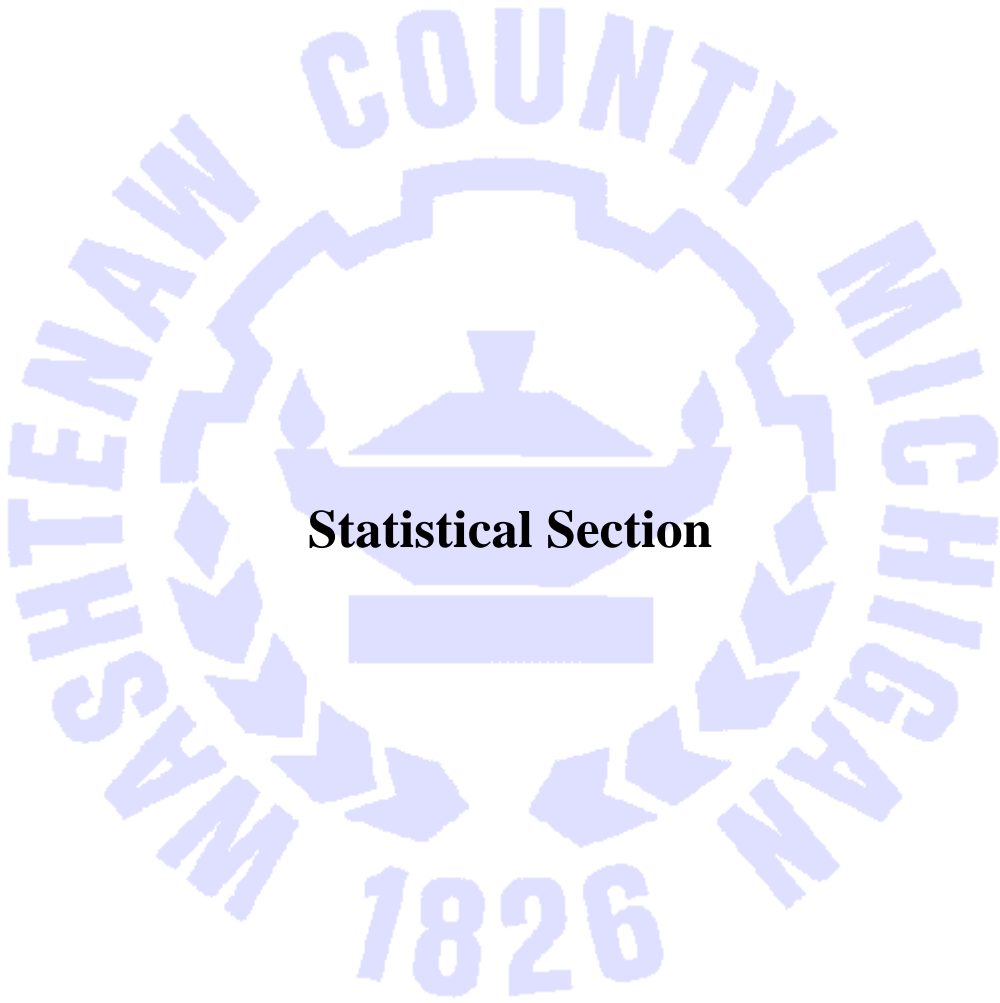
# WASHTENAW COUNTY

## Combining Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended December 31, 2012

	Balance January 1, 2012	Additions	(Deductions)	Balance December 31, 2012
<b>Assets</b>				
Cash and pooled investments	<u>\$ 32,349,663</u>	<u>\$ 407,209,770</u>	<u>\$ (400,723,154)</u>	<u>\$ 38,836,279</u>
<b>Liabilities</b>				
Undistributed receipts	<u>\$ 32,349,663</u>	<u>\$ 407,209,770</u>	<u>\$ (400,723,154)</u>	<u>\$ 38,836,279</u>



**Statistical Section**

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# WASHTENAW COUNTY

## Statistical Section

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

### CONTENTS

### Page

#### Financial Trends (schedules 1 thru 5A)

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 160

#### Revenue Capacity (schedules 6 thru 9)

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 174

#### Debt Capacity (schedules 10 thru 12)

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 180

#### Demographic and Economic Information (schedules 13 and 14)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 187

#### Operating Information (schedules 15 thru 18)

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 189

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

## WASHTENAW COUNTY

### Net Position by Component

Last Ten Years

(accrual basis of accounting)

	2003	2004	2005	2006
<b>Governmental activities</b>				
Net investment in capital assets	\$ 72,136,855	\$ 75,085,153	\$ 80,756,682	\$ 92,803,000
Restricted	11,953,882	31,316,365	46,988,598	63,835,365
Unrestricted	16,265,492	22,322,470	24,759,478	18,704,601
<b>Total governmental activities net position</b>	<b>\$ 100,356,229</b>	<b>\$ 128,723,988</b>	<b>\$ 152,504,758</b>	<b>\$ 175,342,966</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	10,283,817	9,615,484	9,722,818	10,085,873
<b>Total business-type activities net position</b>	<b>\$ 10,283,817</b>	<b>\$ 9,615,484</b>	<b>\$ 9,722,818</b>	<b>\$ 10,085,873</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 72,136,855	\$ 75,085,153	\$ 80,756,682	\$ 92,803,000
Restricted	22,237,699	40,931,849	56,711,416	73,921,238
Unrestricted	16,265,492	22,322,470	24,759,478	18,704,601
<b>Total primary government net position</b>	<b>\$ 110,640,046</b>	<b>\$ 138,339,472</b>	<b>\$ 162,227,576</b>	<b>\$ 185,428,839</b>

Source: Washtenaw County Finance Department

2007	2008	2009	2010	2011	2012
\$ 101,729,531	\$ 115,361,105	\$ 118,159,364	\$ 125,860,677	\$ 133,832,314	\$ 149,976,610
63,906,783	57,808,326	53,617,234	49,940,207	45,073,107	32,262,018
13,591,588	9,601,250	16,083,285	22,360,253	27,300,628	31,144,254
<u>\$ 179,227,902</u>	<u>\$ 182,770,681</u>	<u>\$ 187,859,883</u>	<u>\$ 198,161,137</u>	<u>\$ 206,206,049</u>	<u>\$ 213,382,882</u>
\$ 17,841	\$ 37,090	\$ 28,435	\$ 19,779	\$ 11,124	\$ 5,446
11,611,001	12,945,120	16,806,176	17,116,166	16,603,990	17,246,809
<u>\$ 11,628,842</u>	<u>\$ 12,982,210</u>	<u>\$ 16,834,611</u>	<u>\$ 17,135,945</u>	<u>\$ 16,615,114</u>	<u>\$ 17,252,255</u>
\$ 101,747,372	\$ 115,398,195	\$ 118,187,799	\$ 125,880,456	\$ 133,843,438	\$ 149,982,056
75,517,784	70,753,446	70,423,410	67,056,373	61,677,097	49,508,827
13,591,588	9,601,250	16,083,285	22,360,253	27,300,628	31,144,254
<u>\$ 190,856,744</u>	<u>\$ 195,752,891</u>	<u>\$ 204,694,494</u>	<u>\$ 215,297,082</u>	<u>\$ 222,821,163</u>	<u>\$ 230,635,137</u>

# WASHTENAW COUNTY

## Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2003	2004	2005	2006
<b>Expenses</b>				
<b>Governmental activities:</b>				
Legislative	\$ 597,651	\$ 647,373	\$ 722,185	\$ 539,323
Judicial	19,584,218	21,443,309	22,588,152	24,021,026
General government	23,723,024	20,459,640	24,431,995	20,346,898
Public safety	40,927,414	42,748,613	45,341,263	46,937,810
Public works	2,246,625	611,126	608,029	869,372
Health	30,669,892	31,869,261	35,694,857	40,868,460
Social services	21,672,601	22,006,150	26,681,106	31,099,614
Culture and recreation	6,634,291	7,064,861	6,891,231	7,998,879
Interest on long-term debt	1,643,952	1,273,833	1,027,653	1,375,511
<b>Total governmental activities expenses</b>	<b>147,699,668</b>	<b>148,124,166</b>	<b>163,986,471</b>	<b>174,056,893</b>
<b>Business-type activities:</b>				
Delinquent tax collection	180,046	241,083	591,362	908,669
Property foreclosure	228,598	189,756	314,439	288,376
Brownfield revolving loan	-	-	-	11,960
Principal residence exemption	-	-	-	9,968
<b>Total business-type activities expenses</b>	<b>408,644</b>	<b>430,839</b>	<b>905,801</b>	<b>1,218,973</b>
<b>Total primary government expenses</b>	<b>148,108,312</b>	<b>148,555,005</b>	<b>164,892,272</b>	<b>175,275,866</b>
<b>Program revenues</b>				
<b>Governmental activities:</b>				
<b>Charges for services:</b>				
Judicial	3,352,989	3,613,380	3,763,939	4,074,640
General government	7,406,625	6,992,302	7,572,808	5,821,567
Public safety	11,049,685	12,141,274	12,110,959	12,021,420
Public works	187,780	169,811	167,094	184,188
Health	3,279,950	3,504,205	4,716,287	3,227,343
Social services	359,584	1,195,278	1,031,688	1,042,936
Culture and recreation	2,958,441	2,823,269	3,253,314	3,225,036
Other activities	145,126	148,876	150,676	141,646
Operating grants and contributions	52,695,000	53,642,415	60,027,293	61,329,306
Capital grants and contributions	3,473,175	960,689	211,159	76,441
<b>Total governmental activities program revenues</b>	<b>84,908,355</b>	<b>85,191,499</b>	<b>93,005,217</b>	<b>91,144,523</b>
<b>Business-type activities:</b>				
<b>Charges for services:</b>				
Delinquent tax collection	2,563,993	2,398,603	2,636,271	2,896,431
Property foreclosure	646,920	284,980	412,680	660,333
Principal residence exemption	-	-	-	9,425
Operating grants and contributions	-	-	27,424	11,960
<b>Total business-type activities program revenues</b>	<b>3,210,913</b>	<b>2,683,583</b>	<b>3,076,375</b>	<b>3,578,149</b>
<b>Total primary government program revenues</b>	<b>88,119,268</b>	<b>87,875,082</b>	<b>96,081,592</b>	<b>94,722,672</b>
<b>Net (Expense)/Revenue</b>				
Government activities	(62,791,313)	(62,932,667)	(70,981,254)	(82,912,370)
Business-type activities	2,802,269	2,252,744	2,170,574	2,359,176
<b>Total primary government net expense</b>	<b>(59,989,044)</b>	<b>(60,679,923)</b>	<b>(68,810,680)</b>	<b>(80,553,194)</b>

2007	2008	2009	2010	2011	2012
\$ 576,094	\$ 606,763	\$ 593,756	\$ 526,142	\$ 477,251	\$ 458,654
25,458,987	25,161,986	24,261,496	23,900,492	22,688,793	22,276,127
24,111,811	25,003,419	19,155,496	18,483,213	18,654,907	16,809,012
51,217,621	52,060,983	52,567,442	54,263,600	57,583,782	63,007,827
757,558	789,934	982,745	844,588	750,515	537,429
41,041,193	43,139,351	44,486,741	43,899,534	38,020,491	40,050,076
31,556,019	34,413,953	37,914,200	41,959,629	35,795,507	30,552,937
8,995,250	9,057,274	9,312,142	8,981,545	9,785,702	10,133,523
2,878,426	3,295,572	3,544,774	3,322,673	3,059,884	2,541,827
<u>186,592,959</u>	<u>193,529,235</u>	<u>192,818,792</u>	<u>196,181,416</u>	<u>186,816,832</u>	<u>186,367,412</u>
1,356,027	1,159,047	605,375	596,092	670,127	363,295
408,209	442,955	801,048	794,981	932,123	1,312,856
-	-	-	-	-	-
29,259	10,265	11,329	3,707	18,834	10,783
<u>1,793,495</u>	<u>1,612,267</u>	<u>1,417,752</u>	<u>1,394,780</u>	<u>1,621,084</u>	<u>1,686,934</u>
<u>188,386,454</u>	<u>195,141,502</u>	<u>194,236,544</u>	<u>197,576,196</u>	<u>188,437,916</u>	<u>188,054,346</u>
4,391,210	4,094,645	3,583,580	3,521,234	3,552,654	3,307,633
5,271,252	4,314,215	4,859,331	4,900,363	5,000,000	5,807,947
12,470,668	14,734,612	15,680,018	15,149,724	16,322,063	17,760,432
-	-	46,464	69,883	80,308	125,658
3,872,437	3,797,174	3,084,865	3,715,892	2,938,582	3,872,371
625,262	759,804	590,521	542,702	523,708	481,592
3,228,112	3,101,561	2,976,259	3,230,661	3,283,576	3,350,356
-	-	-	-	-	-
63,759,215	71,865,991	76,525,122	84,101,904	74,135,727	72,298,292
428,017	562,620	1,118,781	557,446	501,837	1,692,183
<u>94,046,173</u>	<u>103,230,622</u>	<u>108,464,941</u>	<u>115,789,809</u>	<u>106,338,455</u>	<u>108,696,464</u>
3,722,455	5,216,222	6,764,664	5,989,201	5,525,120	4,541,776
449,036	382,509	616,929	1,291,039	1,269,367	1,716,032
13,923	18,253	12,210	16,411	20,898	10,128
-	-	-	-	-	-
<u>4,185,414</u>	<u>5,616,984</u>	<u>7,393,803</u>	<u>7,296,651</u>	<u>6,815,385</u>	<u>6,267,936</u>
<u>98,231,587</u>	<u>108,847,606</u>	<u>115,858,744</u>	<u>123,086,460</u>	<u>113,153,840</u>	<u>114,964,400</u>
(92,546,786)	(90,298,613)	(84,353,851)	(80,391,607)	(80,478,377)	(77,670,948)
<u>2,391,919</u>	<u>4,004,717</u>	<u>5,976,051</u>	<u>5,901,871</u>	<u>5,194,301</u>	<u>4,581,002</u>
<u>(90,154,867)</u>	<u>(86,293,896)</u>	<u>(78,377,800)</u>	<u>(74,489,736)</u>	<u>(75,284,076)</u>	<u>(73,089,946)</u>

continued...

# WASHTENAW COUNTY

## Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2003	2004	2005	2006
General Revenues				
Governmental activities:				
Property taxes	\$ 60,406,712	\$ 82,991,160	\$ 87,864,506	\$ 95,271,757
Accommodation taxes	1,205,356	1,277,988	1,334,932	1,405,408
Unrestricted grants and contributions	6,538,510	3,003,251	457,637	366,250
Investment earnings	1,640,730	1,512,323	2,558,336	4,150,209
Gain on sale of capital assets	-	-	-	-
Transfers	2,462,465	2,515,704	2,546,616	2,838,959
Total governmental activities	<u>72,253,773</u>	<u>91,300,426</u>	<u>94,762,027</u>	<u>104,032,583</u>
Business-type activities:				
Investment earnings	(74,699)	(515,993)	(141,666)	763,766
Transfers	(2,446,194)	(2,405,084)	(1,921,574)	(2,759,887)
Total business-type activities	<u>(2,520,893)</u>	<u>(2,921,077)</u>	<u>(2,063,240)</u>	<u>(1,996,121)</u>
Total primary government	<u>69,732,880</u>	<u>88,379,349</u>	<u>92,698,787</u>	<u>102,036,462</u>
Change in Net Position				
Government activities	9,462,460	28,367,759	23,780,773	21,120,213
Business-type activities	281,376	(668,333)	107,334	363,055
Total primary government	<u>\$ 9,743,836</u>	<u>\$ 27,699,426</u>	<u>\$ 23,888,107</u>	<u>\$ 21,483,268</u>

Source: Washtenaw County Finance Department

	2007	2008	2009	2010	2011	2012
\$	86,549,856	\$ 84,291,171	\$ 82,635,161	\$ 79,314,216	\$ 76,744,940	\$ 76,320,529
	1,494,702	1,476,545	3,039,774	3,539,013	3,993,639	4,305,258
	544,946	1,050,991	428,646	1,245,565	1,340,281	838,212
	6,575,702	4,332,145	898,316	474,069	502,567	352,708
	-	-	-	181,341	44,220	-
	1,622,955	2,555,369	2,918,000	5,938,657	5,897,642	4,050,055
	<u>96,788,161</u>	<u>93,706,221</u>	<u>89,919,897</u>	<u>90,692,861</u>	<u>88,523,289</u>	<u>85,866,762</u>
	825,864	603,510	84,974	132,538	164,008	103,367
	(1,674,814)	(3,254,859)	(2,208,624)	(5,733,075)	(5,879,140)	(4,047,228)
	<u>(848,950)</u>	<u>(2,651,349)</u>	<u>(2,123,650)</u>	<u>(5,600,537)</u>	<u>(5,715,132)</u>	<u>(3,943,861)</u>
	<u>95,939,211</u>	<u>91,054,872</u>	<u>87,796,247</u>	<u>85,092,324</u>	<u>82,808,157</u>	<u>81,922,901</u>
	4,241,375	3,407,608	5,566,046	10,301,254	8,044,912	8,195,814
	1,542,969	1,353,368	3,852,401	301,334	(520,831)	637,141
\$	<u>5,784,344</u>	<u>4,760,976</u>	<u>9,418,447</u>	<u>10,602,588</u>	<u>7,524,081</u>	<u>8,832,955</u>

concluded

# WASHTENAW COUNTY

## Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2003	2004	2005	2006
<b>General fund</b>				
Reserved	\$ 1,140,757	\$ 966,852	\$ 881,264	\$ 141,069
Unreserved	6,323,675	6,940,364	7,465,485	8,352,216
Unassigned	-	-	-	-
<b>Total general fund</b>	<b>\$ 7,464,432</b>	<b>\$ 7,907,216</b>	<b>\$ 8,346,749</b>	<b>\$ 8,493,285</b>
<b>All other governmental funds</b>				
Reserved	\$ 2,435,812	\$ 3,950,573	\$ 6,207,220	\$ 5,046,822
Unreserved, reported in:				
Special revenue funds	12,312,220	33,461,825	48,621,711	63,011,160
Debt service funds	12,676	12,976	15,591	14,815
Capital projects funds	16,016,182	21,568,510	14,753,918	38,482,509
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 30,776,890</b>	<b>\$ 58,993,884</b>	<b>\$ 69,598,440</b>	<b>\$ 106,555,306</b>

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

Source: Washtenaw County Finance Department



2007	2008	2009	2010	2011	2012
\$ 1,176,336	\$ 64,335	\$ -	\$ 6,667	\$ -	\$ -
7,481,045	9,123,996	9,773,059	15,310,490	-	-
-	-	-	-	14,526,098	16,788,087
<u>\$ 8,657,381</u>	<u>\$ 9,188,331</u>	<u>\$ 9,773,059</u>	<u>\$ 15,317,157</u>	<u>\$ 14,526,098</u>	<u>\$ 16,788,087</u>
\$ 8,095,327	\$ 5,024,720	\$ 4,427,403	\$ 5,718,259	\$ -	\$ -
60,419,597	56,539,750	55,743,317	50,452,188	-	-
14,040	15,863	15,144	1,128	-	-
59,428,860	68,833,507	31,257,471	17,010,238	-	-
-	-	-	-	6,789	47,559
-	-	-	-	34,242,391	38,295,971
-	-	-	-	20,071,959	21,340,093
<u>\$ 127,957,824</u>	<u>\$ 130,413,840</u>	<u>\$ 91,443,335</u>	<u>\$ 73,181,813</u>	<u>\$ 54,321,139</u>	<u>\$ 59,683,623</u>

# WASHTENAW COUNTY

## Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2003	2004	2005	2006
<b>Revenues</b>				
Property taxes	\$ 60,406,712	\$ 82,991,160	\$ 87,864,506	\$ 95,271,757
Accommodation taxes	1,205,356	1,277,988	1,334,932	1,405,408
Licenses and permits	3,417,281	3,582,066	3,413,829	2,837,341
Intergovernmental	55,515,317	53,442,839	56,934,231	57,906,931
Charges for services	23,770,669	23,964,870	27,153,376	24,673,031
Fines and forfeits	1,192,646	1,846,181	1,167,872	1,185,468
Investment income	1,498,295	1,380,964	2,282,039	3,759,219
Other revenues	7,927,593	5,588,048	5,187,022	5,319,978
<b>Total revenues</b>	<b>154,933,869</b>	<b>174,074,116</b>	<b>185,337,807</b>	<b>192,359,133</b>
<b>Expenditures</b>				
Legislative	578,996	639,574	642,291	527,328
Judicial	19,154,639	20,414,926	21,176,406	22,898,849
General government	15,910,534	12,929,577	14,270,733	13,443,983
Public safety	39,767,190	41,600,021	44,163,259	45,998,323
Public works	2,291,765	613,201	600,718	832,179
Health	30,148,915	31,486,496	35,254,194	37,820,725
Social services	21,963,095	22,412,894	26,238,219	29,687,409
Culture and recreation	11,120,549	10,234,930	12,382,181	13,839,071
Other unallocated	3,634,853	4,223,737	4,473,369	4,506,919
Capital outlay	13,085,312	5,105,824	11,795,834	7,203,937
Debt service				
Principal	3,605,000	3,475,000	3,449,476	2,984,476
Interest and fiscal charges	1,632,341	1,309,370	1,059,088	1,200,251
Bond issuance costs	146,459	294,511	235,176	183,585
<b>Total expenditures</b>	<b>163,039,648</b>	<b>154,740,061</b>	<b>175,740,944</b>	<b>181,127,035</b>
<b>Revenues over (under) expenditures</b>	<b>(8,105,779)</b>	<b>19,334,055</b>	<b>9,596,863</b>	<b>11,232,098</b>
<b>Other financing sources (uses)</b>				
Issuance of bonds	-	6,365,000	-	23,750,000
Issuance of refunding bonds	8,705,000	7,835,000	11,475,000	-
Discount on bonds	-	-	-	-
Premium on bonds	-	-	-	236,004
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	24,406,361	39,613,259	44,521,956	48,305,876
Transfers out	(21,173,427)	(36,708,800)	(43,308,404)	(46,165,148)
<b>Total other financing sources (uses)</b>	<b>3,340,784</b>	<b>9,325,723</b>	<b>1,447,228</b>	<b>26,126,732</b>
<b>Net changes in fund balances</b>	<b>\$ (4,764,995)</b>	<b>\$ 28,659,778</b>	<b>\$ 11,044,091</b>	<b>\$ 37,358,830</b>
<b>Debt services as a percentage of noncapital expenditures</b>	<b>3.7%</b>	<b>3.4%</b>	<b>2.9%</b>	<b>2.6%</b>

Source: Washtenaw County Finance Department

	2007	2008	2009	2010	2011	2012
\$	86,549,856	\$ 84,291,171	\$ 82,635,161	\$ 79,314,216	\$ 76,744,940	\$ 76,320,529
	1,494,702	1,476,545	3,039,774	3,539,013	3,993,639	4,305,258
	2,553,918	2,316,048	2,137,762	2,162,555	2,196,515	2,821,108
	60,185,360	68,574,831	73,925,405	80,607,931	70,256,323	69,810,989
	25,474,636	26,473,441	27,024,216	27,375,355	27,897,184	30,153,635
	1,205,125	1,252,718	1,068,539	1,049,847	1,083,484	1,249,654
	6,334,119	4,077,008	828,910	398,865	443,123	310,503
	5,798,659	6,104,802	5,995,242	6,463,798	7,448,911	6,887,513
	<u>189,596,375</u>	<u>194,566,564</u>	<u>196,655,009</u>	<u>200,911,580</u>	<u>190,064,119</u>	<u>191,859,189</u>
	560,972	597,886	592,975	522,093	477,736	455,758
	24,263,382	24,133,352	23,574,691	22,627,356	21,932,462	21,639,029
	16,059,495	13,589,970	11,096,546	9,789,325	12,957,266	10,468,873
	49,495,839	50,947,419	52,112,759	52,947,824	55,185,680	61,596,234
	743,454	785,662	908,992	851,970	796,280	553,921
	39,238,401	42,181,982	44,195,428	43,887,857	38,098,055	40,468,581
	30,124,778	32,409,404	36,144,867	40,634,460	34,378,918	30,073,818
	11,462,934	17,744,932	11,808,558	13,098,438	13,468,228	20,609,839
	5,873,564	6,293,261	7,141,652	5,442,086	5,589,384	4,259,390
	6,911,345	18,335,258	39,663,808	19,674,091	3,727,764	3,862,427
	4,224,476	5,894,476	7,235,185	7,686,172	8,124,668	8,769,992
	2,603,594	2,947,632	3,436,595	3,238,624	2,980,657	2,691,168
	521,544	365,355	-	-	-	166,892
	<u>192,083,778</u>	<u>216,226,589</u>	<u>237,912,056</u>	<u>220,400,296</u>	<u>197,717,098</u>	<u>205,615,922</u>
	<u>(2,487,403)</u>	<u>(21,660,025)</u>	<u>(41,257,047)</u>	<u>(19,488,716)</u>	<u>(7,652,979)</u>	<u>(13,756,733)</u>
	21,675,000	22,120,000	-	-	-	11,497,607
	-	-	-	-	-	-
	-	(22,855)	-	-	-	-
	125,147	-	-	-	-	239,678
	-	-	-	-	-	-
	-	-	-	-	-	(11,385,000)
	695,122	-	430,117	526,677	1,302,837	71,316
	41,145,222	44,464,023	45,197,410	42,441,579	43,119,181	43,390,812
	<u>(39,512,668)</u>	<u>(41,914,177)</u>	<u>(42,279,410)</u>	<u>(36,196,964)</u>	<u>(39,513,222)</u>	<u>(39,340,757)</u>
	<u>24,127,823</u>	<u>24,646,991</u>	<u>3,348,117</u>	<u>6,771,292</u>	<u>4,908,796</u>	<u>4,473,656</u>
\$	<u>21,640,420</u>	<u>2,986,966</u>	<u>(37,908,930)</u>	<u>(12,717,424)</u>	<u>(2,744,183)</u>	<u>(9,283,077)</u>
	<u>4.0%</u>	<u>4.8%</u>	<u>5.4%</u>	<u>5.6%</u>	<u>5.9%</u>	<u>6.1%</u>

# WASHTENAW COUNTY

## Changes in Fund Balances - General Fund

Last Ten Years  
(modified accrual basis of accounting)

	2003	2004	2005	2006
<b>Revenues</b>				
Property taxes	\$ 52,227,354	\$ 54,883,846	\$ 59,645,096	\$ 66,237,030
Licenses and permits	169,388	171,524	161,907	174,530
Intergovernmental	10,563,759	7,758,214	5,641,139	5,308,246
Charges for services	16,262,412	16,165,713	17,521,139	16,911,965
Fines and forfeits	1,125,425	1,226,872	1,106,638	1,118,938
Investment income	612,244	544,005	628,154	1,145,749
Other revenues	1,084,307	941,153	1,032,874	917,865
<b>Total revenues</b>	<b>82,044,889</b>	<b>81,691,327</b>	<b>85,736,947</b>	<b>91,814,323</b>
<b>Expenditures</b>				
Legislative	578,996	639,574	642,291	527,328
Judicial	13,602,187	14,235,820	14,916,715	16,216,012
General government	13,284,578	9,619,781	10,553,533	11,648,323
Public safety	33,285,150	36,535,457	38,948,971	40,911,096
Public works	402,840	-	-	-
Social services	1,243,477	1,178,913	1,263,782	1,574,522
Culture and recreation	718,738	820,124	628,307	654,343
Other unallocated	3,634,853	4,223,737	4,473,369	4,506,919
Debt service:				
Principal	-	-	-	-
Interest and fiscal changes	-	-	-	-
<b>Total expenditures</b>	<b>66,750,819</b>	<b>67,253,406</b>	<b>71,426,968</b>	<b>76,038,543</b>
<b>Revenues over (under) expenditures</b>	<b>15,294,070</b>	<b>14,437,921</b>	<b>14,309,979</b>	<b>15,775,780</b>
<b>Other financing sources (uses)</b>				
Capital leases	-	-	-	-
Transfers in	925,501	4,620,356	6,611,427	6,958,254
Transfers out	(16,150,909)	(18,615,493)	(20,481,873)	(22,332,075)
<b>Total other financing sources (uses)</b>	<b>(15,225,408)</b>	<b>(13,995,137)</b>	<b>(13,870,446)</b>	<b>(15,373,821)</b>
<b>Net changes in fund balances</b>	<b>\$ 68,662</b>	<b>\$ 442,784</b>	<b>\$ 439,533</b>	<b>\$ 401,959</b>

Source: Washtenaw County Finance Department

Schedule 5  
UNAUDITED

2007	2008	2009	2010	2011	2012
\$ 72,803,650	\$ 70,205,639	\$ 68,211,292	\$ 64,703,053	\$ 63,038,787	\$ 62,723,877
271,202	178,489	173,367	205,407	254,479	266,421
5,524,930	5,848,199	5,743,226	5,871,026	5,703,092	6,446,696
17,331,774	18,041,878	18,581,479	18,008,529	19,282,538	20,646,196
1,141,280	1,045,732	983,940	933,663	956,065	919,733
1,429,478	785,074	185,483	129,650	124,460	53,757
974,130	1,467,791	1,668,811	1,781,630	2,666,887	2,026,571
<u>99,476,444</u>	<u>97,572,802</u>	<u>95,547,598</u>	<u>91,632,958</u>	<u>92,026,308</u>	<u>93,083,251</u>
560,972	597,886	592,975	522,093	477,736	455,758
17,316,916	17,246,115	17,229,218	16,869,266	16,489,919	16,583,079
14,244,201	10,812,812	7,878,754	5,068,342	7,885,475	5,068,655
43,786,137	45,051,719	45,095,753	46,659,680	49,163,370	54,037,578
-	-	326,863	237,100	226,092	149,355
1,519,638	1,803,863	1,525,431	419,048	326,365	317,154
667,590	809,009	819,549	649,794	622,288	391,430
5,873,564	6,293,261	7,141,652	5,442,086	5,589,384	4,259,390
-	-	225,709	273,554	345,192	344,647
-	-	26,129	44,246	42,804	26,509
<u>83,969,018</u>	<u>82,614,665</u>	<u>80,862,033</u>	<u>76,185,209</u>	<u>81,168,625</u>	<u>81,633,555</u>
<u>15,507,426</u>	<u>14,958,137</u>	<u>14,685,565</u>	<u>15,447,749</u>	<u>10,857,683</u>	<u>11,449,696</u>
695,122	-	430,117	494,924	1,302,837	71,316
7,390,700	8,678,199	8,401,218	7,916,188	7,879,448	8,889,362
<u>(23,355,340)</u>	<u>(23,105,386)</u>	<u>(22,932,172)</u>	<u>(18,314,763)</u>	<u>(20,831,027)</u>	<u>(18,148,385)</u>
<u>(15,269,518)</u>	<u>(14,427,187)</u>	<u>(14,100,837)</u>	<u>(9,903,651)</u>	<u>(11,648,742)</u>	<u>(9,187,707)</u>
<u>\$ 237,908</u>	<u>\$ 530,950</u>	<u>\$ 584,728</u>	<u>\$ 5,544,098</u>	<u>\$ (791,059)</u>	<u>\$ 2,261,989</u>

# WASHTENAW COUNTY

## Changes in Fund Balances - General Fund

(Expenditures by Category)

Last Ten Years

(modified accrual basis of accounting)

	2003	2004	2005	2006
<b>Revenues</b>				
Property taxes	\$ 52,227,354	\$ 54,883,846	\$ 59,645,096	\$ 66,237,030
Licenses and permits	169,388	171,524	161,907	174,530
Intergovernmental	10,563,759	7,758,214	5,641,139	5,308,246
Charges for services	16,262,412	16,165,713	17,521,139	16,911,965
Fines and forfeits	1,125,425	1,226,872	1,106,638	1,118,938
Investment income	612,244	544,005	628,154	1,145,749
Other revenues	1,084,307	941,153	1,032,874	917,865
<b>Total revenues</b>	<b>82,044,889</b>	<b>81,691,327</b>	<b>85,736,947</b>	<b>91,814,323</b>
<b>Expenditures</b>				
Personal services	49,903,278	51,764,737	55,129,899	58,424,800
Supplies	1,452,823	1,627,031	1,528,967	1,696,147
Other services and charges	13,118,819	12,179,677	13,345,666	14,240,236
Internal service charges	2,222,890	1,645,145	1,410,187	1,676,520
Capital outlay	53,009	36,816	12,248	840
Debt service	-	-	-	-
<b>Total expenditures</b>	<b>66,750,819</b>	<b>67,253,406</b>	<b>71,426,968</b>	<b>76,038,543</b>
<b>Revenues over (under) expenditures</b>	<b>15,294,070</b>	<b>14,437,921</b>	<b>14,309,979</b>	<b>15,775,780</b>
<b>Other financing sources (uses)</b>				
Capital leases	-	-	-	-
Transfers in	925,501	4,620,356	6,611,427	6,958,254
Transfers out	(16,150,909)	(18,615,493)	(20,481,873)	(22,332,075)
<b>Total other financing sources (uses)</b>	<b>(15,225,408)</b>	<b>(13,995,137)</b>	<b>(13,870,446)</b>	<b>(15,373,821)</b>
<b>Net changes in fund balances</b>	<b>\$ 68,662</b>	<b>\$ 442,784</b>	<b>\$ 439,533</b>	<b>\$ 401,959</b>

Source: Washtenaw County Finance Department

2007	2008	2009	2010	2011	2012
\$ 72,803,650	\$ 70,205,639	\$ 68,211,292	\$ 64,703,053	\$ 63,038,787	\$ 62,723,877
271,202	178,489	173,367	205,407	254,479	266,421
5,524,930	5,848,199	5,743,226	5,871,026	5,703,092	6,446,696
17,331,774	18,041,878	18,581,479	18,008,529	19,282,538	20,646,196
1,141,280	1,045,732	983,940	933,663	956,065	919,733
1,429,478	785,074	185,483	129,650	124,460	53,757
974,130	1,467,791	1,668,811	1,781,630	2,666,887	2,026,571
<u>99,476,444</u>	<u>97,572,802</u>	<u>95,547,598</u>	<u>91,632,958</u>	<u>92,026,308</u>	<u>93,083,251</u>
63,324,954	63,221,173	61,607,795	60,772,335	63,392,878	64,869,199
1,603,767	1,596,407	1,601,385	1,703,731	1,714,923	1,966,453
16,377,624	15,920,395	16,182,001	12,514,061	12,354,012	12,739,007
2,650,264	1,602,137	779,808	302,685	2,015,979	1,608,906
12,409	274,553	439,206	574,597	1,302,837	76,025
-	-	251,838	317,800	387,996	373,965
<u>83,969,018</u>	<u>82,614,665</u>	<u>80,862,033</u>	<u>76,185,209</u>	<u>81,168,625</u>	<u>81,633,555</u>
<u>15,507,426</u>	<u>14,958,137</u>	<u>14,685,565</u>	<u>15,447,749</u>	<u>10,857,683</u>	<u>11,449,696</u>
695,122	-	430,117	494,924	1,302,837	71,316
7,390,700	8,678,199	8,401,218	7,916,188	7,879,448	8,889,362
(23,355,340)	(23,105,386)	(22,932,172)	(18,314,763)	(20,831,027)	(18,148,385)
<u>(15,269,518)</u>	<u>(14,427,187)</u>	<u>(14,100,837)</u>	<u>(9,903,651)</u>	<u>(11,648,742)</u>	<u>(9,187,707)</u>
<u>\$ 237,908</u>	<u>\$ 530,950</u>	<u>\$ 584,728</u>	<u>\$ 5,544,098</u>	<u>\$ (791,059)</u>	<u>\$ 2,261,989</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
2003	\$ 10,017,580	\$ 2,652,147	\$ 804,851	\$ 478,542	\$ 1,092,571	\$ 15,045,691
2004	11,016,278	2,820,335	848,380	533,236	1,096,757	16,314,986
2005	11,886,410	3,106,081	885,397	564,140	1,092,596	17,534,624
2006	12,712,166	3,278,326	912,147	559,299	1,083,615	18,545,553
2007	13,180,822	3,454,744	955,905	589,064	1,150,417	19,330,952
2008	12,377,703	3,681,923	882,304	595,774	1,227,324	18,765,028
2009	11,260,432	3,692,630	834,222	578,251	1,163,963	17,529,498
2010	10,619,743	3,541,601	523,123	534,906	1,044,135	16,263,508
2011	10,328,382	3,205,238	461,280	510,726	974,551	15,480,177
2012	10,269,352	3,082,080	442,896	514,957	950,269	15,259,554

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

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



Schedule 6  
UNAUDITED



Total Actual Value	Total Direct Tax Rate
\$ 30,196,516	5.6186
32,758,847	5.5819
35,184,135	5.5493
37,208,917	5.5024
38,961,637	5.6768
37,678,729	5.7018
35,263,130	5.7418
32,711,793	5.7448
31,228,316	5.7518
30,710,091	5.7654

# WASHTENAW COUNTY

## Direct and Overlapping Property Tax Rates

Last Ten Years

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

		2003	2004	2005	2006	2007	2008	2009
<b>County direct rates</b>								
Operation		4.67	4.64	4.61	4.57	4.55	4.55	4.55
County imposed and debt		0.49	-	-	-	-	-	-
Special voted		0.46	0.94	0.94	0.93	1.13	1.13	1.19
Total direct rate		<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>
<b>Overlapping rates</b>								
<b>Cities:</b>								
Ann Arbor		16.87	16.90	16.90	16.82	16.78	16.78	16.80
Chelsea (1)		-	-	-	13.21	15.05	15.05	14.96
Milan		15.75	15.75	15.75	15.75	15.50	15.50	15.50
Saline		10.96	12.95	13.72	15.53	15.53	15.53	15.53
Ypsilanti		27.41	28.28	27.92	29.03	29.58	30.60	30.86
Townships (average)	(A)	2.80	2.77	2.97	3.07	3.22	3.19	3.40
Villages (average)	(B)	13.23	13.18	12.95	9.77	9.54	9.56	9.62
School districts (average)	(C)	30.15	29.39	30.22	29.77	29.55	29.54	30.91
Intermediate school district		3.07	3.46	4.04	4.00	3.97	3.97	3.97
Community college		3.86	3.83	3.77	3.72	3.70	3.69	3.69
<b>(A) - Rates range from:</b>								
Low		-	-	-	-	-	-	-
High		10.12	9.66	10.53	10.40	10.40	10.40	10.40
<b>(B) - Rates range from:</b>								
Low		10.00	10.00	10.00	10.00	10.00	10.00	10.00
High		15.67	15.27	15.28	15.39	14.59	14.59	14.92
<b>(C) - Rates range from:</b>								
Low		25.26	24.17	23.38	25.26	25.40	25.40	25.36
High		34.30	32.65	33.65	36.48	35.69	35.69	34.59

Source: Washtenaw County Finance Department

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

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2010	2011	2012
4.55	4.55	4.55
-	-	-
1.20	1.20	1.22
<u>5.74</u>	<u>5.75</u>	<u>5.77</u>

16.82	16.47	16.57
13.16	14.96	14.96
14.40	14.40	14.40
15.53	15.53	15.53
31.53	33.67	35.21

3.16	3.45	3.81
------	------	------

9.62	9.80	9.83
------	------	------

31.04	31.17	31.09
-------	-------	-------

3.97	3.97	3.64
------	------	------

3.69	3.72	3.64
------	------	------

-	-	-
10.40	10.40	10.40

10.00	10.00	10.00
14.92	14.92	14.92

25.36	25.36	25.36
34.59	34.59	34.59

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Detroit Edison	\$ 133,919,793	1	0.96%	\$ 129,838,558	4	1.08%
McKinley Associates	132,177,932	2	0.95%	-	-	-
Toyota Motor	115,896,856	3	0.83%	39,577,258	8	0.33%
Michigan Consolidated Gas	104,726,264	4	0.75%	71,342,635	5	0.60%
Ford Motor	74,177,099	5	0.53%	-	-	-
Briarwood Complex	63,159,655	6	0.45%	63,682,332	6	0.53%
Domino's Farm	62,823,485	7	0.45%	48,144,339	7	0.40%
ITC	51,296,952	8	0.37%	-	-	-
Hyundai	37,517,500	9	0.27%	-	-	-
THC Ann Arbor LLC	36,460,400	10	0.26%	-	-	-
Comcast	31,347,275	11	0.22%	22,394,670	13	0.19%
Daimler Chrysler	31,127,800	12	0.22%	39,077,731	9	0.33%
Mav Development	29,533,987	13	0.21%	-	-	-
Arborland LLC	29,269,499	14	0.21%	19,733,504	15	0.16%
Consumers Energy	28,100,508	15	0.20%	-	-	-
Pfizer Global	-	-	-	232,430,856	1	1.94%
Visteon	-	-	-	200,715,632	2	1.67%
General Motors	-	-	-	174,229,657	3	1.45%
NSK Corp	-	-	-	32,763,587	10	0.27%
Great Lakes Bank	-	-	-	31,103,619	11	0.26%
Meijer Inc.	-	-	-	27,907,994	12	0.23%
Comcast/Media One	-	-	-	26,425,172	13	0.22%
Lake in the Woods	-	-	-	25,700,000	14	0.21%
	<u>\$ 961,535,005</u>		<u>6.88%</u>	<u>\$ 1,185,067,544</u>		<u>9.89%</u>

Source: Washtenaw County Equalization Department.

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

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2003	\$ 62,459,717	\$ 59,400,607	95.10%	\$ 2,586,635	\$ 61,987,242	99.24%
2004	65,676,479	62,650,121	95.39%	2,622,050	65,272,171	99.38%
2005	69,669,724	66,173,312	94.98%	3,031,443	69,204,755	99.33%
2006	73,894,038	70,780,578	95.79%	2,852,695	73,633,273	99.65%
2007	81,570,687	78,257,648	95.94%	3,112,051	81,369,699	99.75%
2008	86,208,920	82,652,655	95.87%	3,359,451	86,012,106	99.77%
2009	86,755,826	82,908,257	95.57%	3,596,050	86,504,307	99.71%
2010	85,172,555	81,368,255	95.53%	3,550,949	84,919,204	99.70%
2011	80,780,558	77,326,315	95.72%	3,234,632	80,560,947	99.73%
2012	78,597,092	75,874,983	96.54%	2,531,636	78,406,919	99.76%

Source: Washtenaw County Treasurer's Office

## WASHTENAW COUNTY

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years

	2003	2004	2005	2006	2007
<b>Governmental activities</b>					
General obligation bonds	\$ 35,035,000	\$ 38,120,000	\$ 35,615,000	\$ 56,400,000	\$ 73,870,000
Capital leases	346,319	136,872	461,948	309,424	829,132
Installment contracts	-	-	-	-	-
Loans	292,133	292,133	272,658	253,182	233,707
<b>Total outstanding debt</b>	<b>35,673,452</b>	<b>38,549,005</b>	<b>36,349,606</b>	<b>56,962,606</b>	<b>74,932,839</b>
<b>Business-type activities</b>					
Delinquent tax revolving - General obligation notes	9,000,000	11,000,000	10,000,000	12,000,000	18,000,000
<b>Total outstanding debt</b>	<b>\$ 44,673,452</b>	<b>\$ 49,549,005</b>	<b>\$ 46,349,606</b>	<b>\$ 68,962,606</b>	<b>\$ 92,932,839</b>
<b>Total taxable value (000's)</b>	<b>\$ 15,045,691</b>	<b>\$ 16,314,986</b>	<b>\$ 17,534,624</b>	<b>\$ 18,545,553</b>	<b>\$ 19,330,952</b>
<b>Ratio of total debt to taxable value</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.26%</b>	<b>0.37%</b>	<b>0.48%</b>
<b>Total population</b>	<b>338,562</b>	<b>338,782</b>	<b>342,124</b>	<b>347,792</b>	<b>347,969</b>
<b>Total debt per capita</b>	<b>\$ 131.95</b>	<b>\$ 146.26</b>	<b>\$ 135.48</b>	<b>\$ 198.29</b>	<b>\$ 267.07</b>
<b>% of personal income</b>	<b>0.35%</b>	<b>0.37%</b>	<b>0.34%</b>	<b>0.50%</b>	<b>0.65%</b>

Source: Washtenaw County Finance Department

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

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2008	2009	2010	2011	2012
\$ 90,115,000	\$ 83,125,000	\$ 75,765,000	\$ 68,005,000	\$ 59,590,000
468,072	672,480	711,121	1,302,837	1,029,506
-	-	-	-	121,738
214,231	194,756	175,280	155,804	136,329
<u>90,797,303</u>	<u>83,992,236</u>	<u>76,651,401</u>	<u>69,463,641</u>	<u>60,877,573</u>
<u>28,000,000</u>	<u>25,000,000</u>	<u>26,000,000</u>	<u>24,500,000</u>	<u>19,500,000</u>
<u>\$ 118,797,303</u>	<u>\$ 108,992,236</u>	<u>\$ 102,651,401</u>	<u>\$ 93,963,641</u>	<u>\$ 80,377,573</u>
\$ 18,765,028	\$ 17,529,498	\$ 16,263,508	\$ 15,480,177	\$ 15,259,554
0.63%	0.62%	0.63%	0.61%	0.53%
344,767	347,563	345,250	347,962	347,962
\$ 344.57	\$ 313.59	\$ 297.32	\$ 270.04	\$ 231.00
0.88%	0.83%	0.77%	0.66%	0.57%

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**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			
2003	\$ 35,035,000	\$ -	\$ 35,035,000	0.27%	0.23%	\$ 103.48
2004	38,120,000	-	38,120,000	0.28%	0.23%	112.52
2005	35,615,000	-	35,615,000	0.26%	0.20%	104.10
2006	56,400,000	-	56,400,000	0.41%	0.30%	162.17
2007	73,870,000	-	73,870,000	0.52%	0.38%	212.29
2008	90,115,000	-	90,115,000	0.67%	0.48%	261.38
2009	83,125,000	-	83,125,000	0.63%	0.47%	239.17
2010	75,765,000	-	75,765,000	0.57%	0.47%	219.45
2011	68,005,000	-	68,005,000	0.48%	0.44%	195.44
2012	59,590,000	-	59,590,000	0.42%	0.39%	171.25

Source: Washtenaw County Finance Department

WASHTENAW COUNTY

Schedule 11

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**Computation of Net Direct and Overlapping Debt**  
As of December 31, 2012

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
<b>Direct debt</b>			
General obligation tax notes	\$ 19,500,000	\$ 19,500,000	\$ -
General obligation bonds	59,590,000	-	59,590,000
Notes payable	136,329	-	136,329
Water Resources bonds and notes	13,824,392	13,429,629	422,257
Public Works water and sewer debt	26,622,279	26,622,279	-
Road Commission debt	7,584,000	7,584,000	-
<b>Total direct debt</b>	<b>\$ 127,257,000</b>	<b>\$ 67,135,908</b>	<b>60,148,586</b>
	Net Debt Outstanding	Percentage Applicable to Washtenaw County	Share Applicable to Washtenaw County
<b>Overlapping debt</b>			
City of Ann Arbor	\$ 139,185,116	100.00%	\$ 139,185,116
City of Chelsea	6,287,000	100.00%	6,287,000
City of Milan	11,981,615	52.91%	6,339,472
City of Saline	22,842,279	100.00%	22,842,279
City of Ypsilanti	22,955,000	100.00%	22,955,000
Augusta Township	1,586,492	100.00%	1,586,492
Bridgewater Township	650,000	100.00%	650,000
Dexter Township	3,117,250	100.00%	3,117,250
Lima Township	266,500	100.00%	266,500
Lyndon Township	2,670,482	100.00%	2,670,482
Manchester Township	230,750	100.00%	230,750
Northfield Township	7,870,000	100.00%	7,870,000
Pittsfield Township	17,843,817	100.00%	17,843,817
Salem Township	1,095,000	100.00%	1,095,000
Scio Township	18,616,810	100.00%	18,616,810
Sharon Township	745,000	100.00%	745,000
Superior Township	3,000,000	100.00%	3,000,000
Sylvan Township	10,875,250	100.00%	10,875,250
Webster Township	799,190	100.00%	799,190
York Township	30,394	100.00%	30,394
Ypsilanti Township	7,245,000	100.00%	7,245,000
Dexter Village	9,367,000	100.00%	9,367,000
Manchester Village	995,000	100.00%	995,000
Ann Arbor School District	185,645,000	100.00%	185,645,000
Chelsea School District	58,312,523	95.35%	55,600,991

continued...

**Computation of Net Direct and Overlapping Debt**

As of December 31, 2012

	Net Debt Outstanding	Percentage Applicable to Washtenaw County	Share Applicable to Washtenaw County
Overlapping debt continued			
Clinton School District	\$ 4,955,000	26.53%	\$ 1,314,562
Columbia School District	1,915,000	1.97%	37,726
Dexter School District	131,423,552	95.20%	125,115,222
Grass Lake School District	29,572,247	0.78%	230,664
Lincoln School District	116,346,349	81.34%	94,636,120
Manchester School District	40,233,774	99.27%	39,940,067
Milan School District	107,791,334	55.15%	59,446,921
Napoleon School District	14,920,000	0.05%	7,460
Northville School District	60,305,000	0.90%	542,745
Pinckney School District	126,187,573	2.53%	3,192,546
Plymouth-Canton School District	176,393,000	2.59%	4,568,579
Saline School District	129,666,860	100.00%	129,666,860
South Lyon School District	170,085,000	15.55%	26,448,218
Stockbridge School District	11,800,000	7.36%	868,480
Van Buren School District	79,355,000	7.35%	5,832,593
Whitmore Lake School District	59,738,509	73.34%	43,812,223
Willow Run School District	67,780,090	100.00%	67,780,090
Ypsilanti School District	77,861,957	100.00%	77,861,957
Ingham ISD	2,334,000	0.28%	6,535
Jackson ISD	900,000	0.32%	2,880
Livingston ISD	1,120,000	0.39%	4,368
Oakland ISD	61,705,000	0.53%	327,037
Oakland Community College	4,435,000	0.53%	23,506
Washtenaw Community College	23,270,000	100.00%	23,270,000
Chelsea District Library	6,230,000	100.00%	6,230,000
Dexter District Library	6,075,000	95.20%	5,783,400
Salem-South Lyon District Library	770,000	50.79%	391,083
Saline District Library	1,730,000	100.00%	1,730,000
Ypsilanti District Library	7,825,000	100.00%	7,825,000
<b>Total overlapping debt</b>	<b><u>\$ 2,056,936,713</u></b>		<b><u>1,252,755,635</u></b>
<b>Total direct &amp; overlapping debt</b>			<b><u>\$ 1,312,904,221</u></b>

concluded

(1) Overlapping debt is calculated for an entity, based upon assessed values received from the State of Michigan, which determines the issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is apportioned based upon relative assessed values.

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

**Legal Debt Margin**  
Last Ten Years

Legal Debt Margin Calculation for 2012

Assessed value	<u>\$ 15,259,554,130</u>
Debt limit (10% of assessed value)	\$ 1,525,955,413
Debt applicable to limit - general obligation bonds	<u>127,257,000</u>
Legal debt margin	<u>\$ 1,398,698,413</u>

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2003	\$ 1,504,569,055	\$ 95,545,110	\$ 1,409,023,945	6.35%
2004	1,631,498,572	101,955,812	1,529,542,760	6.25%
2005	1,753,462,361	93,014,742	1,660,447,619	5.30%
2006	1,854,553,316	115,193,717	1,739,359,599	6.21%
2007	1,933,095,190	136,468,517	1,796,626,673	7.06%
2008	1,876,502,686	161,117,364	1,715,385,322	8.59%
2009	1,752,949,726	150,036,016	1,602,913,710	8.56%
2010	1,626,350,827	144,462,548	1,481,888,279	8.24%
2011	1,548,017,612	134,682,631	1,413,334,981	8.70%
2012	1,525,955,413	127,257,000	1,398,698,413	8.34%

Source: Washtenaw County Finance Department

**Demographic and Economic Statistics**  
Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2003	338,562	\$ 12,869,105	\$ 38,323	3.7%
2004	338,782	13,391,280	39,528	4.2%
2005	342,124	13,578,433	39,689	4.0%
2006	347,792	13,874,107	39,892	4.3%
2007	347,969	14,233,752	40,905	4.7%
2008	344,767	13,482,692	39,107	6.6%
2009	347,563	13,158,533	37,859	8.5%
2010	345,250	13,297,281	38,515	6.5%
2011	347,962	14,204,286	40,821	5.4%
2012	347,962 (a)	14,204,286 (a)	40,821 (a)	5.1% (b)

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

(b) Preliminary reported as of December 31, 2012

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

**Principal Employers**

Current Year and Nine Years Ago

Employer	2012			2003		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
University of Michigan	27,766	1	14.41%	15,591	1	8.06%
Trinity Health	5,434	2	2.82%	4,626	6	2.39%
U.S. Government	2,808	3	1.46%	2,549	7	1.32%
Ann Arbor Public Schools	2,300	4	1.19%	1,753	11	0.91%
Eastern Michigan University	1,910	5	0.99%	1,956	9	1.01%
Thompson Reuters	1,816	6	0.94%	-	-	-
Faurecia North America	1,500	7	0.78%	-	-	-
State of Michigan	1,438	8	0.75%	1,821	10	0.94%
Washtenaw County	1,318	9	0.68%	1,375	12	0.71%
Ford Motor Company	836	10	0.43%	5,075	5	2.62%
Intergrated Health Associates Inc.	733	11	0.38%	-	-	-
City of Ann Arbor	686	12	0.36%	863	16	0.45%
Edward Bros. Inc.	662	13	0.34%	-	-	-
DTE Energy Co.	605	14	0.31%	722	17	0.37%
U.S. Postal Service	586	15	0.30%	596	20	0.31%
Domino's Pizza Inc.	582	16	0.30%	-	-	-
Washtenaw Community College	561	17	0.29%	-	-	-
Ypsilanti Public Schools	510	18	0.26%	658	18	0.34%
Lincoln Consolidated Schools	478	19	0.25%	-	-	-
Con-Way Inc.	440	20	0.23%	-	-	-
University of Michigan Health Center	-	-	-	7,918	2	4.09%
Visteon Corp.	-	-	-	5,900	3	3.05%
General Motors Corp.	-	-	-	5,271	4	2.73%
Pfizer Inc.	-	-	-	2,500	8	1.29%
BordersGroup Inc.	-	-	-	1,295	13	0.67%
ProQuest Co.	-	-	-	1,055	14	0.55%
Standard Federal Bank N.A.	-	-	-	931	15	0.48%
Chelsea Community Hospital	-	-	-	625	19	0.32%
	<u>52,969</u>		<u>27.50%</u>	<u>63,080</u>		<u>32.62%</u>

Source: Crain's Detroit Business

WASHTENAW COUNTY

Schedule 15  
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Full-Time Equivalent County Government Employees by Function/Program  
Last Nine Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Legislative</b>										
Board of Commissioners	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
<b>Judicial</b>										
Trial Court-Civil/Criminal	30.9	28.7	28.7	26.7	26.7	26.7	26.7	26.7	26.7	26.7
Trial Court Clerk Services	-	-	-	-	-	-	-	19.0	19.0	19.0
District Court	44.6	44.0	44.0	47.0	48.0	51.0	49.0	51.0	51.0	48.0
Trial Court-Probate	9.0	11.0	10.0	11.0	11.0	11.0	12.0	12.0	12.0	11.5
Trial Court-Juvenile Center	31.4	25.3	28.3	25.5	26.0	27.0	23.8	24.8	24.8	20.3
Trial Court-Friend of the Court	59.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	54.0
Community Corrections	7.0	9.0	9.0	9.0	8.0	8.0	8.0	7.0	7.0	7.0
Public Defender	22.0	22.0	21.0	21.0	22.0	22.0	18.0	16.0	16.0	16.0
<b>General Government</b>										
County Administration	5.0	4.0	4.0	4.0	6.0	6.0	5.5	3.5	3.5	3.0
Corporation Counsel	1.8	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0
Budget	-	4.0	4.0	5.0	5.0	5.0	4.0	4.5	4.5	-
Finance	27.0	20.0	20.0	20.0	20.0	18.3	16.2	16.0	16.0	19.9
Information & Tech Systems	45.0	35.0	34.0	34.0	27.8	27.3	24.6	24.5	24.5	23.4
Technology Plan	-	-	-	-	-	-	-	-	-	1.0
Equalization	14.0	14.0	13.0	14.0	14.0	14.0	13.0	13.0	13.0	13.0
Human Resources	13.0	8.0	8.0	8.0	7.0	9.8	9.0	7.0	7.0	7.6
Organizational Development	-	4.0	5.0	5.0	3.0	1.0	1.0	-	-	-
Clerk/Register	51.5	51.5	50.5	51.5	51.5	49.5	48.5	23.0	23.0	18.6
Clerk/ROD Automation	-	-	-	-	-	-	-	-	-	2.0
Treasurer	13.5	13.8	12.8	12.8	14.5	14.5	15.5	16.5	16.5	12.5
Drain/Water Resources Commissioner	21.0	22.0	21.0	21.0	18.0	20.0	20.0	19.0	19.0	20.3
Economic Development & Agriculture Millage	-	-	-	-	-	-	-	4.0	4.0	1.1
WSC Customer Support Unit	-	-	5.3	5.3	5.3	-	-	-	-	-
Office of Community & Economic Development	-	-	-	-	-	-	7.0	-	-	29.9
Risk Management	3.0	0.5	0.5	0.5	0.5	0.5	1.0	2.0	2.0	2.0
Facilities Management	38.0	30.0	31.0	31.0	28.5	27.5	22.0	22.5	22.5	24.9
Support Services - Fleet	3.0	3.0	3.0	3.0	3.0	2.5	1.0	0.5	0.5	1.0
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	-	-	-
Property Foreclosure - PA 123	-	-	-	-	-	-	-	-	-	3.5
<b>Public Safety</b>										
Prosecuting Attorney	39.9	41.9	41.9	42.9	43.9	42.9	41.9	41.9	41.9	42.2
Prosecuting Attorney - CRP	7.2	7.2	7.2	7.2	7.2	6.4	6.3	6.2	6.2	5.2
Prosecuting Attorney - Domestic Violence	24.0	8.0	7.0	2.0	2.0	2.0	2.0	2.0	2.0	1.7
PA - 105	-	-	-	-	-	-	-	-	-	0.5
Sheriff	296.0	289.0	282.5	284.5	288.0	282.0	283.8	285.8	285.8	307.0
LAWNET	-	-	-	-	-	-	-	-	-	3.0
Secondary Road Patrol	-	-	-	-	-	-	-	-	-	3.0
Inmate Enterprise	-	-	-	-	-	-	-	-	-	2.0
Sheriff - Byrne Justice Asst Grant	-	-	-	-	-	-	-	-	-	0.8
Building Inspection/Services	25.0	15.0	13.3	13.3	28.9	9.5	9.6	5.0	5.0	3.3
Emergency Management	3.0	4.0	4.0	5.0	5.0	5.0	5.0	2.0	2.0	-
E-911 - Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	4.0	1.0
HIDTA	-	3.0	3.0	3.0	3.0	5.0	3.0	3.0	-	-
<b>Public Works</b>										
Public Works	16.6	12.5	11.1	11.1	12.2	12.7	2.0	1.0	1.0	1.3
Solid Waste	1.8	1.8	1.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8
<b>Health</b>										
Environmental Health	43.0	42.0	38.5	38.5	35.6	30.6	29.6	28.6	28.6	73.2
Public Health	86.2	69.6	70.8	70.8	72.9	74.8	72.4	68.4	68.4	-
Community Support & Treatment Services	271.1	235.5	251.8	265.4	276.5	281.5	308.0	301.0	301.0	270.2
Washtenaw Community Health Organization	50.1	63.2	65.2	78.1	80.1	78.1	73.1	63.3	63.3	86.0
<b>Social Services</b>										
Child Care - Trial Court/Juvenile Center	15.2	13.9	13.9	15.9	15.9	17.6	17.6	17.6	17.6	16.6
Child Care - Trial Court/Juvenile Drug Court	-	-	-	-	-	-	-	-	-	1.0
Child Care - Trial Court/Byrne Recovery/Reinvest	-	-	-	-	-	-	-	-	-	1.0
Child Care - Detention	29.6	30.2	30.2	30.0	29.9	28.9	28.2	30.6	30.6	30.6
Children Services	12.0	11.4	11.4	11.6	11.6	9.7	9.4	5.0	-	-
Veterans Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Veteran Relief	-	-	-	-	-	-	-	-	-	1.0
Employment Training & Community Services	22.1	19.4	19.4	19.4	19.4	19.4	18.9	18.9	18.9	-
Head Start	36.5	36.5	36.5	37.0	37.3	37.3	37.3	36.3	36.3	35.8
Community Development	-	-	4.0	5.0	6.5	5.7	9.0	10.0	10.0	-
<b>Culture &amp; Recreation</b>										
Parks & Recreation	36.0	31.0	33.0	35.0	35.0	40.0	42.0	39.0	39.0	40.0
Library	7.0	6.0	6.0	7.0	7.0	5.5	-	-	-	-
EM - Soution Area Planner Grant	-	-	-	-	-	-	-	-	-	2.0
County Extension	6.0	5.0	1.0	1.0	1.0	4.0	3.8	2.7	2.7	1.0
<b>Total</b>	<u>1,486.8</u>	<u>1,376.1</u>	<u>1,383.9</u>	<u>1,418.8</u>	<u>1,455.5</u>	<u>1,428.8</u>	<u>1,415.1</u>	<u>1,361.3</u>	<u>1,355.3</u>	<u>1,333.9</u>

Source: Washtenaw County Finance Department - 2011/12 budget summary listing of authorized active positions

# WASHTENAW COUNTY

## Operating Indicators by Function/Program Last Ten Years

Function/Program	2003	2004	2005	2006	2007	2008
<b>Public Safety</b>						
Sheriff:						
Number of incidents	54,644	53,266	52,479	53,279	51,191	60,449
Number of crash reports	4,703	4,339	4,273	6,611	3,259	4,118
Number of arrests	2,648	2,509	2,306	1,127	2,108	3,876
Number of bookings	8,093	7,135	6,969	6,993	7,084	7,433
<b>Public Works</b>						
Centerline miles of road maintained	1,594	1,603	1,612	1,624	1,634	1,647
<b>Health</b>						
Public Health:						
Vaccines administered [1]	44,971	40,410	54,143	46,454	53,409	49,688
Number of monthly participants	4,559	4,667	4,580	4,660	4,712	4,920
<b>Culture &amp; Recreation</b>						
Parks & Recreation:						
Recreation center participation	414,354	363,709	367,581	370,696	346,298	317,029
Aquatic center participation	77,195	75,127	107,403	104,453	111,183	104,172
Rounds of Golf	39,249	39,169	37,591	37,049	33,580	31,120
Boat Rental	541	652	734	602	590	822

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

Source: Washtenaw County Finance Department



Schedule 16  
UNAUDITED



2009	2010	2011	2012
61,563	63,825	54,492	66,432
2,803	2,876	2,607	2,761
6,980	2,388	4,783	2,788
7,176	7,152	7,170	7,952
1,650	1,652	1,654	1,654
46,600	57,522	5,690	3,951
5,000	5,700	5,700	5,700
341,078	338,148	339,946	325,234
92,062	113,635	115,012	114,522
35,880	33,316	29,003	33,243
731	792	821	829

WASHTENAW COUNTY

Schedule 17

UNAUDITED

Capital Asset Statistics by Function/Program  
Last Ten Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Sheriff</b>										
Vehicle patrol units:										
Police service automobiles	82	85	85	85	90	90	89	87	87	92
Animal control	1	2	2	2	2	2	2	2	2	2
Marine safety	6	2	2	2	3	3	3	3	3	3
Jail	16	17	17	17	17	17	18	17	17	17
Motorcycles	12	12	12	12	2	-	-	-	-	-
<b>Parks and recreation</b>										
Parks:										
County	13	13	13	13	13	13	13	13	13	13
Natural areas	6	6	6	10	12	20	17	19	20	23
Park acreage:										
Parkland	1,438	1,438	1,647	1,762	1,834	1,903	1,943	1,943	1,952	1,952
Natural areas	438	715	780	980	1,079	1,659	1,767	2,044	2,214	2,524
Picnic areas	19	19	19	19	19	19	19	19	19	19
Historic sites	2	2	2	2	2	2	2	2	2	2
Buildings:										
Log cabins	-	-	1	1	1	1	1	1	1	1
County recreation center	1	1	1	1	1	1	1	1	1	1
Fishing structures	3	3	3	3	3	3	3	3	3	3
Pavilions	11	12	12	12	12	12	12	13	13	13
Concession	-	3	3	3	3	3	3	3	3	3
Multi-purpose	-	2	2	2	2	2	2	2	2	2
Nature cabin	1	1	1	1	1	1	1	1	1	1
Swimming beach areas	2	2	1	1	1	1	1	1	1	1
Swimming pools (in/out)	2	2	1	1	1	1	1	1	1	1
Golf Courses:										
18 hole course	1	1	1	1	1	1	1	1	1	1
18 hole disc course	-	1	1	1	1	1	2	2	2	2
Trails:										
Nature	7	9	9	9	10	10	11	12	12	13
Exercise	1	1	1	1	1	1	1	1	1	1
Multiuse	8	8	8	8	8	8	8	8	8	10
Playgrounds	6	6	6	7	7	7	7	6	6	6
Water Areas:										
Water parks	1	1	1	1	1	1	1	1	1	1
Spray play feature	3	3	3	3	3	3	3	3	3	3
Lazy river ride	-	1	1	1	1	1	1	1	1	1
<b>Public works</b>										
Centerline miles of county roads:										
Federal and State	180	180	576	576	580	580	580	580	580	580
Primary	529	542	586	587	588	588	589	589	590	590
Local	756	743	703	704	706	706	705	705	705	705
Subdivision	296	308	323	333	340	353	356	357	359	359

Source: Washtenaw County Finance Department

**Schedule of Insurance**  
As of December 31, 2012

Type of Coverage Name of Company	Policy Period	Premium	Description
Genesis Insurance Company	10/1/12-10/1/13	\$ 645,818	Auto, general and police legal liability of the County for bodily injury, property damage and personal injury. Limit \$10,000,000 per occurrence and \$5,000,000 aggregate. Occurrence form; \$500,000 self insured retention.
Buildings and Contents CHUBB Insurance Co.	10/1/12-10/1/13	185,410	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	10/1/12-10/1/13	Included	Covers scheduled portable equipment consisting of radio and video equipment, boats and trailers, etc. All risk coverage.
Data Processing Coverage	10/1/12-10/1/13	Included	Covers data processing equipment, media and extra expense. Limit \$500,000 per occurrence.
Employee Benefit Liability	10/1/12-10/1/13	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.	10/1/12-10/1/13	22,544	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	10/1/12-10/1/13	Included	Policy limit \$10,000,000 subject to \$500,000 deductible covers liability for wrongful acts, claims made form, duty to defend.
Professional Liability Hudson Insurance Co.	10/1/12-10/1/13	114,888	Covers Public and Mental Health operations (includes doctors) \$1,000,000/\$3,000,000 each medical incident. Deductible of \$250,000 does not include defense costs.
Boiler Machinery Policy	10/1/12-10/1/13	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	10/1/12-10/1/13	1,730	Covers Employee related issues in Public Defender's Office.
Lloyds/National Legal Aid and Defender Association	3/1/12-3/1/13	15,745	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...

**Schedule of Insurance**

As of December 31, 2012

Type of Coverage Name of Company	Policy Period	Premium	Description
Short-Term Bond Burnham & Flower of Michigan The Hartford	12/01/12-03/31/13	\$ 36,158	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	10/1/12-10/1/13	35,020	Covers 20 Judges, Magistrates and referees \$1,000,000 liability coverage per claim. \$2,500 deductible.
Federal Insurance Companies	10/1/12-10/1/13	12,250	Fiduciary Liability Policy for Washtenaw County covering the VEBA, MPPP and WCERS Systems with limits of \$3,000,000.
United States Liability	10/1/12-10/1/13	1,633	Liquor Liability Insurance Policy for Pierce Lake Golf Course
Workers' Compensation BROADSPIRE	02/01/12-02/01/13	36,750	TPA for Claims Service.
Safety National	02/01/12-05/01/13	62,297	Statutory specific excess insurance above a \$500,000 retention.
Long-Term Disability Unum Provident	Monthly	Varies	Covers all full-time regular employees. Choice of coverage is 50%, 60%, or 66 and 2/3% of monthly salary with varying elimination periods. Also covers part-time MNA employees basic coverage only
Preferred Provider Organization PPO 1 (662) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, emergency care, and prescription co-pay (\$0/\$30). No annual deductible
Preferred Provider Organization PPO 1 (702) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, emergency care, and prescription co-pay (\$5/\$30). No annual deductible
Preferred Provider Organization PPO 10 (682) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, care, emergency care, and prescription copay(\$0/\$30). Annual deductible \$250 (\$500 family). 10% annual copay after deductible met \$500 (\$1,000 family)
Preferred Provider Organization PPO 2 (672) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, care, emergency care, and prescription copay (\$0/\$30). Annual deductible \$100 (\$200 family). 10% annual copay after deductible met \$500 (\$1,000 family)
Preferred Provider Organization PPO1 (101) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, emergency care, and prescription co-pay (\$7/\$35/\$70). No annual deductible

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**Schedule of Insurance**

As of December 31, 2012

Type of Coverage Name of Company	Policy Period	Premium	Description
Preferred Provider Organization PPO2 (102) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, care, emergency care, and prescription copay (\$7/\$35/\$70). Annual deductible \$100 (\$200 family). 10% annual copay after deductible met \$500 (\$1,000 family)
Preferred Provider Organization PPO7 (107) Blue Cross Blue Shield	Monthly	Varies	Comprehensive medical coverage including preventative care, care, emergency care, and prescription copay (\$7/\$35/\$70). Annual deductible \$500 (\$1000 family). 10% annual copay after deductible met \$1000(\$2,000 family)
Dental Blue Cross Dental Core Plan	Monthly	Varies	100% basic dental, 50% other services, 50% Prosthodontics and Orthodontic services, \$750 annual limit.
Dental Blue Cross Dental Retiree Plan	Monthly	Varies	100% basic dental, 50% other services, 50% Prosthodontics, no Orthodontic services, \$750 annual limit
Dental Blue Cross Dental Premier Plan for those in Flex Benefits who choose this option	Monthly	Varies	100% basic dental, 80% other services, including sealants, 50% Orthodontics services, \$1,000 annual limit and \$1,750 lifetime for Orthodontics.
Life Insurance Unum Provident	Monthly	Varies	Covers death of employee and/or AD&D. All full-time employees with choice of coverage equal to 1 X annual salary up to 50K, 2 X annual salary up to 100K, or 3 X annual salary up to 150K. MNA Employee basic coverage (coverage up to 50K or 1 X annual salary)
Vision Care Blue Cross/Blue Shield/ Vision Service Plan (VSP)	Monthly	Varies	Vision Care option pays for certain vision care tests and supplies when obtained from a participating provider after County employee pays the provider the required co-payment amount.

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