

Washtenaw  
County Water  
Resources  
Commissioner



Year Ended  
December 31,  
2011

Basic Financial  
Statements

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

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**INDEPENDENT AUDITORS' REPORT**

April 18, 2012

To the Water Resources Commissioner of  
Washtenaw County  
Ann Arbor, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the *Washtenaw County Water Resources Commissioner*, a component unit of Washtenaw County, Michigan, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the Washtenaw County Water Resources Commissioner. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Washtenaw County Water Resources Commissioner as of December 31, 2011, and the respective changes in its financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Office of the Water Resources Commissioner presents this management discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

### Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the Office of the Water Resources Commissioner's basic financial statements. The basic financial statements are comprised of the *statement of net assets and governmental funds balance sheet*, the *statement of activities and governmental fund revenues, expenditures and changes in fund balances* and the *notes to the basic financial statements*.

- The *statement of net assets and governmental funds balance sheet* presents information on all of the Office of Water Resources Commissioner's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Office of the Water Resources Commissioner is improving or deteriorating.
- The *statement of activities and governmental fund revenues, expenditures and changes in fund balances* presents information showing how the Office of the Water Resources Commissioner's net assets changed during the most recent fiscal year.
- The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Fund financial statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Office of the Water Resources Commissioner's operations in more detail than the government-wide statements by providing information about the Washtenaw County Water Resources Office's most significant funds.

### Financial Analysis

The net assets of the Office of the Water Resources Commissioner are summarized for the purpose of determining the overall fiscal position. As shown on Table 1 below, the Water Resources' assets exceeded liabilities by \$32,022,933 at the end of the fiscal year. This is primarily attributed to the addition of infrastructure and capital assets. The investment in capital assets provides 57% of net assets. These assets (reported net of related debt) are used to provide services to citizens and are *not* available for future spending. It should also be noted that the resources needed to repay debt must be provided from other sources. This is because the capital assets themselves cannot be used to liquidate these liabilities.

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## MANAGEMENT'S DISCUSSION AND ANALYSIS

A comparative analysis of the data is presented below:

**Table 1.**  
**Washtenaw County Water Resources Commissioner's Net Assets**

	2011	2010
Current and other assets	\$ 18,921,380	\$ 17,841,995
Capital assets	32,850,443	28,585,772
<b>Total assets</b>	<b>51,771,823</b>	<b>46,427,767</b>
Long-term liabilities outstanding	12,725,930	11,326,139
Other liabilities	7,022,960	4,594,802
<b>Total liabilities</b>	<b>19,748,890</b>	<b>15,920,941</b>
Net assets:		
Invested in capital assets, net of related debt	20,124,513	17,259,633
Restricted	4,452,748	5,478,411
Unrestricted	7,445,672	7,768,782
<b>Total net assets</b>	<b>\$ 32,022,933</b>	<b>\$ 30,506,826</b>

When comparing this fiscal year to the previous year, net assets have increased by \$1,516,107 (see Table 2 below). The major part of this increase is comprised of the following:

- Included in the Program revenue and capital grants and contributions is capital contribution revenue in the amount of \$1,338,909.

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2.  
Washtenaw County Water Resources Commissioner's Changes in Net Assets

	2011	2010
Revenue:		
Program revenue:		
Charges for services	\$ 208,581	\$ 163,434
Capital grants and contributions	3,639,265	6,153,919
General revenue -		
Unrestricted investment earnings	51,738	45,098
Total revenue	3,899,584	6,362,451
Expenses - public works	2,383,477	1,833,518
Increase in net assets	1,516,107	4,528,933
Net assets, beginning of year	30,506,826	25,977,893
Net assets, end of year	\$ 32,022,933	\$ 30,506,826

### Capital Assets

The Office of the Water Resources Commissioner had \$32,850,443 in capital assets at the end of the fiscal year, as shown below. Capital assets are limited to infrastructure assets costing more than \$5,000 that were acquired or constructed since 1980. Major outlays for infrastructure capital assets and improvements are capitalized as projects are constructed. Infrastructure costs continue to be the largest asset class.

Table 3.  
Washtenaw County Water Resources Commissioner's Capital Assets  
(net of depreciation)

	2011	2010
Construction in progress	\$ 2,836,637	\$ 7,811,197
Infrastructure	29,815,567	20,528,894
Machinery and equipment (Vactor)	198,239	245,681
Total	\$ 32,850,443	\$ 28,585,772

Additional information on the Office of the Water Resources Commissioner's capital assets can be found in the notes to the financial statements on page 25.



# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Long-term Debt

At the end of the current fiscal year, the Office of the Water Resources Commissioner had total bonded debt, notes and installment obligations outstanding of \$12,784,548 (Table 4). This entire amount comprises debt backed by the full faith and credit of Washtenaw County and/or the respective drainage districts.

	2011	2010
Drain improvement bonds	\$ 11,724,240	\$ 10,064,927
Drain improvement notes	879,600	1,107,550
Installment obligation	180,708	216,512
Total	<u>\$ 12,784,548</u>	<u>\$ 11,388,989</u>

Additional information on the Washtenaw County Water Resources' long-term debt can be found in detail in the accompanying notes of this report on pages 26-28.

### Economic Factors and Next Year's Budget

It should be noted that this financial management discussion relates to the financial status of county drainage districts and county lake level districts. The Water Resources Commissioner's Office operating budget is provided through the County general fund, and is discussed in the Washtenaw County comprehensive annual financial report (CAFR). Operations of the Public Works Department are audited separately.

Drain maintenance expenditures are governed by the Michigan Drain Code, which limits expenditures to \$5,000 per mile of drain per year for the majority of county drains. In 2011, total maintenance and debt retirement were \$2,227,494. Maintenance was conducted on 155 county drains. Maintenance is done both proactively, and in response to service requests. It is therefore not possible to make more than a generalized prediction of what total expenditures will be. It is estimated that 2012 maintenance and debt retirement will closely approximate 2011.

Drain construction projects are undertaken in response to petitions from local governments or property owners. In 2011, five construction projects were financed for a total of \$2,015,000. In 2012, it is expected that eight projects will be financed and proceed to construction. Because final engineering and cost estimates are not complete for these projects, no estimate of anticipated financing can be put forward at this time.

### Contacting the Office of the Water Resources Commissioner

This financial report is designed to provide a general overview of the Washtenaw County Water Resources finances and to show accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Washtenaw County Office of the Water Resources Commissioner, 705 N. Zeeb Road, Ann Arbor, MI 48103.

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## BASIC FINANCIAL STATEMENTS

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Statement of Net Assets

December 31, 2011

	Governmental Activities
<b>Assets</b>	
Cash and pooled investments	\$ 8,557,835
Receivables	10,078,220
Prepaid items and other assets	285,325
Capital assets not being depreciated	2,836,637
Capital assets being depreciated, net	<u>30,013,806</u>
<b>Total assets</b>	<u>51,771,823</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	6,929,857
Accrued interest payable	93,103
Long-term liabilities:	
Due within one year	933,021
Due in more than one year	<u>11,792,909</u>
<b>Total liabilities</b>	<u>19,748,890</u>
<b>Net assets</b>	
Invested in capital assets, net of related debt	20,124,513
Restricted for:	
Debt service	543,105
Construction projects	3,909,643
Unrestricted	<u>7,445,672</u>
<b>Total net assets</b>	<u><u>\$ 32,022,933</u></u>

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



## FUND FINANCIAL STATEMENTS

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Balance Sheet

Governmental Funds  
December 31, 2011

	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
	Michigan Ave E. Central	Allen Creek Stadium Boulevard #2		
<b>Assets</b>				
Cash and pooled investments	\$ -	\$ 1	\$ 8,463,052	\$ 8,463,053
Accounts receivable	-	-	2,743,734	2,743,734
Special assessments receivable:				
Due within one year	121,842	-	2,099,594	2,221,436
Due in more than one year	1,560,000	-	3,553,050	5,113,050
Interfund receivable	-	-	125,424	125,424
Due from other drain funds	-	-	604,281	604,281
<b>Total assets</b>	<b>\$ 1,681,842</b>	<b>\$ 1</b>	<b>\$ 17,589,135</b>	<b>\$ 19,270,978</b>
<b>Liabilities</b>				
Accounts payable	-	-	3,979,605	3,979,605
Retainages payable	-	-	132,379	132,379
Accrued liabilities	-	-	82,911	82,911
Interfund payable	-	-	125,424	125,424
Due to other governments	-	-	2,454,374	2,454,374
Due to other drain funds	195	-	642,882	643,077
Advances from primary government	-	-	280,500	280,500
Deferred revenue	1,681,842	-	5,438,118	7,119,960
<b>Total liabilities</b>	<b>1,682,037</b>	<b>-</b>	<b>13,136,193</b>	<b>14,818,230</b>
<b>Fund balances (deficit)</b>				
Restricted:				
Debt service funds	(195)	-	543,300	543,105
Capital projects funds	-	1	3,909,642	3,909,643
<b>Total fund balances (deficit)</b>	<b>(195)</b>	<b>1</b>	<b>4,452,942</b>	<b>4,452,748</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,681,842</b>	<b>\$ 1</b>	<b>\$ 17,589,135</b>	<b>\$ 19,270,978</b>

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



# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Reconciliation

Fund Balances for Governmental Funds on the Balance Sheet for Governmental Funds  
 To Net Assets of Governmental Activities on the Statement of Net Assets  
 December 31, 2011

Fund balances - total governmental funds \$ 4,452,748

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

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

Capital assets - infrastructure	38,769,985
Accumulated depreciation	(8,954,418)
Construction in progress	2,836,637

Deferred charges for bond issuance costs are currently expensed in the  
 governmental funds, whereas they are capitalized and amortized for *net assets*. 285,325

Deferred revenue is not a *current financial resource* and  
 therefore is not reported as revenue in the governmental funds. 7,119,960

Bonds and notes payable are not due and payable in the current period  
 and therefore not reported in the governmental funds:

Bonds payable	(11,724,240)
Notes payable	(879,600)
Deferred charges	58,618

Accrued interest payable on bonds is not recorded by governmental funds. (93,103)

An internal service fund is used by management to charge the costs of  
 certain equipment usage to individual funds. The assets and liabilities  
 of the internal service fund are included in governmental activities  
 in the statement of net assets. 151,021

Payables to the primary government are treated as quasi-external liabilities  
 for purposes of *net assets*:

Advances from primary government	280,500
Accounts payable	(280,500)

Net assets of governmental activities \$ 32,022,933

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

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Statement of Revenue, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2011

	Debt Service Funds	Capital Projects Funds	Nonmajor Governmental Funds	Total
	Michigan Ave E. Central	Allen Creek Stadium Boulevard #2		
<b>Revenues</b>				
Special assessments	\$ 119,054	\$ -	\$ 2,092,332	\$ 2,211,386
Charges for services	-	-	57,942	57,942
Investment income	-	-	51,087	51,087
Permits	-	-	25,700	25,700
Intergovernmental	-	-	1,757,978	1,757,978
Other revenues	-	-	55,592	55,592
<b>Total revenues</b>	<b>119,054</b>	<b>-</b>	<b>4,040,631</b>	<b>4,159,685</b>
<b>Expenditures</b>				
Public works	-	-	688,632	688,632
Debt service:				
Principal	55,000	-	716,950	771,950
Interest and fiscal charges	64,129	-	391,977	456,106
Bond issuance costs	-	-	85,074	85,074
Capital outlay	-	797,299	4,589,604	5,386,903
<b>Total expenditures</b>	<b>119,129</b>	<b>797,299</b>	<b>6,472,237</b>	<b>7,388,665</b>
Revenues under expenditures	(75)	(797,299)	(2,431,606)	(3,228,980)
<b>Other financing sources (uses)</b>				
Proceeds of bonds and notes	-	797,299	1,406,014	2,203,313
Transfers in	145,000	-	1,120,216	1,265,216
Transfers out	(145,000)	-	(1,120,216)	(1,265,216)
<b>Total other financing sources</b>	<b>-</b>	<b>797,299</b>	<b>1,406,014</b>	<b>2,203,313</b>
Net change in fund balances	(75)	-	(1,025,592)	(1,025,667)
Fund balances (deficit), beginning of year	(120)	1	5,478,534	5,478,415
<b>Fund balances (deficit), end of year</b>	<b>\$ (195)</b>	<b>\$ 1</b>	<b>\$ 4,452,942</b>	<b>\$ 4,452,748</b>

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

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## ■ Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds \$ (1,025,667)

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

Collection of special assessments revenue levied in prior years provide *current  
financial gains* in the funds, but do not affect *net assets*. (385,496)

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 4,890,215  
Depreciation expense (578,102)

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

Bond proceeds (2,203,313)  
Bond issuance costs 85,074  
Principal payments on long-term liabilities 771,950

An internal service fund is used by management to charge the costs of certain  
equipment usage to individual funds. The net revenue (expense) attributable  
to those funds is reported with governmental activities.

Change in net assets of government internal service funds (13,734)

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

Increase in accrued interest payable on bonds (2,733)  
Amortization of discount on bonds (4,232)  
Amortization of bond issuance costs (17,855)

Change in net assets of governmental activities \$ 1,516,107

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

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Statement of Net Assets

Equipment Revolving Internal Service Fund

December 31, 2011

### Assets

#### Current assets:

Cash and cash equivalents	\$ 94,782
Due from other drain funds	<u>38,796</u>

Total current assets 133,578

Noncurrent assets - capital assets, net 198,239

Total assets 331,817

### Liabilities

#### Current liabilities -

Accounts payable and accrued liabilities 88

Noncurrent liabilities - long term debt 180,708

Total liabilities 180,796

### Net assets

Invested in capital assets, net of related debt 17,531

Unrestricted 133,490

Total net assets \$ 151,021

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

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Statement of Revenues, Expenses, and Changes in Fund Net Assets Equipment Revolving Internal Service Fund For the Year Ended December 31, 2011

<b>Operating revenues</b>	
Charges for services	\$ 124,939
<b>Operating expenses</b>	
Public works	81,412
Depreciation	47,442
Total operating expenses	<u>128,854</u>
Operating loss	(3,915)
<b>Nonoperating revenue (expense)</b>	
Interest income	456
Interest expense	<u>(10,275)</u>
Total nonoperating expense	<u>(9,819)</u>
Change in net assets	(13,734)
Net assets, beginning of year	<u>164,755</u>
Net assets, end of year	<u>\$ 151,021</u>

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

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Statement of Cash Flows

Equipment Revolving Internal Service Fund  
For the Year Ended December 31, 2011

<b>Cash flows from operating activities</b>	
Cash received from interfund services	\$ 145,725
Cash payments to suppliers for goods and services	<u>(81,412)</u>
Net cash provided by operating activities	<u>64,313</u>
<b>Cash flows from capital and related financing activities</b>	
Interest paid on debt	<u>(10,275)</u>
<b>Cash flows from investing activities</b>	
Loan principal repaid	(35,804)
Investment income	<u>456</u>
Net cash used by investing activities	<u>(35,348)</u>
Change in cash and cash equivalents	18,690
Cash and cash equivalents, beginning of year	<u>76,092</u>
Cash and cash equivalents, end of year	<u>\$ 94,782</u>
<b>Reconciliation of operating loss to net cash provided by operating activities</b>	
Operating loss	\$ (3,915)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	47,442
Changes in assets and liabilities - Due from other drain funds	<u>20,786</u>
Net cash provided by operating activities	<u>\$ 64,313</u>

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

## NOTES TO FINANCIAL STATEMENTS

# WASHTENAW COUNTY

## Notes To Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

These financial statements represent the financial position and the changes in financial position of the funds of the Washtenaw County Water Resources Commissioner (the "Water Resources Commissioner"). These funds are considered to be a discretely presented component unit of Washtenaw County (the "County" or "primary government") and are an integral part of that reporting entity.

#### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these 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.

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

The government-wide financial information is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial information is 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 Water Resources Commissioner considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Special assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual. The portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.



# WASHTENAW COUNTY

## Notes To Financial Statements

The Water Resources Commissioner reports the following major governmental funds:

Debt service fund -  
Michigan Avenue East Central

Capital projects fund -  
Allen Creek Stadium Boulevard #2

Additionally, the Water Resources Commissioner reports the following fund types:

*Debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

*The internal service fund* accounts for operations that provide equipment management to other Water Resource funds, or to other governments, on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

### Assets, Liabilities and Net Assets or Equity

#### *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" (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."

Special assessments receivable, which are based on total estimated construction and maintenance costs of each drain project, reflect amounts due from benefiting parties including local units of government and property owners. No allowance for uncollectibles is recorded because the special assessments represent a lien on the respective properties.

#### *Capital Assets*

Capital assets, which are limited to infrastructure assets with a cost of more than \$5,000 and an estimated useful life in excess of two years, are reported in the Statement of Net Assets. Major outlays for infrastructure capital assets and improvements are capitalized as projects are constructed. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets, if any, 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 asset lives are not capitalized. Infrastructure is depreciated using the straight-line method over 50 years.

# WASHTENAW COUNTY

## Notes To Financial Statements

### *Long-Term Obligations*

In the government-wide financial statements, long-term debt is reported as a liability. Bond discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

### *Fund Equity*

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

## 2. CASH AND POOLED INVESTMENTS

At year end, the carrying amount of the Water Resources Commissioner's cash and pooled investments, which were deposited entirely in the County Treasurer's internal cash management pool, was \$8,557,835. Because it is infeasible to allocate risk to individual component units or pool participants, aggregate cash and investment categories are presented in the County's basic financial statements.

# WASHTENAW COUNTY

## Notes To Financial Statements

### 3. CAPITAL ASSETS

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

### 4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

	Due from Other Funds	Due to Other Funds
Michigan Avenue East Central debt service fund	\$ -	\$ 195
Nonmajor governmental funds	604,281	642,882
Internal service fund	38,796	-
	<u>\$ 643,077</u>	<u>\$ 643,077</u>

The above balances generally result from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. Interfund transfers for 2011 are as follows:

	Transfers In	Transfers Out
Michigan Avenue East Central debt service fund	\$ 145,000	\$ 145,000
Nonmajor governmental funds	1,120,216	1,120,216
	<u>\$ 1,265,216</u>	<u>\$ 1,265,216</u>

# WASHTENAW COUNTY

## Notes To Financial Statements

### 5. LONG-TERM DEBT

The following is a summary of the changes in long-term obligations for the year ended December 31, 2011:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Bonds payable	\$ 10,064,927	\$ 2,203,313	\$ (544,000)	\$ 11,724,240	\$ 634,000
Notes payable	1,107,550	-	(227,950)	879,600	263,217
Installment obligation	216,512	-	(35,804)	180,708	35,804
Less deferred amounts for issuance discounts	(62,850)	-	4,232	(58,618)	-
	<u>\$ 11,326,139</u>	<u>\$ 2,203,313</u>	<u>\$ (803,522)</u>	<u>\$ 12,725,930</u>	<u>\$ 933,021</u>

Drain improvement bonds and notes are issued to finance certain drainage district construction projects. These bonds and notes are direct obligations, and pledge the full faith and credit, of the County and the respective drainage districts. Bonds and notes outstanding at December 31, 2011 are as follows:

#### Bonds Payable:

Carpenter Road - \$350,000 Drain Improvement Bonds outstanding due in annual installments of \$100,000 through June 1, 2015; interest from 4.6% to 5.0%. The bonds redeemed on or after June 1, 2004, but prior to June 1, 2010 at option of 1.0%. The bonds redeemed on or after June 1, 2010, but prior to maturity at option of 0.5%.

Oak Park Washtenaw-Heights - \$1,320,000 Drain Improvement Bonds outstanding due in annual installments of \$75,000 to \$100,000 through May 1, 2026; interest from 3.65% to 4.65%.

Mallets Creek Wetland Detention - \$1,565,962 Drain Improvement Bonds outstanding due in annual installments of \$90,000 to \$125,000 through October 1, 2026; interest of 1.625%.

Traver Creek/Traver Knoll - \$270,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$55,000 through April 1, 2016; interest from 3.75% to 4.20%.

Traver Cistern - \$120,201 Drain Improvement Bonds outstanding due in annual installments of \$10,000 to \$15,000 through April 1, 2032; interest at 2.50%.

Michigan Ave. E. Central - \$1,615,000 Drain Improvement Bonds outstanding due in annual installments of \$55,000 to \$130,000 through May 1, 2029; interest from 2.25% to 4.75%.

Allen Creek West Park - \$1,035,000 Drain Improvement Bonds outstanding due in annual installments of \$40,000 to \$65,000 through April 1, 2031; interest at 2.50%.

Allen Creek Pioneer - \$2,525,946 Drain Improvement Bonds outstanding due in annual installments of \$105,000 to \$165,000 through April 1, 2031; interest at 2.50%.

# WASHTENAW COUNTY

## Notes To Financial Statements

Allen Creek Stadium - \$155,000 Drain Improvement Bonds outstanding due in annual installments of \$5,000 to \$10,000 through April 1, 2029; interest at 2.50%.

Allen Creek Stadium II - \$914,386 Drain Improvement Bonds outstanding due in annual installments of \$39,000 to \$65,000 through April 1, 2030; interest at 2.50%.

Allen Creek Sylvan - \$390,000 Drain Improvement Bonds outstanding due in annual installments of \$15,000 to \$25,000 through April 1, 2030; interest at 2.50%.

Lake Forrest Highlands - \$1,215,000 Drain Improvement Bonds outstanding due in annual installments of \$60,000 to \$65,000 through June 1, 2030; interest from 2.75% to 4.05%.

Malletts Creek - \$162,209 Drain Improvement Bonds outstanding due in annual installments of \$15,000 to \$25,000 through October 1, 2032; interest from 2.50%.

Allen Cistern - \$85,536 Drain Improvement Bonds outstanding due in annual installments of \$17,500 to \$25,000 through June 1, 2030; interest from 2.50%.

### Notes Payable:

Bazley Foster - \$6,750 Note outstanding due in installments of \$129,500 on May 15, 2006 and annual installments of \$6,750 from May 15, 2007 through May 15, 2012; interest at 3.69%.

Lake Forrest Drain - \$220,800 Note outstanding due in annual installments of \$73,600 through May 1, 2014; interest at 4.15%.

Lee Gause Drain - \$137,500 Note outstanding due in annual installments of \$68,750 through June 1, 2013; interest at 4.23%.

Textile - \$25,000 Note outstanding due in annual installments of \$12,500 through June 1, 2013; interest at 4.45%.

Hammond BR Weinett - \$20,000 Note outstanding due in annual installments of \$5,000 through June 1, 2015; interest at 4.40%.

Wing - \$269,550 Note outstanding due in annual installments of \$29,950 through June 1, 2020; interest at 5.15%.

Portage Baseline - \$200,000 Note outstanding due in annual installments of \$66,667 through June 1, 2014; interest at 3.97%.

### Installment Obligation:

Vactor Purchase - \$180,708 outstanding due in annual installments of \$46,079 to \$150,000 through June 1, 2013; interest at 4.75%.

# WASHTENAW COUNTY

## Notes To Financial Statements

Annual debt service requirements to maturity for all debt outstanding as of December 31, 2011, are as follows:

Year	Bonds Payable	Notes Payable	Installment Obligation	Total Principal	Interest Requirements	Total Requirements
2012	\$ 634,386	\$ 263,217	\$ 35,418	\$ 933,021	\$ 368,590	\$ 1,301,611
2013	739,000	256,467	145,290	1,140,757	331,145	1,471,902
2014	731,000	175,216	-	906,216	293,914	1,200,130
2015	746,000	34,950	-	780,950	267,034	1,047,984
2016	691,000	29,950	-	720,950	246,954	967,904
2017	666,000	29,950	-	695,950	229,238	925,188
2018	676,000	29,950	-	705,950	211,897	917,847
2019	701,000	29,950	-	730,950	193,912	924,862
2020	706,000	29,950	-	735,950	175,428	911,378
2021	726,000	-	-	726,000	156,994	882,994
2022	746,000	-	-	746,000	139,894	885,894
2023	761,000	-	-	761,000	122,112	883,112
2024	786,000	-	-	786,000	103,672	889,672
2025	812,000	-	-	812,000	84,544	896,544
2026	822,962	-	-	822,962	64,672	887,634
2027	622,000	-	-	622,000	46,578	668,578
2028	637,000	-	-	637,000	32,218	669,218
2029	657,000	-	-	657,000	17,389	674,389
2030	527,000	-	-	527,000	5,357	532,357
2031	382,000	-	-	382,000	83	382,083
2032	152,000	-	-	152,000	83	152,083
<b>Total</b>	<b>\$ 13,921,348</b>	<b>\$ 879,600</b>	<b>\$ 180,708</b>	<b>\$ 14,981,656</b>	<b>\$ 3,091,708</b>	<b>\$ 18,073,364</b>

Less amount available to draw	<u>(2,197,108)</u>	<u>(2,197,108)</u>
	<b><u>\$ 11,724,240</u></b>	<b><u>\$ 12,784,548</u></b>

# WASHTENAW COUNTY

## Notes To Financial Statements

### 6. DEFICIT FUND BALANCES

The following funds had deficit fund balances at December 31, 2011:

Michigan Avenue East Central debt service fund	\$	(195)
Nonmajor governmental funds:		
Chapter 4, 5 and 18 debt service funds:		
Palmer Baldwin		(20,579)
Pierce Lake		(10,289)
West Branch Paint Creek		(11,908)
Chapter 20 debt service funds:		
Mallets Creek Pittsfield - Ann Arbor		(17,463)
Textile		(10,340)
Hammond BR Weinett		(852)
Allen Creek Sylvan Ave		(1,337)
Lake level capital projects		(14,101)

These deficits primarily result from timing differences between the start of project work and billing/collection of special assessments and issuance of bonds. It is anticipated the deficits will be eliminated within two years as the special assessments are billed and collected, or bonds are issued.

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## COMBINING FUND FINANCIAL STATEMENTS

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2011

	Debt Service	Capital Projects	Totals
<b>Assets</b>			
Cash and pooled investments	\$ 520,582	\$ 7,942,470	\$ 8,463,052
Accounts receivable	-	2,743,734	2,743,734
Special assessments receivable:			
Due within one year	1,209,374	890,220	2,099,594
Due in more than one year	3,553,050	-	3,553,050
Interfund receivable	-	125,424	125,424
Due from other drain funds	-	604,281	604,281
<b>Total assets</b>	<b>\$ 5,283,006</b>	<b>\$ 12,306,129</b>	<b>\$ 17,589,135</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 3,979,605	\$ 3,979,605
Retainages payable	-	132,379	132,379
Accrued liabilities	-	82,911	82,911
Interfund payable	-	125,424	125,424
Due to other governments	-	2,454,374	2,454,374
Due to other drain funds	106,296	536,586	642,882
Advances from primary government	-	280,500	280,500
Deferred revenue	4,633,410	804,708	5,438,118
<b>Total liabilities</b>	<b>4,739,706</b>	<b>8,396,487</b>	<b>13,136,193</b>
<b>Fund balance</b>			
Restricted	543,300	3,909,642	4,452,942
<b>Total liabilities and fund balances</b>	<b>\$ 5,283,006</b>	<b>\$ 12,306,129</b>	<b>\$ 17,589,135</b>

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2011

	Debt Service	Capital Projects	Debt Service
<b>Revenues</b>			
Special assessments	\$ 1,148,535	\$ 943,797	\$ 2,092,332
Charges for services	-	57,942	57,942
Investment income	182	50,905	51,087
Permits	-	25,700	25,700
Intergovernmental	4,122	1,753,856	1,757,978
Other revenues	-	55,592	55,592
	<u>1,152,839</u>	<u>2,887,792</u>	<u>4,040,631</u>
<b>Expenditures</b>			
Public works	-	688,632	688,632
Debt service:			
Principal	716,950	-	716,950
Interest and fiscal charges	363,511	28,466	391,977
Bond issuance costs	-	85,074	85,074
Capital outlay	-	4,589,604	4,589,604
	<u>1,080,461</u>	<u>5,391,776</u>	<u>6,472,237</u>
Total expenditures	<u>1,080,461</u>	<u>5,391,776</u>	<u>6,472,237</u>
Revenues under expenditures	<u>72,378</u>	<u>(2,503,984)</u>	<u>(2,431,606)</u>
<b>Other financing sources (uses)</b>			
Proceeds of bonds and notes	-	1,406,014	1,406,014
Transfers in	126,360	993,856	1,120,216
Transfers out	(594,746)	(525,470)	(1,120,216)
	<u>(468,386)</u>	<u>1,874,400</u>	<u>1,406,014</u>
Total other financing sources	<u>(468,386)</u>	<u>1,874,400</u>	<u>1,406,014</u>
Net change in fund balances	(396,008)	(629,584)	(1,025,592)
Fund balances, beginning of year	<u>939,308</u>	<u>4,539,226</u>	<u>5,478,534</u>
Fund balances, end of year	<u>\$ 543,300</u>	<u>\$ 3,909,642</u>	<u>\$ 4,452,942</u>

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Balance Sheet Nonmajor Debt Services Funds December 31, 2011

	Chapter 4, 5 and 18 Drains	Chapter 20 Drains	Total
<b>Assets</b>			
Cash and pooled investments	\$ 221,882	\$ 298,700	\$ 520,582
Special assessments receivable:			
Due within one year	475,222	734,152	1,209,374
Due in more than one year	2,786,800	766,250	3,553,050
<b>Total assets</b>	<u>3,483,904</u>	<u>1,799,102</u>	<u>5,283,006</u>
<b>Liabilities</b>			
Due to other drain funds	\$ 72,472	\$ 33,824	\$ 106,296
Deferred revenue	3,172,781	1,460,629	4,633,410
<b>Total liabilities</b>	3,245,253	1,494,453	4,739,706
<b>Fund balance</b>			
Restricted	238,651	304,649	543,300
<b>Total liabilities and fund balances</b>	<u>\$ 3,483,904</u>	<u>\$ 1,799,102</u>	<u>\$ 5,283,006</u>

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds For the Year Ended December 31, 2011

	Chapter 4, 5 and 18 Drains	Chapter 20 Drains	Total
<b>Revenues</b>			
Special assessments	\$ 570,851	\$ 577,684	\$ 1,148,535
Investment income	168	14	182
Intergovernmental	3,913	209	4,122
Total revenues	<u>574,932</u>	<u>577,907</u>	<u>1,152,839</u>
<b>Expenditures</b>			
Debt service:			
Principal	366,700	350,250	716,950
Interest and fiscal charges	219,385	144,126	363,511
Total expenditures	<u>586,085</u>	<u>494,376</u>	<u>1,080,461</u>
Revenues under expenditures	<u>(11,153)</u>	<u>83,531</u>	<u>72,378</u>
<b>Other financing sources (uses)</b>			
Transfers in	53,870	72,490	126,360
Transfers out	(259,286)	(335,460)	(594,746)
Total other financing sources	<u>(205,416)</u>	<u>(262,970)</u>	<u>(468,386)</u>
Net change in fund balances	(216,569)	(179,439)	(396,008)
Fund balances, beginning of year	<u>455,220</u>	<u>484,088</u>	<u>939,308</u>
Fund balances, end of year	<u>\$ 238,651</u>	<u>\$ 304,649</u>	<u>\$ 543,300</u>

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Balance Sheet

Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds  
December 31, 2011

	Bazley Foster	IJ Williams	Jedele
<b>Assets</b>			
Cash and pooled investments	\$ 11,622	\$ -	\$ 937
Special assessments receivable:			
Due within one year	-	-	-
Due in more than one year	-	-	-
<b>Total assets</b>	<u>\$ 11,622</u>	<u>\$ -</u>	<u>\$ 937</u>
<b>Liabilities</b>			
Due to other drain funds	\$ -	\$ -	\$ 937
Deferred revenue	-	-	-
<b>Total liabilities</b>	-	-	937
<b>Fund balances (deficit)</b>			
Restricted	<u>11,622</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 11,622</u>	<u>\$ -</u>	<u>\$ 937</u>



Palmer Baldwin	Pierce Lake	West Branch Paint Creek Debt Service	James Dries	Bridgewater Village Tile	Manchester
\$ 16,922	\$ 1	\$ 1	\$ 17,320	\$ 2,234	\$ 4,200
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,922</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 17,320</u>	<u>\$ 2,234</u>	<u>\$ 4,200</u>
\$ 37,501	\$ 10,290	\$ 11,909	\$ -	\$ 1,492	\$ 4,047
-	-	-	-	-	-
37,501	10,290	11,909	-	1,492	4,047
(20,579)	(10,289)	(11,908)	17,320	742	153
<u>\$ 16,922</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 17,320</u>	<u>\$ 2,234</u>	<u>\$ 4,200</u>

continued...

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Balance Sheet

Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds (Concluded)  
December 31, 2011

	Lake Forrest	Oak Park Washtenaw- Heights	Lake Forest Highlands
<b>Assets</b>			
Cash and pooled investments	\$ 19,965	\$ 97,169	\$ 4,322
Special assessments receivable:			
Due within one year	76,118	116,966	98,705
Due in more than one year	147,200	1,245,000	1,155,000
<b>Total assets</b>	<u>\$ 243,283</u>	<u>\$ 1,459,135</u>	<u>\$ 1,258,027</u>
<b>Liabilities</b>			
Due to other funds	\$ -	\$ -	\$ -
Deferred revenue	204,371	1,335,958	1,238,761
<b>Total liabilities</b>	204,371	1,335,958	1,238,761
<b>Fund balances (deficit)</b>			
Restricted	38,912	123,177	19,266
<b>Total liabilities and fund balances</b>	<u>\$ 243,283</u>	<u>\$ 1,459,135</u>	<u>\$ 1,258,027</u>





Mallets Creek Wetland	Wing	Allen Creek Cistern	County Farm Streambank	Total
\$ 41,532	\$ 5,657	\$ -	\$ -	\$ 221,882
127,544	41,951	3,625	10,313	475,222
-	239,600	-	-	2,786,800
<u>\$ 169,076</u>	<u>\$ 287,208</u>	<u>\$ 3,625</u>	<u>\$ 10,313</u>	<u>\$ 3,483,904</u>
\$ -	\$ 6,296	\$ -	\$ -	\$ 72,472
125,002	254,751	3,625	10,313	3,172,781
125,002	261,047	3,625	10,313	3,245,253
44,074	26,161	-	-	238,651
<u>\$ 169,076</u>	<u>\$ 287,208</u>	<u>\$ 3,625</u>	<u>\$ 10,313</u>	<u>\$ 3,483,904</u>

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances**  
Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds  
For the Year Ended December 31, 2011

	Bazley Foster	IJ Williams	Jedele
<b>Revenues</b>			
Special assessments	\$ 7,110	\$ -	\$ 937
Investment income	3	-	-
Intergovernmental	-	-	937
<b>Total revenues</b>	<b>7,113</b>	<b>-</b>	<b>1,874</b>
<b>Expenditures</b>			
Debt service:			
Principal	6,750	-	-
Interest and fiscal charges	498	-	937
<b>Total expenditures</b>	<b>7,248</b>	<b>-</b>	<b>937</b>
<b>Revenues over (under) expenditures</b>	<b>(135)</b>	<b>-</b>	<b>937</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	(2,995)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(2,995)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(135)</b>	<b>(2,995)</b>	<b>937</b>
<b>Fund balances (deficit), beginning of year</b>	<b>11,757</b>	<b>2,995</b>	<b>(937)</b>
<b>Fund balances (deficit), end of year</b>	<b>\$ 11,622</b>	<b>\$ -</b>	<b>\$ -</b>



Palmer Baldwin	Pierce Lake	West Branch Paint Creek Debt Service	James Dries	Bridgewater Village Tile	Manchester
\$ 22,727	\$ 10,289	\$ 22,527	\$ -	\$ 19,928	\$ 2,821
7	-	-	8	2	-
-	-	-	-	1,407	1,569
<u>22,734</u>	<u>10,289</u>	<u>22,527</u>	<u>8</u>	<u>21,337</u>	<u>4,390</u>
-	-	-	-	31,400	-
<u>20,590</u>	<u>10,289</u>	<u>22,527</u>	<u>-</u>	<u>2,968</u>	<u>1,569</u>
<u>20,590</u>	<u>10,289</u>	<u>22,527</u>	<u>-</u>	<u>34,368</u>	<u>1,569</u>
<u>2,144</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>(13,031)</u>	<u>2,821</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,144</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>(13,031)</u>	<u>2,821</u>
<u>(22,723)</u>	<u>(10,289)</u>	<u>(11,908)</u>	<u>17,312</u>	<u>13,773</u>	<u>(2,668)</u>
<u>\$ (20,579)</u>	<u>\$ (10,289)</u>	<u>\$ (11,908)</u>	<u>\$ 17,320</u>	<u>\$ 742</u>	<u>\$ 153</u>

continued ...

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded) Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds For the Year Ended December 31, 2011

	Lake Forrest	Oak Park Washtenaw- Heights	Lake Forest Highlands
<b>Revenues</b>			
Special assessments	\$ 90,917	\$ 133,833	\$ 98,169
Investment income	13	60	-
Intergovernmental	-	-	-
<b>Total revenues</b>	<b>90,930</b>	<b>133,893</b>	<b>98,169</b>
<b>Expenditures</b>			
Debt service:			
Principal	73,600	75,000	60,000
Interest and fiscal charges	12,373	60,156	41,346
<b>Total expenditures</b>	<b>85,973</b>	<b>135,156</b>	<b>101,346</b>
<b>Revenues over (under) expenditures</b>	<b>4,957</b>	<b>(1,263)</b>	<b>(3,177)</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	11,200
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>11,200</b>
<b>Net change in fund balances</b>	<b>4,957</b>	<b>(1,263)</b>	<b>8,023</b>
Fund balances (deficit), beginning of year, as restated	33,955	124,440	11,243
<b>Fund balances (deficit), end of year</b>	<b>\$ 38,912</b>	<b>\$ 123,177</b>	<b>\$ 19,266</b>



Mallets Creek Wetland	Wing	Allen Creek Cistern	County Farm Streambank	Total
\$ 129,136	\$ 32,457	\$ -	\$ -	\$ 570,851
59	16	-	-	168
-	-	-	-	3,913
<u>129,195</u>	<u>32,473</u>	<u>-</u>	<u>-</u>	<u>574,932</u>
90,000	29,950	-	-	366,700
26,989	19,143	-	-	219,385
<u>116,989</u>	<u>49,093</u>	<u>-</u>	<u>-</u>	<u>586,085</u>
<u>12,206</u>	<u>(16,620)</u>	<u>-</u>	<u>-</u>	<u>(11,153)</u>
-	42,670	-	-	53,870
<u>(130,784)</u>	<u>(125,507)</u>	<u>-</u>	<u>-</u>	<u>(259,286)</u>
<u>(130,784)</u>	<u>(82,837)</u>	<u>-</u>	<u>-</u>	<u>(205,416)</u>
<u>(118,578)</u>	<u>(99,457)</u>	<u>-</u>	<u>-</u>	<u>(216,569)</u>
<u>162,652</u>	<u>125,618</u>	<u>-</u>	<u>-</u>	<u>455,220</u>
<u>\$ 44,074</u>	<u>\$ 26,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,651</u>

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Balance Sheet

Nonmajor Chapter 20 Drains Debt Service Funds

December 31, 2011

	Mallets Creek Pittsfield- Ann Arbor	Mallets Creek (Lans Basin)	West Park Miller Ave.
<b>Assets</b>			
Cash and pooled investments	\$ -	\$ 2	\$ 1
Special assessments receivable:			
Due within one year	-	-	-
Due in more than one year	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1</u>
<b>Liabilities</b>			
Due to other drain funds	\$ 17,463	\$ -	\$ 1
Deferred revenue	-	-	-
<b>Total liabilities</b>	17,463	-	1
<b>Fund balances (deficit)</b>			
Restricted	(17,463)	2	-
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1</u>



Traver Creek Bridge	Traver Creek (Misc)	Carpenter Road	Traver Creek/ Traver Knoll	Textile	Lee Gause
\$ 84,643	\$ 35,949	\$ 17,234	\$ 59,660	\$ 3,831	\$ 5,738
-	-	117,500	60,395	13,207	87,917
-	-	250,000	220,000	12,500	68,750
<u>\$ 84,643</u>	<u>\$ 35,949</u>	<u>\$ 384,734</u>	<u>\$ 340,055</u>	<u>\$ 29,538</u>	<u>\$ 162,405</u>
\$ -	\$ -	\$ -	\$ -	\$ 14,171	\$ -
-	-	354,105	277,212	25,707	154,345
-	-	354,105	277,212	39,878	154,345
84,643	35,949	30,629	62,843	(10,340)	8,060
<u>\$ 84,643</u>	<u>\$ 35,949</u>	<u>\$ 384,734</u>	<u>\$ 340,055</u>	<u>\$ 29,538</u>	<u>\$ 162,405</u>

continued ...

# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Balance Sheet

Nonmajor Chapter 20 Drains Debt Service Funds  
December 31, 2011

	NE Branch of Mauer	Allen Creek Stadium	Allen Creek Pioneer
<b>Assets</b>			
Cash and pooled investments	\$ -	\$ 753	\$ 54,430
Special assessments receivable:			
Due within one year	-	8,875	171,525
Due in more than one year	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 9,628</u>	<u>\$ 225,955</u>
<b>Liabilities</b>			
Due to other drain funds	\$ -	\$ -	\$ -
Deferred revenue	-	8,875	171,525
<b>Total liabilities</b>	-	8,875	171,525
<b>Fund balances (deficit)</b>			
Restricted	-	753	54,430
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 9,628</u>	<u>\$ 225,955</u>





Hammond BR Weinett	Allen Creek SB II	Allen Creek West Park	Allen Creek Sylvan Ave	Portage Baseline	Swift Run Cistern
\$ -	\$ 21,812	\$ 14,546	\$ -	\$ 101	\$ -
5,880	64,849	65,875	24,787	76,903	688
15,000	-	-	-	200,000	-
<u>\$ 20,880</u>	<u>\$ 86,661</u>	<u>\$ 80,421</u>	<u>\$ 24,787</u>	<u>\$ 277,004</u>	<u>\$ 688</u>
\$ 852	\$ -	\$ -	\$ 1,337	\$ -	\$ -
20,880	64,849	65,875	24,787	256,723	688
21,732	64,849	65,875	26,124	256,723	688
(852)	21,812	14,546	(1,337)	20,281	-
<u>\$ 20,880</u>	<u>\$ 86,661</u>	<u>\$ 80,421</u>	<u>\$ 24,787</u>	<u>\$ 277,004</u>	<u>\$ 688</u>

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# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Balance Sheet (Concluded) Nonmajor Chapter 20 Drains Debt Service Funds December 31, 2011

	Malletts Cistern	Traver Cistern	Total
<b>Assets</b>			
Cash and pooled investments	\$ -	\$ -	\$ 298,700
Special assessments receivable:			
Due within one year	30,313	5,438	734,152
Due in more than one year	-	-	766,250
	<u>30,313</u>	<u>5,438</u>	<u>766,250</u>
<b>Total assets</b>	<u>\$ 30,313</u>	<u>\$ 5,438</u>	<u>\$ 1,799,102</u>
<b>Liabilities</b>			
Due to other drain funds	\$ -	\$ -	\$ 33,824
Deferred revenue	29,840	5,218	1,460,629
	<u>29,840</u>	<u>5,218</u>	<u>1,494,453</u>
<b>Total liabilities</b>	<u>29,840</u>	<u>5,218</u>	<u>1,494,453</u>
<b>Fund balances (deficit)</b>			
Restricted	473	220	304,649
	<u>473</u>	<u>220</u>	<u>304,649</u>
<b>Total liabilities and fund balances</b>	<u>\$ 30,313</u>	<u>\$ 5,438</u>	<u>\$ 1,799,102</u>

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# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Nonmajor Chapter 20 Drains Debt Service Funds

For the Year Ended December 31, 2011

	Mallets Creek Pittsfield- Ann Arbor	Mallets Creek (Lans Basin)	West Park Miller Ave.
<b>Revenues</b>			
Special assessments	\$ -	\$ -	\$ -
Intergovernmental	-	1	1
Investment income	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Expenditures</b>			
Debt service:			
Principal	-	-	-
Interest and fiscal charges	17,463	1	1
<b>Total expenditures</b>	<u>17,463</u>	<u>1</u>	<u>1</u>
Revenues over (under) expenditures	<u>(17,463)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(17,463)	-	-
Fund balances (deficit), beginning of year	<u>-</u>	<u>2</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ (17,463)</u>	<u>\$ 2</u>	<u>\$ -</u>

Traver Creek Bridge	Traver Creek (Misc)	Carpenter Road	Traver Creek/ Traver Knoll	Textile	Lee Gause
\$ 56,250	\$ 37,906	\$ 121,930	\$ 61,804	\$ 14,549	\$ 82,477
12	-	-	-	-	-
44	15	22	33	-	-
<u>56,306</u>	<u>37,921</u>	<u>121,952</u>	<u>61,837</u>	<u>14,549</u>	<u>82,477</u>
55,000	-	100,000	50,000	12,500	68,750
1,375	-	20,350	12,108	1,672	8,725
<u>56,375</u>	<u>-</u>	<u>120,350</u>	<u>62,108</u>	<u>14,172</u>	<u>77,475</u>
<u>(69)</u>	<u>37,921</u>	<u>1,602</u>	<u>(271)</u>	<u>377</u>	<u>5,002</u>
-	-	-	-	66,845	-
-	-	-	-	(79,666)	-
-	-	-	-	(12,821)	-
<u>(69)</u>	<u>37,921</u>	<u>1,602</u>	<u>(271)</u>	<u>(12,444)</u>	<u>5,002</u>
<u>84,712</u>	<u>(1,972)</u>	<u>29,027</u>	<u>63,114</u>	<u>2,104</u>	<u>3,058</u>
<u>\$ 84,643</u>	<u>\$ 35,949</u>	<u>\$ 30,629</u>	<u>\$ 62,843</u>	<u>\$ (10,340)</u>	<u>\$ 8,060</u>

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# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Chapter 20 Drains Debt Service Funds For the Year Ended December 31, 2011

	NE Branch of Mauer	Allen Creek Stadium	Allen Creek Pioneer
<b>Revenues</b>			
Special assessments	\$ -	\$ 9,000	\$ 66,525
Intergovernmental	-	-	-
Investment income	-	3	59
<b>Total revenues</b>	<u>-</u>	<u>9,003</u>	<u>66,584</u>
<b>Expenditures</b>			
Debt service:			
Principal	-	5,000	-
Interest and fiscal charges	-	3,938	57,007
<b>Total expenditures</b>	<u>-</u>	<u>8,938</u>	<u>57,007</u>
Revenues over (under) expenditures	<u>-</u>	<u>65</u>	<u>9,577</u>
<b>Other financing uses</b>			
Transfers in	-	-	-
Transfers out	(148)	(13,340)	(210,000)
<b>Total other sources (uses)</b>	<u>(148)</u>	<u>(13,340)</u>	<u>(210,000)</u>
Net change in fund balances	(148)	(13,275)	(200,423)
Fund balances (deficit), beginning of year	<u>148</u>	<u>14,028</u>	<u>254,853</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ -</u>	<u>\$ 753</u>	<u>\$ 54,430</u>



Hammond BR Weinett	Allen Creek SB II	Allen Creek West Park	Allen Creek Sylvan Ave	Portage Baseline	Swift Run Cistern
\$ -	\$ 62,201	\$ 24,866	\$ 19,203	\$ 20,280	\$ -
-	-	-	-	-	-
3	-	-	29	1	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
3	62,201	24,866	19,232	20,281	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
5,000	39,000	-	15,000	-	-
1,513	3,913	9,665	6,395	-	-
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6,513	42,913	9,665	21,395	-	-
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(6,510)	19,288	15,201	(2,163)	20,281	-
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5,645	-	-	-	-	-
(15,306)	-	-	(17,000)	-	-
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(9,661)	-	-	(17,000)	-	-
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(16,171)	19,288	15,201	(19,163)	20,281	-
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15,319	2,524	(655)	17,826	-	-
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\$ (852)	\$ 21,812	\$ 14,546	\$ (1,337)	\$ 20,281	\$ -
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# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded) Nonmajor Chapter 20 Drains Debt Service Funds For the Year Ended December 31, 2011

	Malletts Cistern	Traver Cistern	Total
<b>Revenues</b>			
Special assessments	\$ 473	\$ 220	\$ 577,684
Intergovernmental	-	-	14
Investment income	-	-	209
<b>Total revenues</b>	<b>473</b>	<b>220</b>	<b>577,907</b>
<b>Expenditures</b>			
Debt service:			
Principal	-	-	350,250
Interest and fiscal charges	-	-	144,126
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>494,376</b>
Revenues over (under) expenditures	473	220	83,531
<b>Other financing uses</b>			
Transfers in	-	-	72,490
Transfers out	-	-	(335,460)
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(262,970)</b>
Net change in fund balances	473	220	(179,439)
Fund balances (deficit), beginning of year	-	-	484,088
<b>Fund balances (deficit), end of year</b>	<b>\$ 473</b>	<b>\$ 220</b>	<b>\$ 304,649</b>



# WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

## Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2011

	Chapters 4, 5 and 18 Drains	Chapter 20 Drains	Lake Levels	Drain and Lake Level Revolving	Total
<b>Assets</b>					
Cash and pooled investments	\$ 6,476,705	\$ 1,342,264	\$ 123,501	\$ -	\$ 7,942,470
Accounts receivable	910	2,742,824	-	-	2,743,734
Special assessments receivable -					
Due within one year	492,716	320,123	77,381	-	890,220
Interfund receivable	125,424	-	-	-	125,424
Due from other drain funds	-	-	-	604,281	604,281
<b>Total assets</b>	<b>\$ 7,095,755</b>	<b>\$ 4,405,211</b>	<b>\$ 200,882</b>	<b>\$ 604,281</b>	<b>\$ 12,306,129</b>
<b>Liabilities</b>					
Accounts payable	\$ 1,608,705	\$ 2,193,841	\$ 177,059	\$ -	\$ 3,979,605
Retainages payable	48,804	83,575	-	-	132,379
Accrued liabilities	-	82,911	-	-	82,911
Interfund payable	-	-	-	125,424	125,424
Due to other governments	2,454,374	-	-	-	2,454,374
Due to other drain funds	266,889	269,697	-	-	536,586
Advances from primary government	-	-	-	280,500	280,500
Deferred revenue	329,147	437,637	37,924	-	804,708
<b>Total liabilities</b>	<b>4,707,919</b>	<b>3,067,661</b>	<b>214,983</b>	<b>405,924</b>	<b>8,396,487</b>
<b>Fund balances (deficit)</b>					
Restricted	2,387,836	1,337,550	(14,101)	198,357	3,909,642
<b>Total liabilities and fund balances</b>	<b>\$ 7,095,755</b>	<b>\$ 4,405,211</b>	<b>\$ 200,882</b>	<b>\$ 604,281</b>	<b>\$ 12,306,129</b>

**WASHTENAW COUNTY WATER RESOURCES COMMISSIONER**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2011

	Chapters 4, 5 and 18 Drains	Chapter 20 Drains	Lake Levels	Drain and Lake Level Revolving	Total
<b>Revenues</b>					
Special assessments	\$ 475,810	\$ 400,998	\$ 66,989	\$ -	\$ 943,797
Charges for services	329	57,613	-	-	57,942
Investment income	37,321	12,752	710	122	50,905
Permits	25,700	-	-	-	25,700
Intergovernmental	39,696	1,714,029	131	-	1,753,856
Other revenues	52,818	2,774	-	-	55,592
<b>Total revenues</b>	<b>631,674</b>	<b>2,188,166</b>	<b>67,830</b>	<b>122</b>	<b>2,887,792</b>
<b>Expenditures</b>					
Public works	622,964	-	65,668	-	688,632
Interest expense	-	28,343	-	123	28,466
Bond issuance costs	-	85,074	-	-	85,074
Capital outlay	799,727	3,789,877	-	-	4,589,604
<b>Total expenditures</b>	<b>1,422,691</b>	<b>3,903,294</b>	<b>65,668</b>	<b>123</b>	<b>5,391,776</b>
Revenues over (under) expenditures	(791,017)	(1,715,128)	2,162	(1)	(2,503,984)
<b>Other financing sources (uses)</b>					
Proceeds from bond and notes	-	1,406,014	-	-	1,406,014
Transfers in	246,106	724,249	23,501	-	993,856
Transfers out	(254,325)	(271,145)	-	-	(525,470)
<b>Total other financing sources (uses)</b>	<b>(8,219)</b>	<b>1,859,118</b>	<b>23,501</b>	<b>-</b>	<b>1,874,400</b>
Net change in fund balances	(799,236)	143,990	25,663	(1)	(629,584)
Fund balances (deficit), beginning of year	3,187,072	1,193,560	(39,764)	198,358	4,539,226
<b>Fund balances (deficit), end of year</b>	<b>\$ 2,387,836</b>	<b>\$ 1,337,550</b>	<b>\$ (14,101)</b>	<b>\$ 198,357</b>	<b>\$ 3,909,642</b>