

Washtenaw County Water
Resources Commissioner

Year Ended
December 31,
2012

Financial
Statements

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Changes in Net Position of Governmental Activities	17
Statement of Net Position - Equipment Revolving Internal Service Fund	18
Statement of Revenues, Expenses and Changes in Fund Net Position - Equipment Revolving Internal Service Fund	19
Statement of Cash Flows - Equipment Revolving Internal Service Fund	20
Notes to the Basic Financial Statements	22
Combining Fund Financial Statements	
Combining Balance Sheet - Nonmajor Governmental Funds	32
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	33
Combining Balance Sheet - Nonmajor Debt Service Funds	34
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	35
Nonmajor Chapters 4, 5 and 18 Drains Debt Service Funds:	
Combining Balance Sheet	36
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	40
Nonmajor Chapter 20 Drains Debt Service Funds:	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	50
Combining Balance Sheet - Nonmajor Capital Projects Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	57



INDEPENDENT AUDITORS' REPORT

March 26, 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of the government activities, each major fund and the aggregate remaining fund information of the *Washtenaw County Water Resources Commissioner, a component unit of Washtenaw County*, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Department'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 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, each major fund, and the aggregate remaining fund information of the Washtenaw County Water Resources Commissioner as of December 31, 2012, and the respective changes in its financial position 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 the management's discussion and analysis, as 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 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 any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department'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 basic financial statements. The information has been subjected to the auditing procedures applied 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, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



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, 2012. 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 which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

- The *statement of net position* presents information on all of the Water Resources Commissioner's assets, deferred outflows, liabilities and deferred inflows, with the net of these reported as net position.
- The *statement of activities* presents information showing how the Water Resources Commissioner's net position changed during the most recent fiscal year.
- The *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 Water Resources Commission's operations in more detail than the government-wide statements by providing information about the Water Resources Commissioner's most significant funds.
- 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 position of the Office of the Water Resources Commissioner is summarized for the purpose of determining the overall fiscal position. As shown below, the Water Resources' assets exceeded liabilities by \$34,214,143 at the end of the fiscal year. This is primarily attributed to the addition of infrastructure and capital assets. The net investment in capital assets provides 67% of net position. 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:

	Net Position	
	2012	2011
Assets		
Current and other assets	\$ 17,669,441	\$ 18,636,055
Capital assets	36,800,683	32,850,443
Total assets	<u>54,470,124</u>	<u>51,486,498</u>
Liabilities		
Long-term liabilities outstanding	13,769,615	12,725,930
Other liabilities	6,486,366	7,022,960
Total liabilities	<u>20,255,981</u>	<u>19,748,890</u>
Net position		
Net investment in capital assets	23,031,068	20,124,513
Restricted	4,363,506	4,452,748
Unrestricted	6,819,569	7,160,345
Total net position	<u>\$ 34,214,143</u>	<u>\$ 31,737,606</u>

When comparing this fiscal year to the previous year, net position has increased by \$2,476,537. The major part of this increase is attributable to increased capital grants and contributions, and reduced expenses.

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Change in Net Position	
	2012	2011
Revenues		
Program revenue:		
Charges for services	\$ 171,911	\$ 208,581
Capital grants and contributions	4,586,010	3,639,265
General revenue -		
Unrestricted investment earnings	40,687	51,738
Total revenues	4,798,608	3,899,584
Expenses - public works	2,322,071	2,668,802
Increase in net assets	2,476,537	1,230,782
Net position, beginning of year, as restated	31,737,606	30,506,824
Net position, end of year	\$ 34,214,143	\$ 31,737,606

Capital Assets

The Office of the Water Resources Commissioner had \$36,800,683 in capital assets at the end of the fiscal year, as shown below. Capital assets primarily consist of 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.

	Capital Assets (net of depreciation)	
	2012	2011
Construction in progress	\$ 1,399,009	\$ 2,836,637
Infrastructure	35,237,317	29,815,567
Machinery and equipment (Vactor)	164,357	198,239
Total	\$ 36,800,683	\$ 32,850,443

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

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 \$13,824,392. This entire amount is backed by the full faith and credit of Washtenaw County and/or the respective drainage districts.

	2012	2011
Drain improvement bonds	\$ 13,064,805	\$ 11,724,240
Drain improvement notes	616,383	879,600
Installment obligation	143,204	180,708
Total	<u>\$ 13,824,392</u>	<u>\$ 12,784,548</u>

Additional information on the Washtenaw County Water Resources' long-term debt can be found in detail in the notes to the financial statements.

Economic Factors and Next Year's Budget

It should be noted that this discussion and analysis 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, another discretely presented component unit of the County, are audited and reported 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 2012, total maintenance and debt retirement were \$2,504,607. Maintenance was conducted on 171 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 2013 maintenance will closely approximate 2012 and debt retirement will see a slight increase.

Drain construction projects are undertaken in response to petitions from local governments or property owners. In 2012, five construction projects were financed for a total of \$1,597,500. In 2013, it is expected that ten 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.

This Page Intentionally Left Blank

BASIC FINANCIAL STATEMENTS

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Statement of Net Position

Governmental Activities
December 31, 2012

Assets	
Cash and pooled investments	\$ 9,159,111
Receivables	8,510,330
Capital assets not being depreciated	1,399,009
Capital assets being depreciated, net	<u>35,401,674</u>
Total assets	<u>54,470,124</u>
Liabilities	
Accounts payable and accrued expenses	6,391,897
Accrued interest payable	94,469
Long-term liabilities:	
Due within one year	1,246,671
Due in more than one year	<u>12,522,944</u>
Total liabilities	<u>20,255,981</u>
Net position	
Net investment in capital assets	23,031,068
Restricted for:	
Debt service	847,950
Construction projects	3,515,556
Unrestricted	<u>6,819,569</u>
Total net position	<u>\$ 34,214,143</u>

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

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Statement of Activities

For the Year Ended December 31, 2012

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Capital Grants and Contributions	
Water Resources Commissioner				
Governmental activities -				
Public works	\$ 2,322,071	\$ 171,911	\$ 4,586,010	\$ 2,435,850
General revenues				
Unrestricted investment earnings				40,687
Change in net position				2,476,537
Net position				
Beginning of year, as restated				31,737,606
End of year				\$ 34,214,143

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

This Page Intentionally Left Blank

FUND FINANCIAL STATEMENTS

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Balance Sheet Governmental Funds December 31, 2012

	Debt Service Fund	Capital Project Funds		Nonmajor Governmental Funds	Total
	Michigan Ave E. Central	Malletts Creek Streambank Stabilization	Traver Creek Leslie Park		
Assets					
Cash and pooled investments	\$ 3,755	\$ -	\$ -	\$ 9,027,107	\$ 9,030,862
Accounts receivable	-	17,474	969,438	190,400	1,177,312
Special assessments receivable:					
Due within one year	121,516	-	-	2,366,585	2,488,101
Due in more than one year	1,500,000	-	-	3,344,917	4,844,917
Interfund receivable	-	-	-	636,325	636,325
Due from other drain funds	-	-	-	483,874	483,874
Total assets	\$ 1,625,271	\$ 17,474	\$ 969,438	\$ 16,049,208	\$ 18,661,391
Liabilities					
Accounts payable	\$ -	\$ 14,160	\$ 336,414	\$ 3,071,223	\$ 3,421,797
Retainages payable	-	-	-	248,485	248,485
Accrued liabilities	-	-	-	156,423	156,423
Interfund payable	-	3,302	633,023	-	636,325
Due to other governments	-	-	-	2,284,604	2,284,604
Due to other drain funds	-	10	-	522,248	522,258
Advances from primary government	-	-	-	280,500	280,500
Total liabilities	-	17,472	969,437	6,563,483	7,550,392
Deferred inflows of resources					
Unavailable revenue - special assessments	1,621,516	-	-	5,176,479	6,797,995
Fund balances					
Restricted:					
Debt service funds	3,755	-	-	844,195	847,950
Capital projects funds	-	2	1	3,515,553	3,515,556
Unassigned deficit	-	-	-	(50,502)	(50,502)
Total fund balances	3,755	2	1	4,309,246	4,313,004
Total liabilities, deferred inflows of resources and fund balances	\$ 1,625,271	\$ 17,474	\$ 969,438	\$ 16,049,208	\$ 18,661,391

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

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Reconciliation

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

Fund balances - total governmental funds	\$ 4,313,004
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 - infrastructure	44,967,133
Accumulated depreciation	(9,729,816)
Construction in progress	1,399,009
Unavailable revenue is not a <i>current financial resource</i> and therefore is not reported as revenue in the governmental funds.	6,797,995
Bonds and notes payable are not due and payable in the current period and therefore not reported in the governmental funds:	
Bonds payable	(13,064,805)
Notes payable	(616,383)
Deferred charges	54,777
Accrued interest payable on bonds is not recorded by governmental funds.	(94,469)
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 position.	187,698
Payables to the primary government are treated as quasi-external liabilities for purposes of <i>net position</i> :	
Advances from primary government	280,500
Accounts payable	(280,500)
Net position of governmental activities	<u>\$ 34,214,143</u>

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

Year Ended December 31, 2012

	Debt Service	Capital Project		Nonmajor	Total
	Funds	Funds			
	Michigan	Malletts Creek	Traver Creek	Funds	
	Ave E.	Streambank	Leslie Park		
	Central	Stabilization			
Revenues					
Special assessments	\$ 121,843	\$ -	\$ 71,461	\$ 2,598,257	\$ 2,791,561
Investment income	-	-	-	39,894	39,894
Permits	-	-	-	16,622	16,622
Intergovernmental	-	-	896,590	1,097,538	1,994,128
Other revenues	-	-	-	122,559	122,559
Total revenues	121,843	-	968,051	3,874,870	4,964,764
Expenditures					
Public works	-	-	-	731,928	731,928
Debt service:					
Principal	55,000	-	-	939,006	994,006
Interest and fiscal charges	62,893	-	-	350,116	413,009
Capital outlay	-	1,276,045	1,040,898	2,717,445	5,034,388
Total expenditures	117,893	1,276,045	1,040,898	4,738,495	7,173,331
Revenues over (under) expenditures	3,950	(1,276,045)	(72,847)	(863,625)	(2,208,567)
Other financing sources (uses)					
Proceeds of bonds and notes	-	1,273,656	72,848	724,850	2,071,354
Transfers in	-	587,419	-	1,304,145	1,891,564
Transfers out	-	-	-	(1,894,099)	(1,894,099)
Total other financing sources	-	1,861,075	72,848	134,896	2,068,819
Net change in fund balances	3,950	585,030	1	(728,729)	(139,748)
Fund balances (deficit), beginning of year	(195)	(585,028)	-	5,037,975	4,452,752
Fund balances, end of year	\$ 3,755	\$ 2	\$ 1	\$ 4,309,246	\$ 4,313,004

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

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

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	\$ (139,748)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Collection of special assessments revenue levied in prior years provide <i>current financial gains</i> in the funds, but do not affect <i>net position</i> .	(321,958)
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	4,759,520
Depreciation expense	(775,398)
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:	
Bond proceeds	(2,071,354)
Principal payments on long-term liabilities	994,006
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 position of government internal service funds	36,677
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 <i>net position</i> :	
Change in accrued interest payable on bonds	(1,367)
Change in amortization of discount on bonds	(3,841)
Change in net position of governmental activities	<u><u>\$ 2,476,537</u></u>

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

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Statement of Net Position

Equipment Revolving Internal Service Fund

December 31, 2012

Assets

Current assets:

Cash and cash equivalents	\$ 128,249
Due from other drain funds	<u>38,384</u>

Total current assets 166,633

Noncurrent assets - capital assets, net 164,357

Total assets 330,990

Liabilities

Current liabilities -

Accounts payable and accrued liabilities	88
Current portion of long term debt	<u>143,204</u>

Total liabilities 143,292

Net position

Net investment in capital assets	21,153
Unrestricted	<u>166,545</u>

Total net position \$ 187,698

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 Position

Equipment Revolving Internal Service Fund
Year Ended December 31, 2012

Operating revenues	
Charges for services	<u>\$ 155,289</u>
Operating expenses	
Public works	79,203
Depreciation	<u>33,882</u>
Total operating expenses	<u>113,085</u>
Operating income	<u>42,204</u>
Nonoperating revenues (expense)	
Interest income	513
Interest expense	<u>(8,575)</u>
Total nonoperating expense	<u>(8,062)</u>
Income before transfers	34,142
Transfers in	<u>2,535</u>
Change in net position	36,677
Net position, beginning of year	<u>151,021</u>
Net position, end of year	<u><u>\$ 187,698</u></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

Year Ended December 31, 2012

Cash flows from operating activities	
Cash received from interfund services	\$ 155,701
Cash payments to suppliers for goods and services	<u>(79,203)</u>
Net cash provided by operating activities	<u>76,498</u>
Cash flows from noncapital financing activities	
Transfers in	<u>2,535</u>
Cash flows from capital and related financing activities	
Interest paid on debt	<u>(8,575)</u>
Cash flows from investing activities	
Loan principal repaid	(37,504)
Investment income	<u>513</u>
Net cash used by investing activities	<u>(36,991)</u>
Change in cash and cash equivalents	33,467
Cash and cash equivalents, beginning of year	<u>94,782</u>
Cash and cash equivalents, end of year	<u><u>\$ 128,249</u></u>
Reconciliation of operating gain to net cash provided by operating activities	
Operating income	\$ 42,204
Adjustments to reconcile operating gain to net cash provided by operating activities:	
Depreciation	33,882
Changes in assets and liabilities -	
Due from other drain funds	<u>412</u>
Net cash provided by operating activities	<u><u>\$ 76,498</u></u>

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

NOTES TO FINANCIAL STATEMENTS

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

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 statements of net position and 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 WATER RESOURCES COMMISSIONER

Notes To Financial Statements

The Water Resources Commissioner reports the following major governmental funds:

Debt service fund -
Michigan Avenue East Central

Capital projects funds:
Malletts Creek Streambank Stabilization
Travor Creek Leslie Park

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 Resources 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 Position 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 primarily consist of 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 position. 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; machinery and equipment is depreciated using the straight line method over 10 years.

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Notes To Financial Statements

Long-term Obligations

In the government-wide financial statements, long-term debt is reported as a liability. Bond 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 discount.

In the fund financial statements, governmental fund types recognize bond discounts 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.

Deferred Inflows - In addition to liabilities, the statement of net position and/or 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 one type of item that qualifies for reporting in this category. The item arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 statutory Drain Board. A formal resolution of the statutory Drain Board 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 \$9,159,111. 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 WATER RESOURCES COMMISSIONER

Notes To Financial Statements

3. CAPITAL ASSETS

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities				
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>
Governmental activities capital assets, net	<u>\$ 32,850,443</u>	<u>\$ 10,147,388</u>	<u>\$ (6,197,148)</u>	<u>\$ 36,800,683</u>

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2012, is as follows:

	Due from Other Funds	Due to Other Funds
Malletts Creek Streambank Stabilization fund	\$ -	\$ 10
Nonmajor governmental funds	483,874	522,248
Internal service fund	38,384	-
	<u>\$ 522,258</u>	<u>\$ 522,258</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 2012 are as follows:

	Transfers In	Transfers Out
Michigan Avenue East Central debt service fund	\$ 587,419	\$ -
Nonmajor governmental funds	1,304,145	1,894,099
Internal service fund	2,535	-
	<u>\$ 1,894,099</u>	<u>\$ 1,894,099</u>

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

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, 2012:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Bonds payable	\$ 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
Less deferred amounts for issuance discounts	(58,618)	-	3,841	(54,777)	-
	<u>\$ 12,725,930</u>	<u>\$ 2,071,354</u>	<u>\$ (1,027,669)</u>	<u>\$ 13,769,615</u>	<u>\$ 1,246,671</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, 2012 are as follows:

Bonds Payable:

Carpenter Road - \$250,000 Drain Improvement Bonds outstanding due in annual installments of \$100,000 through June 1, 2015; interest of 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 - \$1,245,000 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 - \$1,475,962 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 - \$220,000 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 - \$191,482 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 - \$1,560,000 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 - \$995,000 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 - \$2,324,543 Drain Improvement Bonds outstanding due in annual installments of \$105,000 to \$165,000 through April 1, 2031; interest at 2.50%.

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Notes To Financial Statements

Allen Creek Stadium - \$150,000 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 - \$875,000 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 - \$375,000 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 - \$1,155,000 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 E. Stadium - \$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 Debt - \$133,084 Drain Improvement Bonds outstanding due in annual installments of \$17,500 to \$25,000 through June 1, 2030; interest from 2.50%.

Malletts Creek - \$974,506 Drain Improvement Bonds outstanding due in annual installments of \$47,500 to \$75,000 through April 1, 2032; interest of 2.50%.

Swift Run - \$25,144 Drain Improvement Bonds outstanding due in annual installments of \$500 to \$2,000 through April 1, 2032; interest of 2.50%

County Farm - \$269,531 Drain Improvement Bonds outstanding due in annual installments of \$17,500 to \$25,000 through April 1, 2032; interest of 2.50%.

Allen Cistern Veteran West - \$30,022 Drain Improvement Bonds outstanding due in annual installments of \$500 to \$2,000 through April 1, 2032; interest of 2.50%.

Territorial Road - \$235,000 Drain Improvement Bonds outstanding due in annual installments of \$10,000 to \$15,000 through June 1, 2032; interest of 3.5 % through 4.75%.

Allen Creek Willard Street - \$75,138 Drain Improvement Bonds outstanding due in annual installments of \$7,500 to \$10,000 through April 1, 2032; interest of 2.50%.

Sugar Creek Extension - \$270,000 Drain Improvement Bonds outstanding due in annual installments of \$90,000 June 1, 2015; interest of .85% through 1.35%.

Traver Creek Leslie Park - \$72,848 Drain Improvement Bonds outstanding due in annual installments of \$27,500 to \$10,000 through April 1, 2033; interest of 2.50%.

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Notes To Financial Statements

Notes Payable:

Lake Forrest Drain - \$147,200 Note outstanding due in annual installments of \$73,600 through May 1, 2014; interest at 4.15%.

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

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

Hammond BR Weinett - \$15,000 Note outstanding due in annual installments of \$5,000 through June 1, 2015; interest at 4.40%.

Wing - \$239,600 Note outstanding due in annual installments of \$29,950 through June 1, 2020; interest at 5.15%.

Portage Baseline - \$133,333 Note outstanding due in annual installments of \$66,667 through June 1, 2014; interest at 3.97%.

Installment Obligation:

Vactor Purchase - \$143,204 outstanding due in one installment on June 1, 2013; interest at 4.75%.

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Notes To Financial Statements

Annual debt service requirements to maturity for all debt outstanding as of December 31, 2012, are as follows:

Year	Bonds Payable	Notes Payable	Installment Obligation	Total Principal	Interest Requirements	Total Requirements
2013	\$ 847,000	\$ 256,467	\$ 143,204	\$ 1,246,671	\$ 401,505	\$ 1,648,176
2014	864,500	205,166	-	1,069,666	370,380	1,440,046
2015	882,000	34,950	-	916,950	328,723	1,245,673
2016	737,000	29,950	-	766,950	305,092	1,072,042
2017	712,000	29,950	-	741,950	284,434	1,026,384
2018	722,000	29,950	-	751,950	263,880	1,015,830
2019	757,000	29,950	-	786,950	242,538	1,029,488
2020	763,000	-	-	763,000	220,352	983,352
2021	783,000	-	-	783,000	199,070	982,070
2022	803,000	-	-	803,000	177,123	980,123
2023	818,000	-	-	818,000	154,967	972,967
2024	843,000	-	-	843,000	132,143	975,143
2025	874,000	-	-	874,000	108,526	982,526
2026	889,962	-	-	889,962	84,046	974,008
2027	689,000	-	-	689,000	60,456	749,456
2028	704,000	-	-	704,000	42,540	746,540
2029	729,000	-	-	729,000	24,012	753,012
2030	532,543	-	-	532,543	9,775	542,318
2031	289,000	-	-	289,000	2,414	291,414
2032	224,000	-	-	224,000	463	224,463
2033	50,000	-	-	50,000	-	50,000
Total	14,513,005	\$ 616,383	\$ 143,204	\$ 15,272,592	\$ 3,412,439	\$ 18,635,031
	336			336		
	<u>(1,448,536)</u>			<u>(1,448,536)</u>		
	<u>\$ 13,064,805</u>			<u>\$ 13,824,392</u>		

The County has accrued expenditures related to drain improvements of \$336 for which no amortization schedule has been provided. The County also has drain improvement bonds for which maturities are included above but for which funds amounting to \$1,448,536 have not yet been drawn.

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Notes To Financial Statements

6. DEFICIT FUND BALANCES

The following funds had deficit fund balances at December 31, 2012:

Nonmajor governmental funds:

Chapter 4, 5 and 18 debt service funds -	
Pierce Lake	\$ (2,620)
Chapter 20 debt service funds:	
Mallets Creek Pittsfield - Ann Arbor	(17,463)
Hammond BR Weinett	(555)
Allen Creek Sylvan Ave	(1,098)
Mallets E Stadium Bridge	(2,208)
Salem Farms	(12,540)
Lake level capital projects	(14,018)
	<u>\$ (50,502)</u>

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.

7. RESTATEMENT

The Water Resources Commissioner 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 \$285,325 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.



COMBINING FUND FINANCIAL STATEMENTS

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2012

	Debt Service	Capital Projects	Totals
Assets			
Cash and pooled investments	\$ 680,528	\$ 8,346,579	\$ 9,027,107
Accounts receivable	-	190,400	190,400
Special assessments receivable:			
Due within one year	1,362,244	1,004,341	2,366,585
Due in more than one year	3,344,917	-	3,344,917
Inferfund receivable	-	636,325	636,325
Due from other drain funds	-	483,874	483,874
Total assets	\$ 5,387,689	\$ 10,661,519	\$ 16,049,208
Liabilities			
Accounts payable	\$ 19,000	\$ 3,052,223	\$ 3,071,223
Retainages payable	-	248,485	248,485
Accrued liabilities	-	156,423	156,423
Due to other governments	-	2,284,604	2,284,604
Due to other drain funds	45,916	476,332	522,248
Advances from primary government	-	280,500	280,500
Total liabilities	64,916	6,498,567	6,563,483
Deferred inflows of resources			
Unavailable revenue - special assessments	4,515,062	661,417	5,176,479
Fund balances			
Restricted	844,195	3,515,553	4,359,748
Unassigned deficit	(36,484)	(14,018)	(50,502)
Total fund balances	807,711	3,501,535	4,309,246
Total liabilities, deferred inflows of resources and fund balances	\$ 5,387,689	\$ 10,661,519	\$ 16,049,208

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2012

	Debt Service	Capital Projects	Debt Service
Revenues			
Special assessments	\$ 1,367,688	\$ 1,230,569	\$ 2,598,257
Investment income	201	39,693	39,894
Permits	-	16,622	16,622
Intergovernmental	19,856	1,077,682	1,097,538
Other revenues	223	122,336	122,559
Total revenues	1,387,968	2,486,902	3,874,870
Expenditures			
Public works	-	731,928	731,928
Debt service:			
Principal	842,603	96,403	939,006
Interest and fiscal charges	337,858	12,258	350,116
Capital outlay	-	2,717,445	2,717,445
Total expenditures	1,180,461	3,558,034	4,738,495
Revenues over (under) expenditures	207,507	(1,071,132)	(863,625)
Other financing sources (uses)			
Proceeds of bonds and notes	-	724,850	724,850
Transfers in	189,664	1,114,481	1,304,145
Transfers out	(132,760)	(1,761,339)	(1,894,099)
Total other financing sources	56,904	77,992	134,896
Net change in fund balances	264,411	(993,140)	(728,729)
Fund balances, beginning of year	543,300	4,494,675	5,037,975
Fund balances, end of year	\$ 807,711	\$ 3,501,535	\$ 4,309,246

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Balance Sheet

Nonmajor Debt Services Funds
December 31, 2012

	Chapter 4, 5 and 18 Drains	Chapter 20 Drains	Total
Assets			
Cash and pooled investments	\$ 345,874	\$ 334,654	\$ 680,528
Special assessments receivable:			
Due within one year	485,282	876,962	1,362,244
Due in more than one year	2,548,250	796,667	3,344,917
Total assets	\$ 3,379,406	\$ 2,008,283	\$ 5,387,689
Liabilities			
Accounts payable	\$ -	\$ 19,000	\$ 19,000
Due to other drain funds	12,384	33,532	45,916
Total liabilities	12,384	52,532	64,916
Deferred inflows of resources			
Unavailable revenue - special assessments	2,947,425	1,567,637	4,515,062
Fund balances			
Restricted	422,217	421,978	844,195
Unassigned deficit	(2,620)	(33,864)	(36,484)
Total fund balances	419,597	388,114	807,711
Total liabilities, deferred inflows of resources and fund balances	\$ 3,379,406	\$ 2,008,283	\$ 5,387,689

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, 2012

	Chapter 4, 5 and 18 Drains	Chapter 20 Drains	Total
Revenues			
Special assessments	\$ 493,455	\$ 874,233	\$ 1,367,688
Investment income	201	-	201
Intergovernmental	19,576	280	19,856
Other revenue	-	223	223
Total revenues	513,232	874,736	1,387,968
Expenditures			
Debt service:			
Principal	335,300	507,303	842,603
Interest and fiscal charges	148,349	189,509	337,858
Total expenditures	483,649	696,812	1,180,461
Revenues over expenditures	29,583	177,924	207,507
Other financing sources (uses)			
Transfers in	151,363	38,301	189,664
Transfers out	-	(132,760)	(132,760)
Total other financing sources (uses)	151,363	(94,459)	56,904
Net change in fund balances	180,946	83,465	264,411
Fund balances, beginning of year	238,651	304,649	543,300
Fund balances, end of year	\$ 419,597	\$ 388,114	\$ 807,711

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Balance Sheet

Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds
December 31, 2012

	Bazley Foster	IJ Williams	Jedele
Assets			
Cash and pooled investments	\$ 4,626	\$ -	\$ -
Special assessments receivable:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total assets	<u>\$ 4,626</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities			
Due to other drain funds	\$ -	\$ -	\$ -
Deferred inflows of resources			
Unavailable revenue - special assessments	-	-	-
Fund balances			
Restricted	4,626	-	-
Unassigned deficit	-	-	-
Total fund balances (deficit)	<u>4,626</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,626</u>	<u>\$ -</u>	<u>\$ -</u>



Palmer Baldwin	Pierce Lake	West Branch Paint Creek Debt Service	James Dries	Bridgewater Village Tile	Manchester
\$ 1	\$ 7,670	\$ 1	\$ 15,281	\$ 743	\$ 154
-	-	-	-	-	-
<u>\$ 1</u>	<u>\$ 7,670</u>	<u>\$ 1</u>	<u>\$ 15,281</u>	<u>\$ 743</u>	<u>\$ 154</u>
\$ -	\$ 10,290	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1	-	1	15,281	743	154
-	(2,620)	-	-	-	-
<u>1</u>	<u>(2,620)</u>	<u>1</u>	<u>15,281</u>	<u>743</u>	<u>154</u>
<u>\$ 1</u>	<u>\$ 7,670</u>	<u>\$ 1</u>	<u>\$ 15,281</u>	<u>\$ 743</u>	<u>\$ 154</u>

continued...

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Balance Sheet

Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds (Concluded)
December 31, 2012

	Lake Forrest	Oak Park Washtenaw-Heights	Lake Forest Highlands
Assets			
Cash and pooled investments	\$ 14,725	\$ 95,691	\$ 7,624
Special assessments receivable:			
Due within one year	72,650	114,246	96,445
Due in more than one year	73,600	1,170,000	1,095,000
Total assets	<u>\$ 160,975</u>	<u>\$ 1,379,937</u>	<u>\$ 1,199,069</u>
Liabilities			
Due to other drain funds	\$ -	\$ -	\$ -
Deferred inflows of resources			
Unavailable revenue - special assessments	128,039	1,258,693	1,176,733
Fund balances			
Restricted	32,936	121,244	22,336
Unassigned deficit	-	-	-
Total fund balances (deficit)	<u>32,936</u>	<u>121,244</u>	<u>22,336</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 160,975</u>	<u>\$ 1,379,937</u>	<u>\$ 1,199,069</u>



Mallets Creek Wetland	Wing	Allen Creek Cistern	County Farm Streambank	Total
\$ 184,507	\$ 1,572	\$ 2,961	\$ 10,318	\$ 345,874
125,990	39,729	8,573	27,649	485,282
-	209,650	-	-	2,548,250
<u>\$ 310,497</u>	<u>\$ 250,951</u>	<u>\$ 11,534</u>	<u>\$ 37,967</u>	<u>\$ 3,379,406</u>
\$ -	\$ 2,094	\$ -	\$ -	\$ 12,384
123,479	224,259	8,573	27,649	2,947,425
187,018	24,598	2,961	10,318	422,217
-	-	-	-	(2,620)
<u>187,018</u>	<u>24,598</u>	<u>2,961</u>	<u>10,318</u>	<u>419,597</u>
<u>\$ 310,497</u>	<u>\$ 250,951</u>	<u>\$ 11,534</u>	<u>\$ 37,967</u>	<u>\$ 3,379,406</u>

concluded

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, 2012

	Bazley Foster	IJ Williams	Jedele
Revenues			
Special assessments	\$ -	\$ -	\$ -
Investment income	4	-	-
Intergovernmental	-	-	-
Total revenues	<u>4</u>	<u>-</u>	<u>-</u>
Expenditures			
Debt service:			
Principal	6,750	-	-
Interest and fiscal charges	250	-	-
Total expenditures	<u>7,000</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(6,996)</u>	<u>-</u>	<u>-</u>
Other financing sources			
Transfers in	-	-	-
Net change in fund balances	<u>(6,996)</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), beginning of year	<u>11,622</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 4,626</u>	<u>\$ -</u>	<u>\$ -</u>

Palmer Baldwin	Pierce Lake	West Branch Paint Creek Debt Service	James Dries	Bridgewater Village Tile	Manchester
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	1	1	11	1	1
-	7,668	11,908	-	-	-
1	7,669	11,909	11	1	1
-	-	-	-	-	-
-	-	-	2,050	-	-
-	-	-	2,050	-	-
1	7,669	11,909	(2,039)	1	1
20,579	-	-	-	-	-
20,580	7,669	11,909	(2,039)	1	1
(20,579)	(10,289)	(11,908)	17,320	742	153
\$ 1	\$ (2,620)	\$ 1	\$ 15,281	\$ 743	\$ 154

continued ...

WASHTENAW COUNTY DRAIN 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, 2012

	Lake Forrest	Oak Park Washtenaw-Heights	Lake Forest Highlands
Revenues			
Special assessments	\$ 76,759	\$ 130,179	\$ 102,764
Investment income	11	63	1
Intergovernmental	-	-	-
Total revenues	<u>76,770</u>	<u>130,242</u>	<u>102,765</u>
Expenditures			
Debt service:			
Principal	73,600	75,000	60,000
Interest and fiscal charges	9,146	57,175	39,695
Total expenditures	<u>82,746</u>	<u>132,175</u>	<u>99,695</u>
Revenues over (under) expenditures	<u>(5,976)</u>	<u>(1,933)</u>	<u>3,070</u>
Other financing sources			
Transfers in	-	-	-
Net change in fund balances	<u>(5,976)</u>	<u>(1,933)</u>	<u>3,070</u>
Fund balances (deficit), beginning of year	<u>38,912</u>	<u>123,177</u>	<u>19,266</u>
Fund balances (deficit), end of year	<u>\$ 32,936</u>	<u>\$ 121,244</u>	<u>\$ 22,336</u>



Mallets Creek Wetland	Wing	Allen Creek Cistern	County Farm Streambank	Total
\$ 127,513 94 -	\$ 42,302 5 -	\$ 3,625 2 -	\$ 10,313 5 -	\$ 493,455 201 19,576
<u>127,607</u>	<u>42,307</u>	<u>3,627</u>	<u>10,318</u>	<u>513,232</u>
90,000	29,950	-	-	335,300
25,447	13,920	666	-	148,349
<u>115,447</u>	<u>43,870</u>	<u>666</u>	<u>-</u>	<u>483,649</u>
12,160	(1,563)	2,961	10,318	29,583
<u>130,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,363</u>
142,944	(1,563)	2,961	10,318	180,946
44,074	26,161	-	-	238,651
<u>\$ 187,018</u>	<u>\$ 24,598</u>	<u>\$ 2,961</u>	<u>\$ 10,318</u>	<u>\$ 419,597</u>

concluded

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Balance Sheet

Nonmajor Chapter 20 Drains Debt Service Funds
December 31, 2012

	Mallets Creek Pittsfield- Ann Arbor	Mallets Creek (Lans Basin)	West Park Miller Ave.	Traver Creek Bridge
Assets				
Cash and pooled investments	\$ -	\$ 2	\$ -	\$ 2
Special assessments receivable:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total assets	\$ -	\$ 2	\$ -	\$ 2
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other drain funds	17,463	-	-	-
Total liabilities	17,463	-	-	-
Deferred inflows of resources				
Unavailable revenue - special assessments	-	-	-	-
Fund balances				
Restricted	-	2	-	2
Unassigned deficit	(17,463)	-	-	-
Total fund balances	(17,463)	2	-	2
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 2	\$ -	\$ 2



Traver Creek (Misc)	Carpenter Road	Traver Creek/ Traver Knoll	Textile	Lee Gause	NE Branch of Mauer
\$ 1	\$ 19,403	\$ 59,885	\$ 13,504	\$ 19,608	\$ -
-	112,534	63,825	-	22,032	-
-	150,000	165,000	-	-	-
<u>\$ 1</u>	<u>\$ 281,937</u>	<u>\$ 288,710</u>	<u>\$ 13,504</u>	<u>\$ 41,640</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	249,705	225,461	-	21,346	-
1	32,232	63,249	13,504	20,294	-
-	-	-	-	-	-
<u>1</u>	<u>32,232</u>	<u>63,249</u>	<u>13,504</u>	<u>20,294</u>	<u>-</u>
<u>\$ 1</u>	<u>\$ 281,937</u>	<u>\$ 288,710</u>	<u>\$ 13,504</u>	<u>\$ 41,640</u>	<u>\$ -</u>

continued ...

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Balance Sheet

Nonmajor Chapter 20 Drains Debt Service Funds

December 31, 2012

	Allen Creek Stadium	Allen Creek Pioneer	Hammond BR Weinett	Allen Creek SB II
Assets				
Cash and pooled investments	\$ 14,161	\$ 59,207	\$ -	\$ 25,171
Special assessments receivable:				
Due within one year	8,760	170,075	5,550	63,811
Due in more than one year	-	-	10,000	-
Total assets	\$ 22,921	\$ 229,282	\$ 15,550	\$ 88,982
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other drain funds	-	-	555	-
Total liabilities	-	-	555	-
Deferred inflows of resources				
Unavailable revenue - special assessments	8,760	170,075	15,550	63,811
Fund balances				
Restricted	14,161	59,207	-	25,171
Unassigned deficit	-	-	(555)	-
Total fund balances (deficit)	14,161	59,207	(555)	25,171
Total liabilities, deferred inflows of resources and fund balances	\$ 22,921	\$ 229,282	\$ 15,550	\$ 88,982

Allen Creek West Park	Allen Creek Sylvan Ave	Portage Baseline	Territorial Road	Swift Run Cistern	Malletts Cistern
\$ 20,494	\$ -	\$ 65	\$ 1,436	\$ 688	\$ 24,920
64,943	24,399	71,967	19,372	1,185	77,300
-	-	66,667	225,000	-	-
<u>\$ 85,437</u>	<u>\$ 24,399</u>	<u>\$ 138,699</u>	<u>\$ 245,808</u>	<u>\$ 1,873</u>	<u>\$ 102,220</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,098	3,503	8,227	-	-
-	1,098	3,503	8,227	-	-
64,943	24,399	118,305	232,182	1,185	76,094
20,494	-	16,891	5,399	688	26,126
-	(1,098)	-	-	-	-
<u>20,494</u>	<u>(1,098)</u>	<u>16,891</u>	<u>5,399</u>	<u>688</u>	<u>26,126</u>
<u>\$ 85,437</u>	<u>\$ 24,399</u>	<u>\$ 138,699</u>	<u>\$ 245,808</u>	<u>\$ 1,873</u>	<u>\$ 102,220</u>

continued ...

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Balance Sheet

Nonmajor Chapter 20 Drains Debt Service Funds

December 31, 2012

	Traver Cistern	Malletts E Stadium Bridge	Sugar Creek Extension	Salem Farms
Assets				
Cash and pooled investments	\$ 3,804	\$ -	\$ 1,054	\$ -
Special assessments receivable:				
Due within one year	12,874	25,801	91,412	6,460
Due in more than one year	-	-	180,000	-
Total assets	\$ 16,678	\$ 25,801	\$ 272,466	\$ 6,460
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 19,000
Due to other drain funds	-	2,208	478	-
Total liabilities	-	2,208	478	19,000
Deferred inflows of resources				
Unavailable revenue - special assessments	12,352	25,801	223,006	-
Fund balances				
Restricted	4,326	-	48,982	-
Unassigned deficit	-	(2,208)	-	(12,540)
Total fund balances (deficit)	4,326	(2,208)	48,982	(12,540)
Total liabilities, deferred inflows of resources and fund balances	\$ 16,678	\$ 25,801	\$ 272,466	\$ 6,460



Huron Green River Infrastructure	Allen Creek Willard	Traver Creek Leslie Park	Lake Forest Highlands	Total
\$ -	\$ -	\$ -	\$ 71,249	\$ 334,654
4,301	11,707	18,654	-	876,962
-	-	-	-	796,667
<u>\$ 4,301</u>	<u>\$ 11,707</u>	<u>\$ 18,654</u>	<u>\$ 71,249</u>	<u>\$ 2,008,283</u>
\$ -	\$ -	\$ -	\$ -	\$ 19,000
-	-	-	-	33,532
-	-	-	-	52,532
4,301	11,707	18,654	-	1,567,637
-	-	-	71,249	421,978
-	-	-	-	(33,864)
-	-	-	71,249	388,114
<u>\$ 4,301</u>	<u>\$ 11,707</u>	<u>\$ 18,654</u>	<u>\$ 71,249</u>	<u>\$ 2,008,283</u>

concluded

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, 2012

	Mallets Creek Pittsfield- Ann Arbor	Mallets Creek (Lans Basin)	West Park Miller Ave.	Traver Creek Bridge
Revenues				
Special assessments	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	48
Other revenue	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>
Expenditures				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	3,622
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,622</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,574)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(81,067)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,067)</u>
Net change in fund balances	-	-	-	(84,641)
Fund balances (deficit), beginning of year	<u>(17,463)</u>	<u>2</u>	<u>-</u>	<u>84,643</u>
Fund balances (deficit), end of year	<u>\$ (17,463)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>

Traver Creek (Misc)	Carpenter Road	Traver Creek/ Traver Knoll	Textile	Lee Gause	NE Branch of Mauer
\$ -	\$ 116,934	\$ 60,576	\$ 13,207	\$ 86,816	\$ -
20	19	38	1	-	-
-	-	-	-	-	-
<u>20</u>	<u>116,953</u>	<u>60,614</u>	<u>13,208</u>	<u>86,816</u>	<u>-</u>
-	100,000	50,000	12,500	68,750	-
3,275	15,350	10,208	1,107	5,832	-
<u>3,275</u>	<u>115,350</u>	<u>60,208</u>	<u>13,607</u>	<u>74,582</u>	<u>-</u>
<u>(3,255)</u>	<u>1,603</u>	<u>406</u>	<u>(399)</u>	<u>12,234</u>	<u>-</u>
-	-	-	24,243	-	-
<u>(32,693)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(32,693)</u>	<u>-</u>	<u>-</u>	<u>24,243</u>	<u>-</u>	<u>-</u>
(35,948)	1,603	406	23,844	12,234	-
<u>35,949</u>	<u>30,629</u>	<u>62,843</u>	<u>(10,340)</u>	<u>8,060</u>	<u>-</u>
<u>\$ 1</u>	<u>\$ 32,232</u>	<u>\$ 63,249</u>	<u>\$ 13,504</u>	<u>\$ 20,294</u>	<u>\$ -</u>

continued ...

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, 2012

	Allen Creek Stadium	Allen Creek Pioneer	Hammond BR Weinett	Allen Creek SB II
Revenues				
Special assessments	\$ 8,875	\$ 171,525	\$ 6,180	\$ 64,850
Investment income	6	42	-	-
Other revenue	-	-	-	-
Total revenues	8,881	171,567	6,180	64,850
Expenditures				
Debt service:				
Principal	5,000	105,000	5,000	39,386
Interest and fiscal charges	3,813	61,790	883	22,105
Total expenditures	8,813	166,790	5,883	61,491
Revenues over (under) expenditures	68	4,777	297	3,359
Other financing sources (uses)				
Transfers in	13,340	-	-	-
Transfers out	-	-	-	-
Total other sources (uses)	13,340	-	-	-
Net change in fund balances	13,408	4,777	297	3,359
Fund balances (deficit), beginning of year	753	54,430	(852)	21,812
Fund balances (deficit), end of year	\$ 14,161	\$ 59,207	\$ (555)	\$ 25,171

Allen Creek West Park	Allen Creek Sylvan Ave	Portage Baseline	Territorial Road	Swift Run Cistern	Malletts Cistern
\$ 65,875	\$ 24,787	\$ 77,041	\$ 12,190	\$ 688	\$ 31,046
-	5	34	-	-	15
-	-	-	-	-	-
<u>65,875</u>	<u>24,792</u>	<u>77,075</u>	<u>12,190</u>	<u>688</u>	<u>31,061</u>
40,000	15,000	66,667	-	-	-
19,927	9,553	13,798	7,509	-	5,408
<u>59,927</u>	<u>24,553</u>	<u>80,465</u>	<u>7,509</u>	<u>-</u>	<u>5,408</u>
<u>5,948</u>	<u>239</u>	<u>(3,390)</u>	<u>4,681</u>	<u>688</u>	<u>25,653</u>
-	-	-	718	-	-
-	-	-	-	-	-
-	-	-	718	-	-
5,948	239	(3,390)	5,399	688	25,653
<u>14,546</u>	<u>(1,337)</u>	<u>20,281</u>	<u>-</u>	<u>-</u>	<u>473</u>
<u>\$ 20,494</u>	<u>\$ (1,098)</u>	<u>\$ 16,891</u>	<u>\$ 5,399</u>	<u>\$ 688</u>	<u>\$ 26,126</u>

continued ...

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, 2012

	Traver Cistern	Malletts E Stadium Bridge	Sugar Creek Extension	Salem Farms
Revenues				
Special assessments	\$ 5,740	\$ -	\$ 50,243	\$ 6,460
Investment income	2	-	1	-
Other revenue	-	-	223	-
Total revenues	<u>5,742</u>	<u>-</u>	<u>50,467</u>	<u>6,460</u>
Expenditures				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	1,636	2,208	1,485	-
Total expenditures	<u>1,636</u>	<u>2,208</u>	<u>1,485</u>	<u>-</u>
Revenues over (under) expenditures	<u>4,106</u>	<u>(2,208)</u>	<u>48,982</u>	<u>6,460</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(19,000)
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,000)</u>
Net change in fund balances	4,106	(2,208)	48,982	(12,540)
Fund balances (deficit), beginning of year	<u>220</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 4,326</u>	<u>\$ (2,208)</u>	<u>\$ 48,982</u>	<u>\$ (12,540)</u>



Huron Green River Infrusture	Allen Creek Willard	Traver Creek Leslie Park	Lake Forest Highlands	Total
\$ -	\$ -	\$ -	\$ 71,200	\$ 874,233
-	-	-	49	280
-	-	-	-	223
<hr/>				
-	-	-	71,249	874,736
<hr/>				
-	-	-	-	507,303
-	-	-	-	189,509
<hr/>				
-	-	-	-	696,812
<hr/>				
-	-	-	71,249	177,924
<hr/>				
-	-	-	-	38,301
-	-	-	-	(132,760)
<hr/>				
-	-	-	-	(94,459)
<hr/>				
-	-	-	71,249	83,465
-	-	-	-	304,649
<hr/>				
\$ -	\$ -	\$ -	\$ 71,249	\$ 388,114
<hr/>				

concluded

WASHTENAW COUNTY WATER RESOURCES COMMISSIONER

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2012

	Chapters 4, 5 and 18 Drains	Chapter 20 Drains	Lake Levels	Drain and Lake Level Revolving	Total
Assets					
Cash and pooled investments	\$ 5,668,570	\$ 2,487,002	\$ 160,541	\$ 30,466	\$ 8,346,579
Accounts receivable	146,598	43,802	-	-	190,400
Special assessments receivable -					
Due within one year	644,171	278,307	81,863	-	1,004,341
Interfund receivable	636,325	-	-	-	636,325
Due from other drain funds	-	-	-	483,874	483,874
Total assets	\$ 7,095,664	\$ 2,809,111	\$ 242,404	\$ 514,340	\$ 10,661,519
Liabilities					
Accounts payable	\$ 1,814,107	\$ 1,042,162	\$ 195,954	\$ -	\$ 3,052,223
Retainages payable	48,804	199,681	-	-	248,485
Accrued liabilities	29,113	127,310	-	-	156,423
Due to other governments	2,284,604	-	-	-	2,284,604
Due to other drain funds	297,105	179,227	-	-	476,332
Advances from primary government	-	-	-	280,500	280,500
Total liabilities	4,473,733	1,548,380	195,954	280,500	6,498,567
Deferred inflows of resources					
Unavailable revenue - special assessments	341,144	259,805	60,468	-	661,417
Fund balances					
Restricted	2,280,787	1,000,926	-	233,840	3,515,553
Unassigned deficit	-	-	(14,018)	-	(14,018)
Total fund balances (deficit)	2,280,787	1,000,926	(14,018)	233,840	3,501,535
Total liabilities, deferred inflows of resources and fund balances	\$ 7,095,664	\$ 2,809,111	\$ 242,404	\$ 514,340	\$ 10,661,519

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, 2012

	Chapters 4, 5 and 18 Drains	Chapter 20 Drains	Lake Levels	Drain and Lake Level Revolving	Total
Revenues					
Special assessments	\$ 669,342	\$ 517,383	\$ 43,844	\$ -	\$ 1,230,569
Investment income	27,944	10,895	673	181	39,693
Permits	16,622	-	-	-	16,622
Intergovernmental	369,090	708,592	-	-	1,077,682
Other revenues	119,058	3,187	91	-	122,336
Total revenues	1,202,056	1,240,057	44,608	181	2,486,902
Expenditures					
Public works	690,587	-	41,341	-	731,928
Interest and fiscal charges	11,203	972	-	83	12,258
Capital outlay	702,977	2,014,468	-	-	2,717,445
Debt service - principal	-	96,403	-	-	96,403
Total expenditures	1,404,767	2,111,843	41,341	83	3,558,034
Revenues over (under) expenditures	(202,711)	(871,786)	3,267	98	(1,071,132)
Other financing sources (uses)					
Proceeds from bond and notes	75,474	649,376	-	-	724,850
Transfers in	460,585	618,511	-	35,385	1,114,481
Transfers out	(440,401)	(1,317,754)	(3,184)	-	(1,761,339)
Total other financing sources (uses)	95,658	(49,867)	(3,184)	35,385	77,992
Net change in fund balances	(107,053)	(921,653)	83	35,483	(993,140)
Fund balances (deficit), beginning of year	2,387,840	1,922,579	(14,101)	198,357	4,494,675
Fund balances (deficit), end of year	\$ 2,280,787	\$ 1,000,926	\$ (14,018)	\$ 233,840	\$ 3,501,535

This Page Intentionally Left Blank