

CHARTER COUNTY OF WAYNE, MICHIGAN
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED
SEPTEMBER 30, 2014



WARREN C. EVANS
COUNTY EXECUTIVE



2014



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2014

Prepared By:
THE DEPARTMENT OF MANAGEMENT AND BUDGET

CHARTER COUNTY OF WAYNE, MICHIGAN

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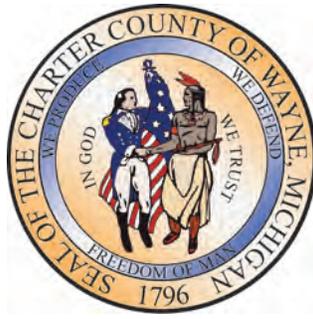
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2014

INTRODUCTORY

The Introductory Section Contains:

LETTER OF TRANSMITTAL

LIST OF PRINCIPAL COUNTY OFFICIALS

WAYNE COUNTY COMMISSIONERS

ORGANIZATIONAL CHART

**CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING**



Warren C. Evans Wayne County Executive

March 26, 2015

To the Citizens of the Charter County of Wayne, Michigan:

State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended September 30, 2014.

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

Rehmann Robson has issued an unmodified (“clean”) opinion on the Charter County of Wayne, Michigan’s (the County) financial statements for the year ended September 30, 2014. The independent auditors’ report is located at the front of the financial section of this report.

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

Profile of the Government

The County is located in southeastern Michigan, encompassing approximately 623 square miles. It is made up of 34 cities, including the City of Detroit, 9 townships, and 41 public school districts. Its population of approximately 1.8 million makes it the most populous county in the State of Michigan and the 13th most populous county in the nation.

The County was incorporated under Act No. 293, Public Acts of Michigan, 1967, as amended. It is governed by a Chief Executive Officer (County Executive), who is elected on an at-large basis for a four-year term and a County Commission (the Commission) comprised of 15 members elected by district on a partisan basis for two-year terms. The County Executive has administrative and executive powers of the County to supervise, coordinate, direct and control all County functions, operations and facilities. The Commission serves as the legislative branch of the County. It is responsible for establishing policy and approving the County budget. The County also elects the following officials on an at-large basis for four-year terms: County Clerk, Register of Deeds, Prosecuting Attorney, Sheriff and Treasurer. The County Clerk and the Register of Deeds are responsible for the general recording of official records. The Prosecuting Attorney and Sheriff are responsible for providing quality criminal justice services to all people of the County. The Treasurer is responsible for the receipt, custody, and investment of all County funds and the collection of taxes.

DEPARTMENT OF MANAGEMENT AND BUDGET

500 GRISWOLD, 20TH FLOOR, DETROIT, MICHIGAN 48226 • (313) 224-0420 • www.waynecounty.com



In 1996, the State of Michigan passed along primary funding responsibility for the Third Circuit and Probate Courts to Wayne County. Beginning in fiscal year 2013, both entities are reported as a part of the County's General Fund.

The Courts are responsible for judicial proceedings within the County. There are three separate divisions of Third Circuit Court: civil, criminal, and family court. The civil division is assigned 18 judges for the resolution of general civil cases. The criminal division is assigned 27 judges and has sole jurisdiction over felonies and high misdemeanors. The family court division (19 judges) has responsibility for hearing both domestic relations and juvenile cases. Probate Court has eight judges who have jurisdiction in all matters related to settlement of estates, trusts and appointment of trustees.

The annual budget serves as the foundation for the County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the Budget and Planning Division in the Department of Management and Budget on or before March 1st of each year. The Budget and Planning Division uses these requests as the starting point for developing a proposed budget. The County Executive submits the proposed operating budget to the Commission for review prior to June 1st. After public hearings to obtain citizen input, the Commission legally enacts the budget through the passage of an appropriations ordinance. The appropriated budget for the General Fund is adopted by function (e.g., general government, public safety, public works, etc). Amendments to appropriations that change the County's appropriations ordinance require the approval of the Commission. Certain transfers within line items that do not affect aggregate departmental appropriations may be made without the Commission's approval.

Local Economy

Recent economic data shows that the State of Michigan ended 2013 stronger. The State's unemployment rate decreased to 5.6 percent in December 2014, which is lower than the 7.7 percent jobless rate from December a year ago. This puts the unemployment rate at pre-recessionary levels. Sixty-nine counties out of 83 reported unemployment below 10 percent. It is anticipated that Michigan's economy will continue to grow and expand gradually over the next few years.

For the County, the economic outlook continues to be guarded. Cost pressures, particularly in the healthcare and pension area, continue to challenge County finances. Pensions, retiree healthcare and other postemployment benefits (OPEB) make up 70% of the County's long-term liabilities. The defined benefit plan is 45% funded, and no significant effort has been made to prefund OPEB liabilities. While the economy in the State of Michigan continues to improve and property values begin to increase from the deep dives from the Great Recession, Wayne County's economy continues to lag due to high levels of unemployment and limitations to generate new sources of revenue. The state of the economy plays a significant role in the County's ability to provide core services and the mix of other services sought by its stakeholders.

Despite these cost challenges, other areas of the County continue to improve.

The North American International Auto Show (NAIAS) continues to provide a huge annual economic boost to the region, benefiting hotels, restaurants, exhibit companies, and retail throughout the metro area. Significant improvements are being made to Cobo Hall through 2015, which contributes to the expansion and retention of this important event. The Auto Show kicked off with the 26th annual black tie Charity Preview on January 16, 2015. This event, originally known as the Detroit Auto Show (1907) has now become one of the largest global shows in the United States. It has earned a top spot from almost every car maker in the world. According to the NAIAS, the economic impact to the city, state and region is approximately \$400 million, more than the Super Bowl, World Series and Stanley Cup playoffs. Estimates show that attendance was more than 808,000, continuing to increase each year since from the end of the Great Recession.

Working with our local communities and the Michigan Economic Development Corporation, new projects and investments were made in Wayne County in 2014 to ensure economic expansion. These projects have a combined value of \$1.9 billion and a total commitment to create 6,000 new jobs.

The following are examples of recent economic development improvements that contributed to economic expansion in Wayne County:

- Brose North America launched its third new facility in Michigan, opening a plant in New Boston. The site was selected for the building, location and availability of a skilled workforce and proximity to customers. An expansion is in process at the 380,000 square foot plant, investing \$62 million and creating 450 new jobs.
- Costco Wholesale Corporation is developing a new distribution center in Van Buren Township, making capital investments of \$48 million and creating 126 new jobs over a three year period. Costco's development in Van Buren Township and will serve as the distribution center for Michigan, Ohio and Indiana. This will be Costco's tenth distribution and will be the first in the State of Michigan.
- Brugola is an automotive manufacturer whose parts are used in one-fourth of the world's vehicles. Brugola's move to Plymouth Township will create up to 44 new jobs with an investment of \$19.6 million.
- The Detroit Food Accelerator is a project expected to kick off in the summer of 2015 and will provide 250 jobs in the Eastern Market in Detroit. The Detroit Food Accelerator will redevelop an abandoned 103,000 square foot former Detroit Water Board Building into a multi-tenant food manufacturing and processing facility. This project will provide entrepreneurs with critically needed affordable space, shared services and infrastructure, and connection to the Eastern Market Corporation, all of which will enable them to continue growing their businesses.
- Wayne County's Economic Development Growth Engine (EDGE) facilitated the rehabilitation of 120 homes in various Wayne County communities. Each home has been occupied by a low income family with preferences given to veterans, seniors and the disabled.
- HUD congratulated Wayne County on its administration of the new First Time Homebuyer program, which allowed 162 first-time home buying families to purchase homes in Wayne County between 2011 and 2013. A major benefactor of this program includes 184 children who are able to experience their first home.

- Under the Neighborhood Stabilization Program (NSP), funds were dedicated to the rehabilitation of abandoned and foreclosed homes in many Wayne County communities. Wayne County expended \$6.5 million in low-income housing rehabilitation between 2009 and 2013 and also provided supportive services (case management, job placement, financial literacy, etc.) to provide a sustainable approach to housing.

Property tax is the County's largest revenue source, representing 52% of total General Fund revenue. However, declining property values mean lower property tax assessments. While taxable values continue to increase for most municipalities, the taxable values for distressed communities continue to struggle. The City of Detroit is in the process of reassessing all of its property value, and it is anticipated that there will be a decline in the taxable value. The City of Detroit's reassessment, which represents 18% of the County's taxable value, is anticipated to be completed in fiscal year 2016. The County has focused renewed efforts to collect property taxes owed and has achieved a 9% increase in tax collections this year.

Revenue sharing and state grants, each representing 8% of General Fund revenue, are the next largest source. Funding for the state revenue sharing program consists of the following dedicated tax revenues:

- Constitutional - 15% of the 4% gross collections of the state sales tax;
- Statutory - 21.3% of the 4% gross collections of the state sales tax.

Under the State Revenue Sharing Act, counties receive revenue generated by sales tax. Of the total amount of sales tax available for distribution to local governments, counties receive 25.06% of the 21.3%. Payments are apportioned among the 83 counties on a per capita basis, and are distributed each February, April, June, August, October, and December. Wayne County received \$40 million in revenue sharing for fiscal year 2014, which is consistent with the amount budgeted by the State of Michigan.

The 2010 Census was conducted on April 1, 2010. The actual population count was released by the Michigan census March 21, 2011. According to the census, Detroit has experienced a 25% decline in the number of residents since 2000. The statistics show that the population fell to 713,777 from 951,270. The total fiscal 2015 revenue sharing payment each local unit will receive will be based on the actual 2010 Census population count.

Long-term Financial Planning

Faced with downward pressures on property values, increasing expenditures, shifting demographics, as well as a host of other complex challenges, the County's approach to long-term financial planning is an indispensable complement to traditional budgeting and an invaluable piece of the County's overall strategic planning framework. It provides a more comprehensive financial perspective that is not available through other County planning processes. The Department of Management and Budget's Strategic Business Plan identifies the development and implementation of a formal long-term financial plan as Strategic Result #1. In the short-term, the County will focus on the following six issues:

- Ensure long-term financial sustainability; deliver services in a cost-effective and efficient manner
- Ensure operating revenues are sustainable and consider community-wide and individual benefits (taxes versus user charges)
- Establish reserves at appropriate levels
- Meet social equity objectives through specific programs
- Manage the County's capital assets to maximize long-term community benefit
- Use debt financing where appropriate

The General Fund has an accumulated unassigned deficit of \$82.8 million at September 30, 2014, which falls below the policy guidelines set by the GFOA and the fund balance policy (between 5 and 15% of expenditures) issued by the Department of Management and Budget. The deficiency is due, in part, to increased health care and pension costs, cuts in state revenue sharing, reduced property taxes, and cost overruns in General Fund operations. The County spends approximately 75% of its General Fund, General Purpose budget on Criminal Justice which includes the Sheriff, Third Circuit Court, Prosecutor and the Department of Children and Family Services. The new administration is working to develop a plan to eliminate both the structural and accumulated deficits.

The County will restructure its operations to strengthen its financial position and ensure long-term sustainability. Several operational assessments have been initiated by the new administration, with the goal of building a self-sustaining government, a sound infrastructure, and an excellent quality of life for its citizens.

Deficit Elimination

Reigning in the accumulated deficit is critical, but more important is eliminating the annual structural deficit. According to assessments made by the new administration, the structural deficit is approximately \$50 million annually. Fiscal year 2014 shows the County ended the year with an accumulated unassigned deficit of \$82.8 million. During the year, a transfer of \$91.7 million from the Delinquent Tax Revolving Fund reduced the accumulated deficit by \$71.8 million. The County must create structural balance and eliminate the need to rely on one-time sources such as the Delinquent Tax Revolving Fund. A deficit elimination plan will be presented to the Commission and to the State of Michigan for approval in Spring 2015. As has become clear, solving the crisis will not happen without the cooperation and assistance of all involved in County government. Restoring the financial health of Wayne County will require the unwavering cooperation of all stakeholders, including County elected officials, management, unions, employees, and the State of Michigan. As the newly elected County Executive, Warren C. Evans' top priority is to provide leadership that ensures the County operates efficiently, effectively and responsibly. The goal is to build a stronger County integrating collaborations, innovation and clear focus on serving the residents of Wayne County.

While property values have started to level off, and in some cases begin to increase, property values are nowhere near the level of the 2007-08 pre-recession values. In 2008, property tax collections were \$370 million. For fiscal year 2014, property tax collections were \$286 million. Cumulatively, the County has lost \$460 million in property tax collections alone in the seven year period from 2008 through 2014.

The problems facing the County are long-term and challenging. The County continues to face significant structural challenges, such as increases in employee retirement and health care costs, inability to grow property tax revenue beyond the rate of inflation and the lack of new revenue streams. Much of what has created operational losses are statutory governance requirements and mandates, which are not within the control of the County.

The lagging regional economic recovery, continuous population loss, declining property values, and the Headlee (1978) and Proposal A (1994) amendments to the Michigan Constitution have exposed serious flaws in the government finance model, which places limitations on incremental increases to property taxes, even if there is a substantial increase in property taxable values. In other words, it will take approximately 15 years or more before the County's tax collections will reach the levels realized prior to the housing market collapse in 2008. Due to Proposal A and Headlee, Wayne County has lost more than \$630 million in property tax revenue since 2000. The new administration will push for municipal finance reform by taking a creative and collaborative approach to adequately fund public safety, rebuild the County's deteriorating infrastructure, and provide the services the County is obligated to provide.

Since reaching a peak in 2008 and through September 30, 2013, property tax revenues have declined dramatically, although property tax collections increased in fiscal year 2014 by 9%. For the fiscal year beginning October 1, 2013, the General Fund decline will be in excess of \$106 million compared to 2008. The cumulative decline in property tax revenues since 2008 is approximately \$353 million. As a result of the decline, the County has had to reduce funding for public safety, health and welfare and other vital services to the citizens of the County, and continues to cut expenses and reduce personnel wherever possible. However, court mandated funding levels for specific services, including the courts and the jails, coupled with inflationary increases of health and pension costs, have continued to impact the deficit.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2013. This was the 15th award in the last 18 years and the eighth consecutive. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR, containing the elements required by generally accepted accounting principles. The Certificate of Achievement is a prestigious national award recognizing conformation with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. The County received the Certificate of Achievement for its 2013 CAFR. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, for the twentieth year in a row, the County received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated October 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. Every year the County submits its budget document to the GFOA to determine its continued eligibility for the Distinguished Budget Presentation Award.

The County also received the GFOA's Award for Outstanding Achievement in Popular Financial Reporting for the year ended September 30, 2013. This was the 14th award in the last 17 years and the seventh consecutive. The popular annual financial report (PAFR) is a condensed version of the CAFR, available to all residents of the County. The PAFR highlights County services and provides summarized financial information.

In addition to the GFOA awards, the County received awards from the National Association of Counties (NACo) annual achievement award program. This program is a non-competitive award program that recognizes innovative county government initiatives. Each application is judged on its own merits and not against other applications received. Awards are given in 21 different categories including children and youth, criminal justice, county administration, environmental protection, information technology, health, to name a few. For the sixth year in a row, the County received this national recognition. Awards were received for the following:

- Attendance-Participation-Support (A-P-S) - This program has provided an alternative to school conflict resolution and expulsion for 370 youth and families enrolled in 25 Detroit area schools. An evaluation of all students that participated in 2013 finds that 98% were retained in school and have not entered the juvenile justice system.
- Elizabeth Park Foot Bridges - As the first park in Wayne County, the pedestrian foot bridge underwent renovations and were eligible for listing in the National Register of Historic Places for their significance in the areas of recreation and community. In addition to pedestrian access, the bridges have become very popular for wedding ceremonies and photographs for area residents.
- Heroes on Hines Half Marathon and 5k Run - Wayne County Parks hosted its inaugural Heroes on Hines Half Marathon and 5K Run in October 2013. This event honored First Responders of Police, Fire and EMS personnel who have lost their lives while on duty within Wayne County, Michigan. Proceeds from the race go to support and maintain the Memorial, which contains more than 400 names of police, fire and EMS personnel from Wayne County communities. The Memorial site includes monuments, seat walls, concrete walkways, a paver plaza, site furnishings, plantings as well parking and lighting.
- Transparency in Government Website - Wayne County's Transparency in Government Website is an online tool that significantly advances the County's objective of effective communications. The Transparency in Government Website gives the public 24/7 online access to a wide array of important and useful information about Wayne County operations, as well access to a number of useful tools to interact online with the County.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Department of Management and Budget. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to express our appreciation to the County Executive, and his staff, for their leadership and continued support of the policies of this Department.

Respectfully submitted,



Tony Saunders
*Chief Restructuring Officer
& Interim Chief Financial Officer*



Lyn Roberts
Deputy Chief Financial Officer



OFFICE OF THE COUNTY EXECUTIVE

Warren C. Evans
County Executive Officer

Richard C. Kaufman
Deputy County Executive

Rudy Hobbs
Chief of Staff

June S. Lee
Assistant County Executive

Genelle Allen
Assistant County Executive

Tony Saunders
Chief Restructuring Officer &
Interim Chief Financial Officer

COUNTY EXECUTIVE DEPARTMENT HEADS

Children and Family Services
Tadarial Sturdivant

Health and Human Services
Thomas Kochis

Economic Development
Tim A. Attalla

Management and Budget
Tony Saunders

Personnel/Human Resources
Tish King

Public Services
Terry Spryszak

Homeland Security/Emergency Management
Timothy McGillivray

Senior Citizens and Veterans Affairs
Kevin F. Kelley

Corporation Counsel
Zenna Faraj Elhasan

Technology
Edward D. Winfield

WAYNE COUNTY COMMISSION

Gary Woronchak
Chairman, 13th District

Alisha R. Bell, Vice Chair 7th District
Jewel C. Ware, Vice Chair Pro Tempore 2nd District

Timothy P. Killeen
1st District

Terry A. Marecki
9th District

Martha G. Scott
3rd District

Shannon G. Price
10th District

Ilona Varga
4th District

Abdul Haidous
11th District

Irma Clark-Coleman
5th District

Richard LeBlanc
12th District

Burton Leland
6th District

Raymond Basham
14th District

Diane Webb
8th District

Joseph Palamara
15th District

OTHER WAYNE COUNTY ELECTED OFFICIALS

Circuit Court
Robert J. Colombo, Jr.
Chief Judge

Probate Court
Milton L. Mack, Jr.
Chief Judge

Timothy M. Kenny
Chief Judge Pro Tempore

Freddie G. Burton, Jr.
Chief Judge Pro Tempore

County Clerk
Cathy M. Garrett

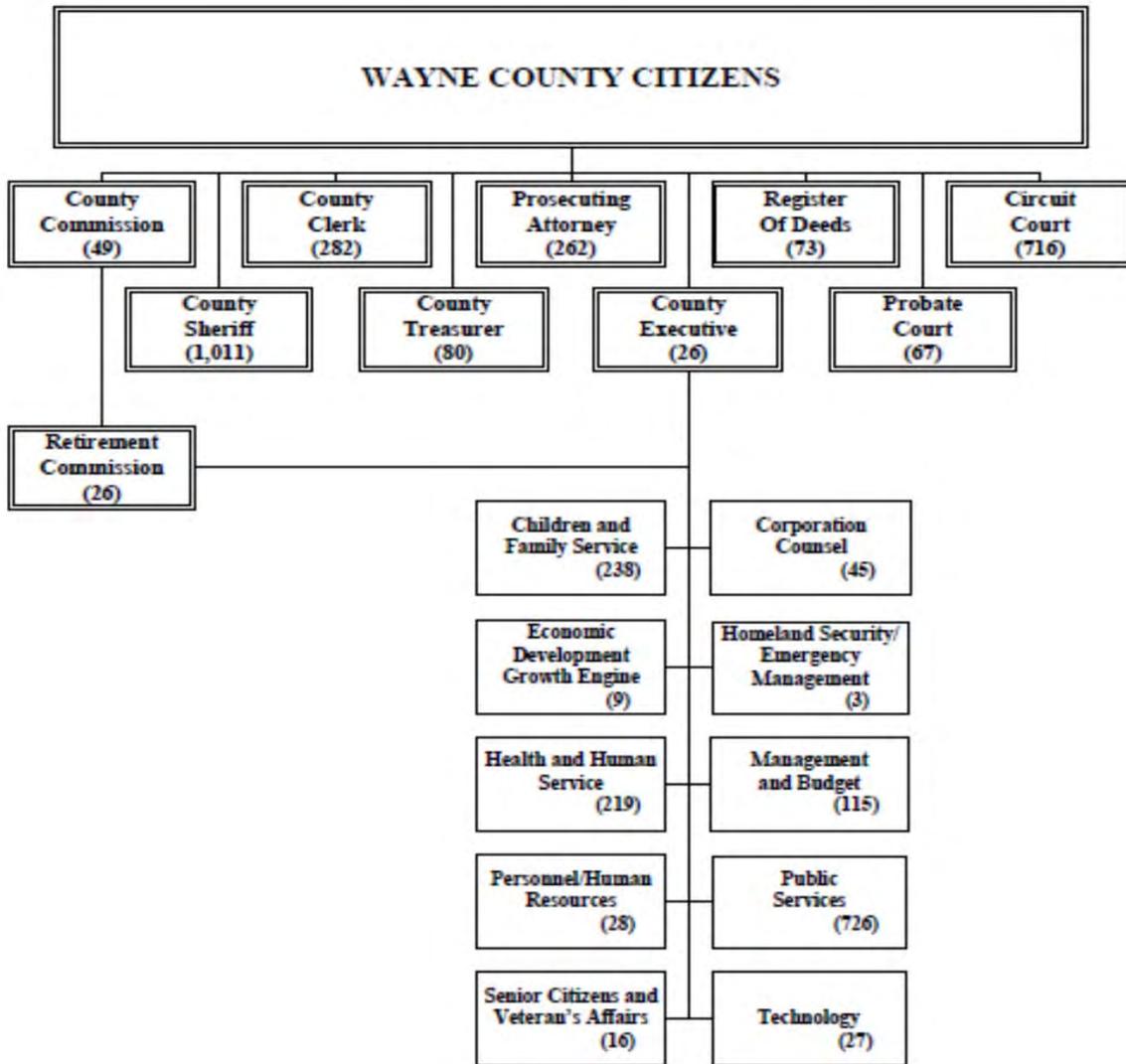
Register of Deeds
Bernard J. Youngblood

Prosecuting Attorney
Kym L. Worthy

Sheriff
Benny N. Napoleon

Treasurer
Raymond J. Wojtowicz

**WAYNE COUNTY, MICHIGAN
ORGANIZATION CHART**



TOTAL NUMBER OF POSITIONS: 4,018

CHARTER COUNTY OF WAYNE, MICHIGAN

GFOA Certificate of Achievement



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Charter County of Wayne
Michigan**

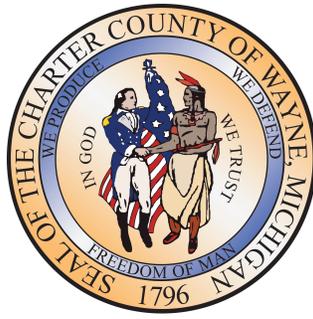
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2014

FINANCIAL

The Financial Section Contains:

INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

**OTHER SUPPLEMENTARY INFORMATION - COMBINING
AND INDIVIDUAL FUND STATEMENTS/SCHEDULES**

INDEPENDENT AUDITORS' REPORT

March 26, 2015

To the Wayne County Commission
and the County Executive
Charter County of Wayne
Detroit, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the *Charter County of Wayne, Michigan* (the "County") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following entities, which represent the following percentages of total discretely component unit assets and revenues:

	Percent of Assets	Percent of Revenues
Wayne County Airport Authority	97.4%	90.9%
HealthChoice of Michigan	0.2%	4.5%
Greater Wayne County Economic Development Corporation	0.0%	0.0%
Wayne County-Detroit Community Development Entity, Inc.	0.1%	0.1%

Those financial statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as it relates to the amounts included for the above entities, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Wayne County-Detroit Community Development Entity, Inc. was not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter County of Wayne, Michigan, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Restatements of Beginning Fund Balance and Net Position

As discussed in Note 17 to the financial statements, the beginning net position of governmental activities, business-type activities and aggregate discretely presented component units were restated (i.e., decreased) for the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Implementation of GASB Statement No. 67

The County implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, in the current year. While there was no effect on the amounts reported in the financial statements themselves, there were substantial changes to the disclosures found in Note 15 to the financial statements, including the calculation of the County's net pension liability, which will be required to be recorded by the County in its next fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedules of retirement benefit information, and major fund budgetary comparison schedules, 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 required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

As management of the Charter County of Wayne, Michigan (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 6 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information including budgetary schedules and combining financial statements in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements provide a broad view of the County's operations in a manner similar to a private-sector business.

The statement of net position presents all of the County's assets, liabilities, deferred inflows and deferred outflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include the general government, legislative, judicial, public safety, public works, highways, streets and bridges, health and welfare, recreation and cultural, community and economic development . The business-type activities of the County include the operations of the sewage disposal systems, jail commissary, parking lots and the wetlands mitigation project.

The government-wide financial statements include not only the County itself (known as the primary government), but also 13 legally separate organizations (including three blended component units) for which the County has financial accountability or other financial interest. These entities operate as governmental entities similar to the governmental activities described above except for the Wayne County Airport Authority, which operates like the business-type activities. The County's discretely presented component units are presented in two categories, major and nonmajor. This separation is determined by the relative size of the entities' assets, liabilities, revenues and expenses in relation to the total of all component units.

The government-wide financial statements can be found in the financial section of this report. The following represent the highlights discussed in more detail later in the report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Government-wide Highlights:

- The assets and deferred outflows of resources of the County exceeded its liabilities at September 30, 2014, by \$1 billion (net position). Net position is either restricted for specific purposes, related to the County's investment in capital assets and is not available for spending, or unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position decreased by \$107 million (9.6 percent) for the fiscal year ended September 30, 2014. Net position of governmental activities decreased by \$92 million (11.6 percent), while net position of the business-type activities decreased by \$15 million (4.7 percent).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain accounting control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 30 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Roads, Health, Juvenile Justice and Abuse/Neglect, and Building Authority Construction funds, all of which are considered to be major funds.

On December 14, 2012, the Michigan Legislature approved and the Governor signed Public Acts 375 and 376 of 2012, a Mental Health Authority (MHA). Effective October 1, 2013, the new law transferred management and control of the Detroit Wayne County Mental Health Agency (Mental Health Fund) to the new Authority. Beginning in fiscal year 2014, the Authority was no longer part of the County appropriations and the activities of the Authority are no longer reported with the County; the activities of the Authority were previously reported as a special revenue fund of the County. As a result of this change the loss of \$69.9 million and \$68.7 million from the disposal of mental health operations has been recorded as a special item in the statement of activities and statement of revenues, expenditures and changes in fund balance respectively as of October 1, 2013.

Data from the other 24 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found in the financial section this report.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Proprietary Funds. The County maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, with the exception of the Delinquent Tax Revolving Fund, which is reported as a governmental activity in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Delinquent Tax Revolving, Downriver Sewage Disposal System, Rouge Valley Sewage Disposal System, Combined Sewer Overflow (CSO) Basins, and Northeast Sewage Disposal System funds, as well as the operations for several other self-sustaining activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Department of Technology costs, Department of Environment administrative costs, risk management services self-insurance, health insurance, long-term disability, and building and grounds maintenance. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included as governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the operations of the County's eight enterprise funds, three of which are considered to be major funds of the County. Major funds include the operations of the Delinquent Tax Revolving, Downriver Sewage Disposal System and Rouge Valley Sewage Disposal System funds. Data from the five nonmajor enterprise funds are combined into a single aggregated presentation.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government and not considered part of the primary government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflow of resources exceeded liabilities by \$1.0 billion at September 30, 2014.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
		Restated		Restated		Restated
Current and other assets	\$ 899,055	\$ 966,020	\$ 175,753	\$ 197,577	\$ 1,074,808	\$ 1,163,597
Capital assets, net	1,044,945	1,064,851	316,158	322,268	1,361,103	1,387,119
Total assets	<u>1,944,000</u>	<u>2,030,871</u>	<u>491,911</u>	<u>519,845</u>	<u>2,435,911</u>	<u>2,550,716</u>
Deferred outflow of resources	4,334	-	293	-	4,627	-
Long-term liabilities	1,051,953	1,022,642	175,225	184,455	1,227,178	1,207,097
Other liabilities	192,770	212,666	16,054	19,516	208,824	232,182
Total liabilities	<u>1,244,723</u>	<u>1,235,308</u>	<u>191,279</u>	<u>203,971</u>	<u>1,436,002</u>	<u>1,439,279</u>
Net position:						
Net investment in capital assets	921,798	926,220	173,826	171,861	1,095,624	1,098,081
Restricted	154,895	255,153	-	119,229	154,895	374,382
Unrestricted	(373,082)	(385,810)	127,099	24,784	(245,983)	(361,026)
Total net position	<u>\$ 703,611</u>	<u>\$ 795,563</u>	<u>\$ 300,925</u>	<u>\$ 315,874</u>	<u>\$ 1,004,536</u>	<u>\$ 1,111,437</u>

concluded.

By far the largest portion of the County's net position for governmental activities and business-type activities combined (\$1.1 billion) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. There was a net decrease of \$2.5 million, which was primarily due to the decrease in capital expenditures during the current fiscal year. In addition, there was a decrease in unspent proceeds for capital related debt of \$4.6 million in governmental activities. Depreciation on County capital assets was consistent with the prior year.

An additional portion of the County's net position of \$269.6 million represents resources that are subject to external restrictions on how they may be used. Restricted net position reported in connection with the County's governmental activities decreased over \$100 million (39 percent) compared to the prior year, which is primarily due to the disposition of the mental health operations as of October 1, 2013 and a reduction in restricted assets for the delinquent tax revolving operations. The loss of \$69.9 million from the disposal of mental health operations has been recorded as a special item in the statement of activities as of October 1, 2013. Restricted net position for business-type activities decreased by \$4.5 million (3.8 percent) due to a reduction in the amount restricted for repayment of debt.

Unrestricted net position has a deficit balance of \$360.7 million and is not available to meet ongoing obligations to citizens and creditors. Overall, net position decreased by \$106.9 million, and the unrestricted net position increased by \$0.3 million primarily due to the sale of capital assets, increase in tourist tax collections and the unrestricted net position transfer from the delinquent taxes. See discussion on the change in net position below.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
	Restated		Restated			Restated
Program revenues:						
Charges for services	\$ 209,346	\$ 196,480	\$ 102,508	\$ 99,294	\$ 311,854	\$ 295,774
Operating grants	328,505	979,813	2,732	4,670	331,237	984,483
Capital grants	18,982	17,242	-	-	18,982	17,242
General revenues:						
Property taxes	302,278	285,192	-	-	302,278	285,192
Sales taxes	44,821	43,120	-	-	44,821	43,120
Excise taxes	8,607	7,745	-	-	8,607	7,745
Airport parking taxes	14,775	5,800	-	-	14,775	5,800
Investment earnings	30,421	29,128	359	217	30,780	29,345
Gain on sale of assets	-	-	2,145	-	2,145	-
Other revenue	23,592	17,959	2	-	23,594	17,959
Total revenues	981,327	1,582,479	107,746	104,181	1,089,073	1,686,660
Expenses:						
General government	219,643	167,181	-	-	219,643	167,181
Legislative	8,352	8,618	-	-	8,352	8,618
Judicial	145,953	145,929	-	-	145,953	145,929
Public safety	165,098	174,936	-	-	165,098	174,936
Public works	394	5,825	-	-	394	5,825
Highways, streets and bridges	119,945	110,561	-	-	119,945	110,561
Health and welfare	259,610	916,074	-	-	259,610	916,074
Recreation and cultural	28,703	24,791	-	-	28,703	24,791
Community and economic development	19,844	18,375	-	-	19,844	18,375
Interest on long-term debt	40,045	45,732	-	571	40,045	46,303
Sewage disposal systems	-	-	116,346	109,790	116,346	109,790
Jail commissary	-	-	2,127	2,710	2,127	2,710
Parking lots	-	-	15	9	15	9
Copy Center	-	-	-	178	-	178
Wetlands Mitigation	-	-	1	-	1	-
Total expenses	1,007,587	1,618,022	118,489	113,258	1,126,076	1,731,280

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
	Restated		Restated		Restated	
Change in net position before transfers and special item	\$ (26,260)	\$ (35,543)	\$ (10,743)	\$ (9,077)	\$ (37,003)	\$ (44,620)
Transfers	4,206	(564)	(4,206)	564	-	-
Special item	(69,898)	(88,087)	-	-	(69,898)	(88,087)
Change in net position	(91,952)	(124,194)	(14,949)	(8,513)	(106,901)	(132,707)
Net position:						
Beginning of year	795,563	919,757	315,874	324,387	1,111,437	1,244,144
End of year	<u>\$ 703,611</u>	<u>\$ 795,563</u>	<u>\$ 300,925</u>	<u>\$ 315,874</u>	<u>\$ 1,004,536</u>	<u>\$ 1,111,437</u>

Governmental Activities. Governmental activities decreased the County's net position by \$92.0 million. Key fluctuations from the prior year are as follows:

- *Charges for services* increased by \$12.9 million, primarily due to an increase of \$21.9 million in fines and forfeiture fees. \$13.1 million of the increase resulted from a change in accounting made in fiscal year 2014 for auction proceeds. The remaining \$10.6 million relates to an increase in auction sales, interest, collection fees and the Treasurer's first in-house property auction held in June 2014. This increase was offset by (1) \$7.9 million of airport parking fees reclassified as airport parking taxes which resulted in decreasing charges for services (2) a net decrease of \$1.7 million due to the reduction in Mental Health Agency funding offset by an increase in the number of Medicaid eligible youth who received services in fiscal year 2014.
- *Operating grants and contributions* decreased by \$651.3 million due to state grants of \$629.0 million received in the prior year for mental health operations which were not reported as part of the County's special revenue funds as the mental health operations were separated from the County as of October 1, 2013. In addition, state grants decreased by \$12.0 million due to (1) decline in Medicaid funding of \$5.2 million from the State of Michigan for the Adult Benefit Waiver (ABW) Program as a result of the transferring of ABW patients to the State of Michigan's Healthy Michigan Plan; and (2) reduction in funding of \$6.8 million for the neglected and abused children in institutional placements, youth at risk and Warrant Enforcement Bureau programs. Local grants decreased by \$4.7 million due to the elimination of the Early On grant and other program funding from the Mental Health Authority.
- *Capital grants and contributions* increased by \$1.7 million due to an increase in federal grants for road construction projects.
- *Property taxes* increased \$17.1 million due to an adjustment of approximately \$7.7 million recorded for the change in liabilities for Michigan Tax Tribunal (MTT) property tax refunds and delinquent property tax chargebacks. Also during the fiscal year, a \$2.9 million increase in property tax revenue resulted from prior year tax adjustments for various cities and townships remitted to the County, compared with \$0.3 million in fiscal year 2013. In addition, tax tribunal refunds decreased from \$8.5 million in the prior fiscal year to \$2.8 million in the current fiscal year, resulting in a net increase to property tax revenue of \$5.7 million.
- *Airport taxes* increased by \$9.0 million in the current fiscal year due to a \$7.9 million adjustment to reclassify airport tax revenue that was previously reported as charges for services.

CHARTER COUNTY OF WAYNE, MICHIGAN

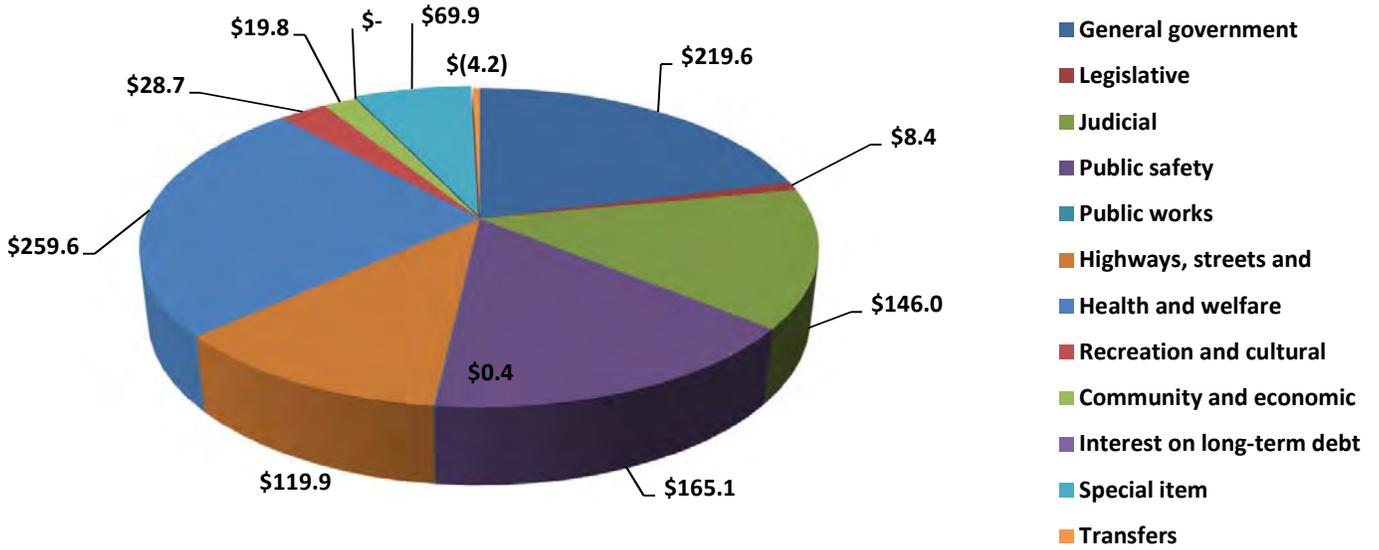
Management's Discussion and Analysis (Unaudited)

- *Other revenue* increased by \$5.6 million primarily due to the distribution of \$3.2 million excess tourist tax revenue collections in the current fiscal year. Tourist taxes are collected on hotel accommodations and vehicle rentals, and used to pay the debt service requirements and other costs associated with the Comerica Park Baseball Stadium, Ford Field and surrounding land development. In addition, the increase in local revenues can be attributed to the \$1.4 million adjustment for Early Retiree Reinsurance Program (ERRP) funding in fiscal year 2014 and the current year increase of \$1.1 million in Cobo liquor tax revenues.
- *General government* expenditures increased by \$52.5 million, of which \$24.5 relates to (1) the mental health local match requirement (required by the mental health code) of \$18.7 million funded by the general fund recorded as a general government expense in fiscal year 2014. These costs were previously recorded as an appropriation transfer between the general and special revenue funds. The reallocation of costs was due to the separation of the mental health operations from the County as of October 1, 2013. (2) the increase in building rental costs of \$5.8 million in the general fund for the funding of debt service payments related to the 2010 jail bonds issued by the Building Authority. In the prior years, approximately \$10.6 million of the debt service payments were offset by the capitalized interest amount set aside for the repayment of these bonds. In fiscal year 2014 only \$5.3 million was available in capitalized interest offset. The majority of the remaining increase is related to \$6.3 million increase in litigation reserve and \$9.9 million of new jail construction site maintenance costs that could not be capitalized in fiscal year 2014 due to the stoppage of the construction in August 2013.
- *Highway, streets and bridges* expenses increased by \$9.4 million; \$7.6 million of this increase is attributable to the severe winter weather conditions in 2014 resulting in higher personnel/overtime costs of \$4.0 million and usage of salt and aggregates by \$3.6 million. In addition, contractual services increased by \$1.3 million due to increase in construction projects.
- *Health and welfare* expenses decreased by \$656.5 million primarily due to the decrease of \$640.0 million in expenditures related as a result of the creation of the Detroit Wayne Mental Health Authority, which resulted in revenues and expenditures for these services no longer a part of the County's appropriation. Other reductions in expenses include reduction of \$15.1 million in childcare contractual services for Abuse/Neglect, Youth Assistance Program, and Youth at Risk programs.
- *Public safety* expenses decreased by \$9.8 million due to a reduction in (1) contractual services of \$4.1 million related to various JAG grants and realignment in spending priorities by the City of Detroit caused by financial hardship; and (2) overtime costs of \$3.1 million for the Sheriff and county jail operations. There was also a decrease of \$1.2 million in costs associated with the closure of the narcotics unit.

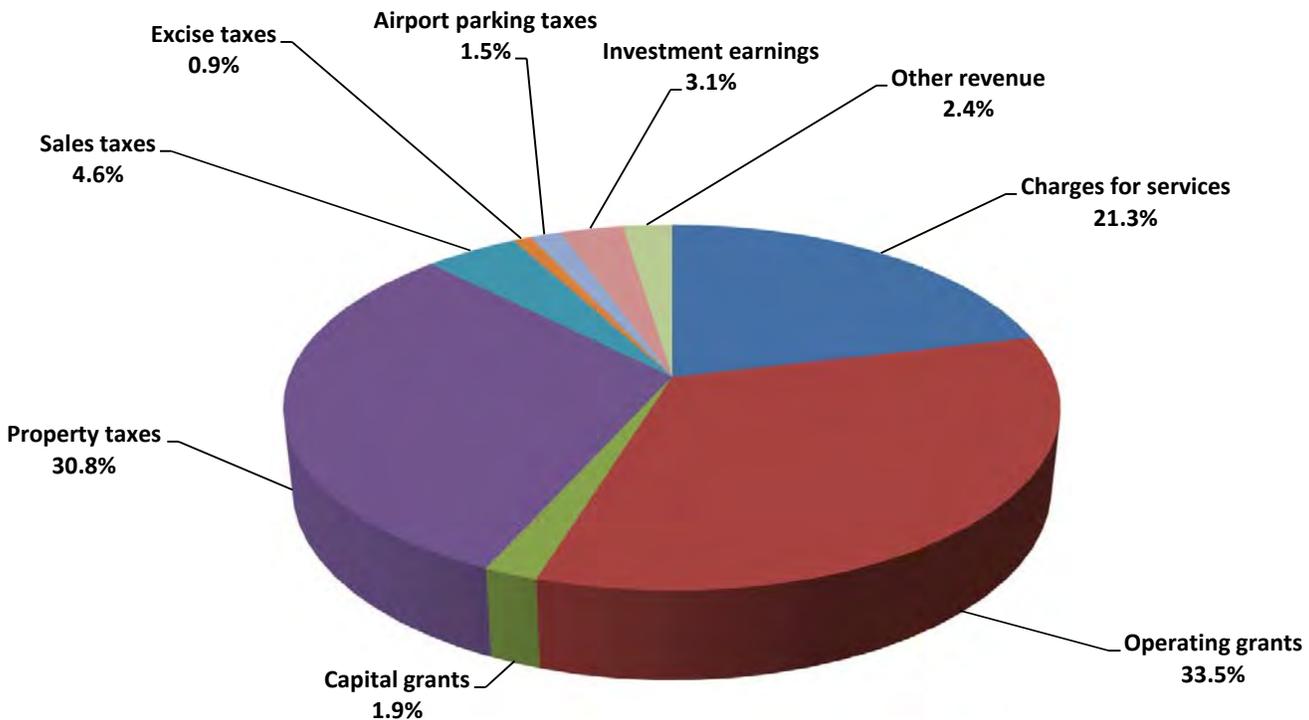
CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Summary of Expenses - Governmental Activities



Revenue by Source - Governmental Activities

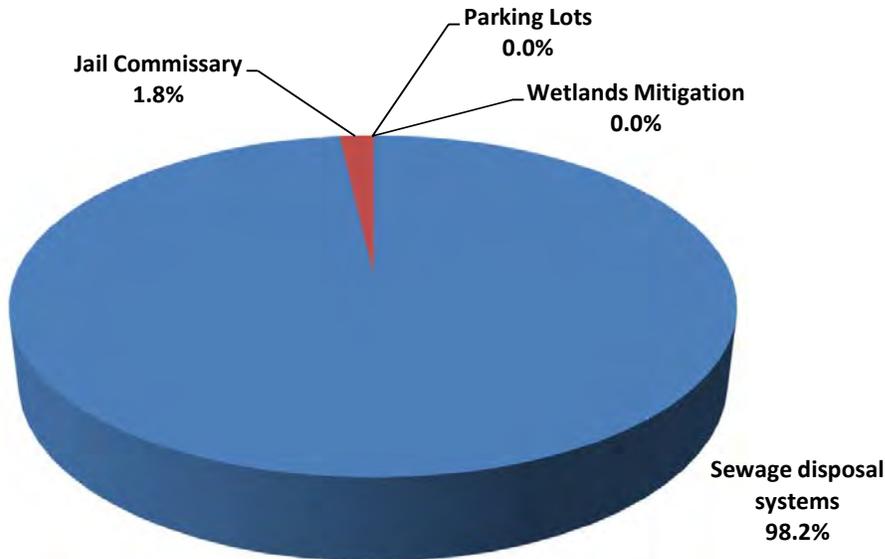


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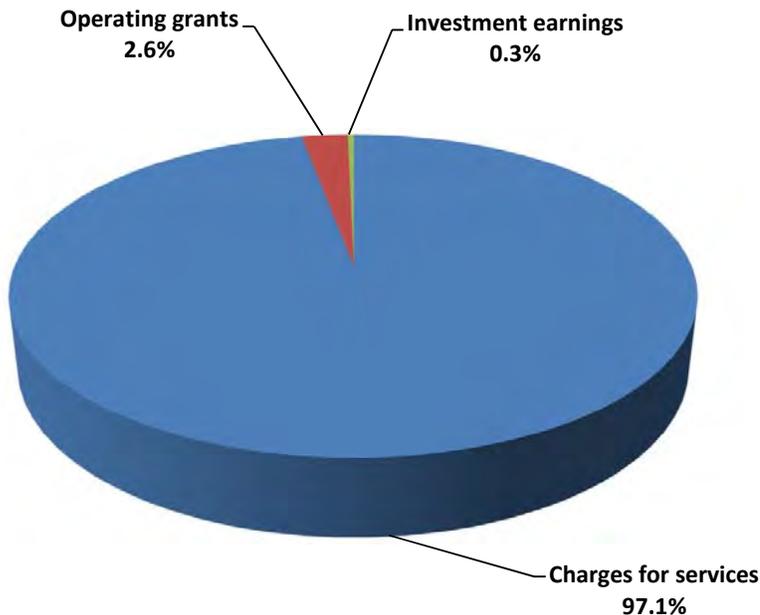
Management's Discussion and Analysis (Unaudited)

Business-type Activities. The business-type activities decreased the County's net position by \$14.9 million for the year. This decrease resulted due to services being provided that are not fully recoverable through sewage disposal rates. This includes depreciation expense of \$17.6 million offset by a partial increase in sewage disposal rates.

Summary of Expenses - Business-type Activities



Revenue by Source - Business-type Activities



CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$73.5 million, a decrease of \$13.1 million in comparison with the prior year. Nonspendable fund balances totaled \$10.2 million, and assigned fund balances totaled \$51.3 million, with unassigned fund deficits totaling \$93.6 million. The remainder of fund balance is restricted (1) to pay debt service (\$16.2 million); (2) to pay for capital projects and improvements, (\$64.3 million); (3) for inpatient hospitalization and health and welfare services (\$13.3 million); and (5) for roads and other special revenue fund purposes (\$11.7 million).

In general, amounts reported as assigned fund balance originate from an unrestricted revenue source and can be available for discretionary use in accordance with the County's fund balance policy.

The General Fund is the chief operating fund of the County. At the end of the fiscal year total fund balance amounted to an accumulated deficit of \$73.8 million, of which \$82.8 million is the unassigned deficit (a decrease of \$70.7 million).

The fund balance of the General Fund increased by \$71.8 million over the prior year. Significant fluctuations from the prior year are discussed below.

- Property taxes increased by \$23.5 million primarily due to (1) an adjustment of approximately \$7.7 million recorded for the estimated change in liabilities for Michigan Tax Tribunal (MTT) property tax refunds and Delinquent Revolving Fund property tax chargebacks in the General Fund; (2) an increase of \$2.9 million in property tax revenue from prior year tax adjustments for various cities and townships, compared with \$0.3 million in fiscal year 2013; and (3) a decrease in tax tribunal refunds from \$8.5 million in the prior fiscal year to \$2.8 million in the current fiscal year, resulting in a net increase to property tax revenue of \$5.7 million.
- Federal grant revenue increased by \$2.6 million of which \$1.7 million increase relates to public safety grants for homeland security /emergency management, \$0.5 million increase in prosecutors federal grant revenue and a \$0.25 million increase in judicial grants.
- State grants decreased by \$5.2 million due to a decline in Medicaid funding from the State of Michigan for the Adult Benefit Waiver (ABW) Program as a result of the anticipated transfer of ABW patients to the State of Michigan's Healthy Michigan Plan. The ABW Program provided basic health coverage to residents of the State of Michigan with countable incomes at or below 35% of the federal poverty level. The coverage was funded by the State of Michigan. Patient Care Management System (PCMS) was responsible for administering the ABW program for Wayne County. During the fiscal year, PCMS received \$19.7 million in Medicaid funding from the State as compared to \$25.2 million in fiscal year 2013.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

- Local grant revenue decreased by \$0.8 million due to a decrease in \$0.5 million revenue received from the Mental Health Authority for judicial and recreation and culture programs. In addition, Prosecutor's Forensic Evidence Review Unit (FERU) revenues decreased by \$0.4 million offset by increases in Kresge grant and Assessment & Equalization revenue of \$0.1 million.
- Local revenues increased by \$5.6 million primarily due to the increase in Cobo liquor tax revenues of \$1.1 million and excess tourist tax revenue distribution of \$3.3 million. Also, there was a net increase of \$1.1 million in miscellaneous receipts resulting from a prior year debt adjustment of \$1.4 million for Early Retiree Reinsurance Program (ERRP) funding not recorded in fiscal year 2014.
- General government expenditures increased by \$26.7 million primarily due to the mental health local match requirement (required by the mental health code) of \$18.7 million funded by the general fund recorded as a general government expense in fiscal year 2014. These costs were previously recorded as an appropriation transfer between the general and special revenue funds. This change was due to the separation of the mental health operations from the County as of October 1, 2013. In addition, there was an increase in building rental costs of \$5.8 million in the general fund for the funding of debt service payments related to the 2010 jail bonds issued by the Building Authority. In the prior years approximately \$10.6 million of the debt service payments were offset by the capitalized interest amount set aside for the repayment of these bonds. In fiscal year 2014 only \$5.3 million was available in capitalized interest offset.
- Health and welfare expenditures decreased by \$5.5 million primarily due to the decrease in administrative costs of \$1.5 million and a reduction of \$3.9 million in operating costs from the termination of the Adult Benefit Waiver (ABW) program. Effective April 1, 2014, members of the ABW program were transferred to the State of Michigan's Healthy Michigan Plan due to Medicaid expansion in Michigan.
- Debt service decreased by \$1.2 million primarily due to a decrease in interest payments on 2014 tax anticipation notes (TANs). In fiscal year 2014 the County issued TANs in May 28, 2014 to Wells Fargo Bank at 1.52% with a maturity of October 31, 2014. However, during the year the County early redeemed \$33.7 million of these notes which resulted in lower interest expense for fiscal year 2014. The interest expense for 2014 was \$0.4 million compared to \$1.6 million in fiscal year 2013.
- Transfers in increased by \$47.0 million primarily due to the delinquent tax fund transfer of the declared surplus of \$82.2 million in fiscal year 2014 and a \$9.4 million surplus from sales of foreclosed property due to unpaid 2010 taxes compared to the \$48.9 million transferred in fiscal year 2013.

The fund balance for the other major governmental funds of the County at September 30, 2014 amounted to the following:

- The Roads fund reported a total fund balance of \$47.2 million, of which \$7.6 is restricted and \$31.7 is assigned. The total fund balance for the Juvenile Justice & Abuse /Neglect amounted to \$0.1 million, of which \$0.2 million is unassigned deficit and is a decrease of \$7.1 million from the prior year. The Building Authority construction fund reported total fund balances of \$53.5 million, all of which is restricted for capital projects. The Health fund reported an accumulated deficit of \$4.9 million, of which \$5.0 million is unassigned deficit, an increase of \$2.3 million from the prior year.

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

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Unrestricted net position for the two major sewage disposal systems at the end of the year amounted to the following:

- *Downriver System*. \$111.2 million; net position decreased by \$10.9 million from the prior year as the result of depreciation expense of \$14.3 million, which was partially offset by \$2.1 million in collections from communities participating in the disposal system.
- *Rouge Valley System*. \$9.9 million; net position decreased by \$4.6 million from the prior year due to a \$6.0 million increase in sewage disposal costs paid to City of Detroit; offset by a \$0.1 million increase in operating revenues.

Unrestricted net position for the Delinquent Tax Revolving Fund amounted to \$85.5 million; net position decreased by \$27.4 million as a result of net income of \$64.3 million before transfers offset by a \$91.7 million transfer to the General Fund.

General Fund Budgetary Highlights

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. During the year, there were several significant changes from the original to the final amended budget. The changes are as follows:

- Federal revenue increased by \$1.7 million due to grant awards for Homeland Security initiatives, which caused a corresponding increase in public safety expenditures.
- State grants and contracts decreased by \$7.4 million due to the loss of funding for the Adult Benefit Waiver indigent health care program. The program was eliminated due to the expansion of the Medicaid eligibility at the State level.
- Local grants and contracts revenue decreased by \$82.1 million due to the reclass of funding for the Third Circuit and Probate courts to other financing sources (uses) Transfer In. This was offset by a reclass of \$82.1 legislative expenditures other financing sources (uses) transfer out.
- Charges for services revenue, which represents revenues from various sources, increased by \$5.6 million. Of the increase, \$1.5 million relates to revenues from the County Clerk's Office taking over vital statistics operations for the City of Detroit. Miscellaneous fees and charges to other government agencies increased by \$1.5 million.
- General government budgeted expenditures increased by \$5.9 million primarily the result of departments receiving additional restricted grant revenues during the fiscal year. Budgeted expenditures in the County Clerk's Office increased by \$1.5 million, due to taking over vital statistics operations for the City of Detroit's. Other increases include Management and Budget Support Services (\$0.9 million), Prosecuting Attorney (\$0.3 million) and Corporation Counsel (\$0.2 million).
- Public safety expenditures increased by \$2.2 million due to an increase in Homeland Security grant awards. Grant awards for Homeland Security initiatives were received after the budget was adopted provided. The grant funding provided equipment for neighboring communities and border control activities.
- Health and welfare expenditures decreased by \$6.3 million due to the loss of funding for the Adult Benefit Waiver indigent health care program. The program was eliminated due to the expansion of the Medicaid eligibility at the State level.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

In addition, there were several significant differences between the final amended budget and actual results. The changes are as follows:

- Property taxes increased by \$22.5 million as a result of a increase in property tax collections as compared to projections. Property tax collections increased by \$13.5 million compared to budget. Additionally, reductions from tax tribunals refunds is \$8.6 million lower than budget.
- Judicial expenditures increased by \$4.7 million due to an increase in court security costs. This is offset by a reduction in indigent attorneys fees in the Third Circuit Court.
- Public safety expenditures exceeded the amended budget by \$14.3 million, which occurred primarily in the Sheriff's jail operations.
- There was a net decrease in other financing sources (uses) of \$24.7 million due to an additional transfer from the delinquent tax revolving/forfeiture programs.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2014 amounted to \$1.4 billion, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. The net capital assets for the fiscal year ending September 30, 2014 reflects a decline of \$26.0 million. This decline represents \$19.9 million decrease in government activates and \$6.1 million decrease in business-type activities.

The County's net capital assets for governmental activities decreased by \$19.9 million in fiscal year 2014. This change includes an increase of \$16.3 million in land and construction in progress. This increase was offset by a decrease of \$36.2 million (net of accumulated depreciation) in building improvements, machinery, equipment, vehicles and infrastructure assets. In terms of gross values, the County's governmental activities had additions of \$39.2 million, \$1.0 million of transfers, \$0.9 million of disposals of capital assets and \$59.2 million increase in accumulated depreciation.

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and improvements	\$ 540,323	\$ 539,643	\$ 4,681	\$ 6,220	\$ 545,004	\$ 545,863
Buildings and improvements	108,871	119,026	5,229	5,931	114,100	124,957
Machinery, equipment and vehicles	41,606	42,864	810	793	42,416	43,657
Infrastructure	330,594	336,926	289,244	305,834	619,838	642,760
Construction in progress	23,551	26,392	16,194	3,490	39,745	29,882
Total capital assets, net	\$ 1,044,945	\$ 1,064,851	\$ 316,158	\$ 322,268	\$ 1,361,103	\$ 1,387,119

The decline of \$6.1 million in net capital asset for business-type activities represent \$13.7 additions for construction in progress offset by a decrease of \$19.8 million (net of accumulated depreciation) in land, building improvements, machinery, equipment, vehicles and infrastructure assets.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Additional information on the County's capital assets can be found in Note 8.

Long-term Debt. At the end of the current fiscal year, the County had total bonded debt and notes outstanding of \$862.1 million. Of this amount, \$417.9 million is comprised of debt backed by the full faith and credit of the County. The remainder of the County's debt, \$444.2 million represented bonds secured solely by specified revenue sources (i.e. revenue bonds).

During the current fiscal year, the County's total bonded debt increased by a net \$18.4 million. Debt for governmental activities increased by \$29.6 million. This increase is twofold: (1) decrease in debt service for the general obligation bonds; and (2) increase in the delinquent tax anticipation notes issued. Business-type activities debt decreased overall by \$11.3 million as a result of issuance of new debt of \$10.0 million offset by payments totaling \$21.7 million.

	Outstanding Bonded Debt as of September 30					
	(in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds (backed by the County)	\$ 328,303	\$ 346,055	\$ 89,613	\$ 108,174	\$ 417,916	\$ 454,229
Capital leases & notes payable	304,966	258,616	-	-	304,966	258,616
Deferred loss on refunding	-	(2,204)	-	(463)	-	(2,667)
Bond discount	(228)	(252)	-	-	(228)	(252)
Bond premium	1,758	1,979	274	295	2,032	2,274
Total general obligation bonds, net of bond discount and loss on refunding	634,799	604,194	89,887	108,006	724,686	712,200
Revenue bonds (backed by specific fee revenues)	69,555	72,965	62,782	55,917	132,337	128,882
Bond premium	4,632	4,962	489	527	5,121	5,489
Deferred loss on refunding	-	(2,762)	-	(15)	-	(2,777)
Total revenue bonds, net of loss on refunding	74,187	75,165	63,271	56,429	137,458	131,594
Total bonds and notes payable, net of bond discounts and loss on refundings	\$ 708,986	\$ 679,359	\$ 153,158	\$ 164,435	\$ 862,144	\$ 843,794

The County currently has a "BB+" rating with a negative outlook from Standard & Poor's, a "Ba3" rating with a negative outlook from Moody's Investors Service and a "B" rating with a negative watch from Fitch Ratings for uninsured debt issues.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The County's current debt obligation (debt carrying the County's limited tax general obligation) is approximately \$1.0 billion, which is significantly less than the County's \$4.3 billion legal debt limit. Included in this number are tax notes and certain component unit obligations.

CHARTER COUNTY OF WAYNE, MICHIGAN

Management's Discussion and Analysis (Unaudited)

Additional information on the County's long-term debt can be found in Note 10.

Economic Factors, Next Year's Budget, and Unemployment Rates

- The County's 2014 Equalization Report indicates that the total State Equalized Valuation for the County declined to \$42.9 billion, a decrease of 0.9 percent over the prior year. Additionally, the total taxable valuation of the County, which serves as the basis for current and future tax levies, remained relatively the same over prior year at \$40.0 billion.
- The County projects balanced operations for the General Fund for the next fiscal year. The budget totals \$1.68 billion which represents an increase from fiscal year 2013-2014. The budget adopted includes increases in non General Fund areas such as the Delinquent Tax Revolving and Forfeiture Program Funds. The General Fund totals \$549.95 million which represents an increase of \$4.0 million. Some of the items considered in the adopted budget include:
 - Continuation of the employee and retiree health care cost sharing as mandated by the State of Michigan.
 - Implementation of the portions of the County Commission's approved deficit elimination plan that did not require collective bargaining.
 - Status quo General Fund general purpose allocations to all departments after adjusting for changes to healthcare, pension and internal service department allocations.
- The unemployment rate for Wayne County, according to the U.S. Department of Labor at December 2014, decreased to 6.7 percent, compared to the December 2013 rate of 8.0 percent.

The consumer price index for all urban customers (CPI-U) for the Detroit metropolitan area showed an increase of 1.4 percent from 219.481 in 2013 to 222.494 in 2014.

The percent of general fund revenue used to fund essential services for fiscal year 2013, as required by the Michigan Legislature for fiscal 2016-16 replacement funding of personal property taxes, was 39.86 percent.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Charter County of Wayne, Michigan, Department of Management and Budget, Financial Reporting Division, 500 Griswold, 20th Floor, Detroit, Michigan 48226.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

BASIC FINANCIAL STATEMENTS

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Net Position
September 30, 2014
(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Equity in pooled cash and investments (Note 4)	\$ 156,618	\$ 18,716	\$ 175,334	\$ 17,605
Other cash and investments (Note 4)	5,292	46	5,338	88,678
Internal balances (Note 7)	78	(78)	-	-
Receivables:				
Due within one year	183,877	23,049	206,926	19,112
Due in more than one year	726	-	726	12,088
Due from component units (Note 7)	82	64	146	-
Due from primary government	-	-	-	190
Due from other government	98	-	98	23,933
Other assets	11,332	106	11,438	11,674
Restricted assets (Notes 4 and 5):				
Equity in pooled cash and investments (Note 4)	111,406	31,719	143,125	-
Other cash and investments (Note 4)	67,708	2,523	70,231	570,673
Accounts receivables (Notes 4 and 5)	341,838	99,608	441,446	9,899
Assets converted from capital asset to held for sale	20,000	-	20,000	-
Capital assets not being depreciated (Note 8)	562,972	20,081	583,053	355,620
Capital assets being depreciated, net (Note 8)	481,973	296,077	778,050	1,740,027
Total assets	1,944,000	491,911	2,435,911	2,849,499
Deferred outflows of resources				
Deferred charge on refunding	4,334	293	4,627	33,746
Liabilities				
Accounts payable and accrued expenses	140,266	16,023	156,289	104,419
Accrued interest payable	10,172	-	10,172	96
Unearned revenue	906	-	906	4,298
Due to primary government (Note 7)	-	-	-	146
Due to other government	-	-	-	1,330
Due to component units	159	31	190	-
Short-term notes payable	41,267	-	41,267	-
Payables from restricted assets:				
Bonds, notes and other liabilities (Note 10):				
Due within one year	66,703	3,716	70,419	88,325
Due in more than one year	235,713	111,026	346,739	-
Other liabilities	19,211	19,108	38,319	37,785
Other postemployment benefits obligations	333	-	333	-
Bonds, notes and other liabilities (Note 10):				
Due within one year	47,237	17,422	64,659	2,814
Due in more than one year	409,806	21,222	431,028	2,214,802
Net pension and other postemployment benefits obligations (Notes 15 and 16)	272,950	2,731	275,681	193
Total liabilities	1,244,723	191,279	1,436,002	2,454,208
Net position				
Net investment in capital assets	921,798	173,826	1,095,624	61,248
Restricted (Note 21)	154,895	-	154,895	315,200
Unrestricted (deficit)	(373,082)	127,099	(245,983)	52,589
Total net position	\$ 703,611	\$ 300,925	\$ 1,004,536	\$ 429,037

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Activities
For the Year Ended September 30, 2014
(in thousands)

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 219,643	\$ 128,426	\$ 4,705	\$ -	\$ (86,512)
Legislative	8,352	2,046	-	-	(6,306)
Judicial	145,953	7,727	49,129	-	(89,097)
Public safety	165,098	34,293	13,076	-	(117,729)
Public works	394	-	-	-	(394)
Highways, streets and bridges	119,945	5,534	93,626	18,982	(1,803)
Health and welfare	259,610	19,826	150,278	-	(89,506)
Recreation and cultural	28,703	10,666	533	-	(17,504)
Community and economic development	19,844	828	17,158	-	(1,858)
Interest on long-term debt	40,045	-	-	-	(40,045)
Total governmental activities	1,007,587	209,346	328,505	18,982	(450,754)
Business-type activities:					
Sewage disposal systems	116,346	99,000	2,732	-	(14,614)
Jail commissary	2,127	3,443	-	-	1,316
Parking lots	15	65	-	-	50
Wetlands mitigation	1	-	-	-	(1)
Total business-type activities	118,489	102,508	2,732	-	(13,249)
Total primary government	\$ 1,126,076	\$ 311,854	\$ 331,237	\$ 18,982	\$ (464,003)
Component units:					
Airport Authority	\$ 461,191	\$ 403,161	\$ 1,030	\$ 32,680	\$ (24,320)
Drainage Districts	9,257	5,528	3,904	-	175
Wayne County - Detroit CDE, Inc.	203	-	-	-	(203)
Greater Wayne County Economic Development Corp.	25	-	-	-	(25)
Brownfield Redevelopment Authority	1,245	-	1,256	-	11
HealthChoice of Michigan	22,476	21,627	-	-	(849)
Regional Jobs and Economic Growth Foundation	3	-	-	-	(3)
Wayne County Land Bank Corporation	353	399	-	-	46
Total component units	\$ 494,753	\$ 430,715	\$ 6,190	\$ 32,680	\$ (25,168)

continued...

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Activities For the Year Ended September 30, 2014 (in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net expense from previous page	\$ (450,754)	\$ (13,249)	\$ (464,003)	\$ (25,168)
General revenues:				
Taxes:				
Property	302,278	-	302,278	5,946
Sales	44,821	-	44,821	-
Excise	8,607	-	8,607	-
Airport parking	14,775	-	14,775	-
Investment earnings	30,421	359	30,780	1,433
Other revenue	23,592	2	23,594	5,397
Gain on sale of assets	-	2,145	2,145	-
Transfers in (out)	4,206	(4,206)	-	-
Special item (Note 18)	(69,898)	-	(69,898)	-
Total general revenues, transfers and special item	358,802	(1,700)	357,102	12,776
Change in net position	(91,952)	(14,949)	(106,901)	(12,392)
Net position at October 1, 2013, as restated (Note 17)	795,563	315,874	1,111,437	441,429
Net position at September 30, 2014	\$ 703,611	\$ 300,925	\$ 1,004,536	\$ 429,037

concluded.

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Balance Sheet
Governmental Funds
September 30, 2014
(in thousands)

	General	Roads	Mental Health	Health
Assets				
Equity in pooled cash and investments (Note 4)	\$ -	\$ 50,660	\$ -	\$ -
Other cash and investments (Notes 4)	220	2	-	1
Due from other funds (Note 7)	3,939	18	-	-
Due from component units (Note 7)	17	65	-	-
Receivables:				
Current property taxes	61,801	-	-	-
Delinquent property taxes	15,954	-	-	-
Accounts	650	6,735	-	226
Due from other governmental units (Note 7)	41,581	16,305	-	4,009
Less allowance for uncollectible accounts	(357)	(618)	-	-
Supplies inventory, at cost	897	3,971	-	156
Prepayments and deposits	790	3,962	-	-
Long-term receivables (Note 6)	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-
Restricted assets:				
Equity in pooled cash and investments (Notes 4 and 5)	-	-	-	-
Total assets	\$ 125,492	\$ 81,100	\$ -	\$ 4,392
Liabilities				
Accounts and contracts payable	10,555	1,492	-	1,776
Due to other funds (Note 7)	39,460	-	-	3,491
Due to component units (Note 7)	-	-	-	-
Due to other governmental units (Note 7)	3,141	11,243	-	309
Accrued wages and benefits	10,154	1,605	-	661
Deposits	-	16,703	-	-
Other liabilities	34,496	648	-	351
Unearned revenue	331	-	-	156
Short-term notes payable	41,267	-	-	-
Total liabilities	139,404	31,691	-	6,744
Deferred inflows of resources				
Unavailable property taxes	38,869	-	-	-
Unavailable grants	21,012	2,203	-	2,525
Total deferred inflows of resources	59,881	2,203	-	2,525
Fund balances				
Nonspendable	1,687	7,933	-	156
Restricted	7,324	7,611	-	-
Assigned	-	31,662	-	-
Unassigned deficit	(82,804)	-	-	(5,033)
Total fund balances (deficits)	(73,793)	47,206	-	(4,877)
Total liabilities, deferred inflows of resources and fund balances	\$ 125,492	\$ 81,100	\$ -	\$ 4,392

continued...

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Balance Sheet
Governmental Funds
September 30, 2014
(in thousands)

	Juvenile Justice and Abuse / Neglect	Building Authority Construction Capital Project	Nonmajor Governmental Funds	Total
Assets				
Equity in pooled cash and investments (Note 4)	\$ -	\$ -	\$ 44,362	\$ 95,022
Other cash and investments (Notes 4)	1	-	5,064	5,288
Due from other funds (Note 7)	-	-	1,555	5,512
Due from component units (Note 7)	-	-	-	82
Receivables:				
Current property taxes	-	-	-	61,801
Delinquent property taxes	-	-	-	15,954
Accounts	1,259	-	7,794	16,664
Due from other governmental units (Note 7)	22,687	-	6,457	91,039
Less allowance for uncollectible accounts	-	-	(1)	(976)
Supplies inventory, at cost	115	-	9	5,148
Prepayments and deposits	221	-	57	5,030
Long-term receivables (Note 6)	-	-	726	726
Less allowance for uncollectible accounts	-	-	(589)	(589)
Restricted assets:				
Equity in pooled cash and investments (Notes 4 and 5)	-	60,229	8,801	69,030
Total assets	\$ 24,283	\$ 60,229	\$ 74,235	\$ 369,731
Liabilities				
Accounts and contracts payable	9,855	-	2,732	26,410
Due to other funds (Note 7)	8,945	-	12,707	64,603
Due to component units (Note 7)	-	-	159	159
Due to other governmental units (Note 7)	-	-	656	15,349
Accrued wages and benefits	785	-	557	13,762
Deposits	-	-	-	16,703
Other liabilities	3,822	6,699	5,303	51,319
Unearned revenue	-	-	420	907
Short-term notes payable	-	-	-	41,267
Total liabilities	23,407	6,699	22,534	230,479
Deferred inflows of resources				
Unavailable property taxes	-	-	-	38,869
Unavailable grants	765	-	384	26,889
Total deferred inflows of resources	765	-	384	65,758
Fund balances				
Nonspendable	336	-	66	10,178
Restricted	-	53,530	37,082	105,547
Assigned	-	-	19,666	51,328
Unassigned deficit	(225)	-	(5,497)	(93,559)
Total fund balances (deficits)	111	53,530	51,317	73,494
Total liabilities, deferred inflows of resources and fund balances	\$ 24,283	\$ 60,229	\$ 74,235	\$ 369,731

concluded.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position September 30, 2014 (in thousands)

Total fund balances - total governmental funds	\$	73,494
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 governmental funds.		
Governmental capital assets		2,754,653
Less accumulated depreciation		(1,712,573)
Assets converted from capital assets to held for sale in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
		20,000
Internal service funds are used by management to charge the costs of certain activities, such as personnel, central services, information technology and insurance costs to individual funds. The assets and liabilities of certain internal service funds are recorded as governmental activities in the Statement of Net Position.		
		13,343
The assets and liabilities of the Delinquent Tax Revolving fund, an enterprise fund, are recorded as governmental activities in the Statement of Net Position.		
		215,670
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the governmental funds.		
Deferred inflows - property taxes		38,869
Deferred inflows - grant receipts		26,889
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds, capital leases, notes and other debt		(400,511)
Unamortized bond premium		(6,390)
Unamortized bond discount		228
Unamortized deferred loss on refunding		4,334
Accrued interest payable		(10,119)
Compensated absences		(22,541)
Claims, litigation and assessments		(20,605)
Other long-term payable		(850)
Net pension obligation		(18,423)
Other postemployment benefit obligation		(251,857)
		703,611
Net position of governmental activities	\$	703,611

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2014 (in thousands)

	General	Roads	Mental Health	Health
Revenues				
Taxes:				
Property	\$ 294,895	\$ -	\$ -	\$ -
Sales	44,821	-	-	-
Excise	-	-	-	-
Licenses and permits	599	-	-	-
Federal grants	26,908	2,752	-	8,141
State grants and contracts	43,488	90,493	-	3,809
Local grants and contracts	7,102	2,253	-	4,448
Charges for services	123,321	5,778	-	12,376
Interest and rents	1,784	376	-	-
Other	22,168	69	-	-
Total revenues	565,086	101,721	-	28,774
Expenditures				
Current operations:				
Legislative	8,417	-	-	-
Judicial	138,734	-	-	-
General government	163,571	-	-	-
Public safety	152,379	-	-	-
Public works	432	-	-	-
Highways, streets and bridges	-	82,406	-	-
Health and welfare	36,093	-	-	38,515
Recreational and cultural	3,184	-	-	-
Community and economic development	-	-	-	-
Capital outlay	3,339	10,880	-	203
Debt service:				
Principal	-	1,275	-	-
Interest	527	160	-	-
Total expenditures	506,676	94,721	-	38,718
Revenues over (under) expenditures	58,410	7,000	-	(9,944)
Other financing sources (uses)				
Transfers in (Note 7)	96,051	1,002	-	6,720
Transfers out (Note 7)	(82,763)	(4,189)	-	-
Proceeds from sale of capital assets	75	266	-	-
Total other financing sources (uses)	13,363	(2,921)	-	6,720
Net change before special item	71,773	4,079	-	(3,224)
Special item (Note 18)	-	-	(68,729)	-
Net change in fund balances	71,773	4,079	(68,729)	(3,224)
Fund balances (deficits) at October 1, 2013	(145,566)	43,127	68,729	(1,653)
Fund balances (deficits) at September 30, 2014	<u>\$ (73,793)</u>	<u>\$ 47,206</u>	<u>\$ -</u>	<u>\$ (4,877)</u>

See accompanying notes to the basic financial statements.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended September 30, 2014 (in thousands)

	Juvenile Justice and Abuse / Neglect	Building Authority Construction Capital Project	Nonmajor Governmental Funds	Total
Revenues				
Taxes:				
Property	\$ -	\$ -	\$ 14,162	\$ 309,057
Sales	-	-	-	44,821
Excise	-	-	8,607	8,607
Licenses and permits	-	-	106	705
Federal grants	4,073	-	51,131	93,005
State grants and contracts	67,677	-	4,377	209,844
Local grants and contracts	10,767	-	2,896	27,466
Charges for services	7,429	-	20,545	169,449
Interest and rents	-	267	27,296	29,723
Other	-	-	347	22,584
Total revenues	89,946	267	129,467	915,261
Expenditures				
Current operations:				
Legislative	-	-	-	8,417
Judicial	-	-	2,310	141,044
General government	-	-	6,363	169,934
Public safety	-	-	6,761	159,140
Public works	-	-	-	432
Highways, streets and bridges	-	-	3	82,409
Health and welfare	151,304	-	37,551	263,463
Recreational and cultural	-	-	21,291	24,475
Community and economic development	-	9,949	22,667	32,616
Capital outlay	20	71	7,705	22,218
Debt service:				
Principal	-	-	21,162	22,437
Interest	-	-	30,246	30,933
Total expenditures	151,324	10,020	156,059	957,518
Revenues over (under) expenditures	(61,378)	(9,753)	(26,592)	(42,257)
Other financing sources (uses)				
Transfers in (Note 7)	68,184	-	24,683	196,640
Transfers out (Note 7)	-	(5,306)	(6,865)	(99,123)
Proceeds from sale of capital assets	1	-	38	380
Total other financing sources (uses)	68,185	(5,306)	17,856	97,897
Net change before special item	6,807	(15,059)	(8,736)	55,640
Special item (Note 18)	-	-	-	(68,729)
Net change in fund balances	6,807	(15,059)	(8,736)	(13,089)
Fund balances (deficits) at October 1, 2013	(6,696)	68,589	60,053	86,583
Fund balances (deficits) at September 30, 2014	\$ 111	\$ 53,530	\$ 51,317	\$ 73,494

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CHARTER COUNTY OF WAYNE, MICHIGAN

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended September 30, 2014 (in thousands)

Net change in fund balances - total governmental funds	\$	(13,089)
Amounts reported for <i>governmental activities</i> in the Statement of Activities are different because:		
The change in net position of the internal service funds is reported with governmental activities in the Statement of Activities.		1,946
The change in net position of the Delinquent Tax Revolving Fund, an enterprise fund, is reported with governmental activities in the Statement of Activities.		(27,402)
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.		
Expenditures for capital assets		22,218
Less current year depreciation		(58,685)
Asset transfers from non-governmental funds		1,001
Gains or losses on the disposal of Mental Health Authority operations not reported in the governmental funds.		(1,169)
Repayment of bond principal and other debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the Statement of Net Position.		22,437
Revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenues in the governmental funds.		(11,395)
Non-cash capital contributions in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		16,948
The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of the asset sold is removed from the capital assets in the Statement of Net Position and offset against the sale proceeds resulting in a gain on the sale in the Statement of Activities. Thus more revenue is reported in the governmental funds.		(30)
Accrued expenses not due and payable with current financial resources are not reported as expenditures in the governmental funds.		(850)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable		398
Change in other postemployment benefits obligation		(39,770)
Change in net pension obligation		1,926
Change in accrued compensated absences		1,829
Change in accrued claims, litigation and assessments		(8,160)
Amortization of bond premium, discount and deferred loss on refunding		(105)
Change in net position of governmental activities	\$	<u>(91,952)</u>

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Net Position
 Proprietary Funds
 September 30, 2014
 (in thousands)

	Enterprise Funds					Internal Service Funds
	Sewage Disposal Systems		Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	
	Downriver	Rouge Valley				
Assets						
Current assets:						
Equity in pooled cash and investments (Note 4)	\$ 14,998	\$ 861	\$ 26,379	\$ 2,857	\$ 45,095	\$ 35,216
Other cash and investments (Notes 4)	1	-	-	45	46	3
Due from other funds	-	-	59,169	-	59,169	-
Receivables:						
Accounts	196	66	-	3,407	3,669	-
Due from component units	-	64	-	-	64	-
Due from other governmental units (Note 7)	2,766	13,444	-	3,300	19,510	95
Less allowance for uncollectible accounts	(130)	-	-	-	(130)	-
Prepayments and deposits	106	-	-	-	106	1,153
Total current assets	17,937	14,435	85,548	9,609	127,529	36,467
Restricted assets (Note 5):						
Equity in pooled cash and investments	22,168	3,978	42,376	5,573	74,095	-
Other cash and investments	2,523	-	67,708	-	70,231	-
Delinquent property taxes receivable	-	-	341,838	-	341,838	-
Accounts receivable	12,653	-	-	1,662	14,315	-
Bond principal due from municipalities	76,566	125	-	8,602	85,293	-
Total restricted assets	113,910	4,103	451,922	15,837	585,772	-
Noncurrent assets:						
Capital assets not being depreciated	8,567	1,927	-	9,587	20,081	24
Capital assets being depreciated, net	202,374	91,089	250	2,614	296,327	2,591
Total noncurrent assets	210,941	93,016	250	12,201	316,408	2,615
Total assets	342,788	111,554	537,720	37,647	1,029,709	39,082
Deferred outflows of resources						
Deferred charge on refunding	-	-	-	293	293	-
Liabilities						
Current liabilities:						
Accounts and contracts payable	1,818	125	79	913	2,935	13,340
Accrued wages and benefits	150	-	-	3	153	466
Due to other funds (Note 7)	-	-	-	78	78	-
Due to component units (Note 7)	31	-	-	-	31	-
Long-term obligations, current (Note 10)	16,689	505	-	-	17,194	1,102
Compensated absences, current	217	-	-	11	228	-
Other liabilities	366	8,500	11	4,147	13,024	4,310
Total current liabilities	19,271	9,130	90	5,152	33,643	19,218

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Net Position
 Proprietary Funds
 September 30, 2014
 (in thousands)

	Enterprise Funds					Internal Service Funds
	Sewage Disposal Systems		Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	
	Downriver	Rouge Valley				
Liabilities (continued)						
Payable from restricted assets:						
Accounts payable	\$ 1,000	\$ -	\$ 2,795	\$ 3,667	\$ 7,462	\$ -
Accrued wages and benefits	-	-	53	-	53	-
Other liabilities	13,874	-	26	-	13,900	-
Accrued interest	390	-	2,168	177	2,735	-
Due to other government (Note 7)	-	-	14,169	-	14,169	-
Other postemployment benefits (Note 16)	-	-	333	-	333	-
Bonds, notes and other liabilities (Note 10):						
Due in less than one year	-	-	66,703	3,716	70,419	-
Due in more than one year	98,646	4,103	235,713	8,277	346,739	-
Total liabilities payable from restricted assets	113,910	4,103	321,960	15,837	455,810	-
Noncurrent liabilities:						
Other postemployment benefits (Note 16)	2,732	-	-	-	2,732	2,671
Bonds and notes payable	9,152	5,545	-	6,525	21,222	-
Other long-term liabilities	-	-	-	-	-	3,850
Total noncurrent liabilities	11,884	5,545	-	6,525	23,954	6,521
Total liabilities	145,065	18,778	322,050	27,514	513,407	25,739
Net position						
Net investment in capital assets	86,454	82,863	250	4,509	174,076	2,615
Restricted for:						
Delinquent taxes and property foreclosures	-	-	129,962	-	129,962	-
Unrestricted	111,269	9,913	85,458	5,917	212,557	10,728
Total net position	\$ 197,723	\$ 92,776	\$ 215,670	\$ 10,426	\$ 516,595	\$ 13,343
Reconciliation of statement of net position of enterprise funds to business-type activities						
Total enterprise fund net position					\$ 516,595	
The Delinquent Tax Revolving Fund primarily serves the general government and therefore is reported as governmental activities in the statement of net position (Note 1)					(215,670)	
Net position of business-type activities					\$ 300,925	

concluded.

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statements of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Enterprise Funds					
	Sewage Disposal Systems		Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Downriver	Rouge Valley				
Operating revenues						
Sewage disposal charges	\$ 15,834	\$ 52,423	\$ -	\$ 23,126	\$ 91,383	\$ -
Industrial surcharges	1,863	-	-	-	1,863	-
Other charges for services	4,026	-	-	5,236	9,262	132,806
Fines and forfeitures	-	-	96,034	-	96,034	-
Rentals and expense recoveries	-	-	-	-	-	852
Other revenue	2	-	-	-	2	3
Total operating revenues	21,725	52,423	96,034	28,362	198,544	133,661
Operating expenses						
Personnel	2,601	-	991	3	3,595	7,162
Fringe benefits	1,355	-	495	11	1,861	4,091
Pension	956	-	231	-	1,187	2,331
Materials and supplies	2,489	30	1,404	701	4,624	748
Contractual services	5,196	53,030	17,923	23,737	99,886	9,869
Travel	9	-	1	4	14	82
Miscellaneous operating	4,146	104	1,405	736	6,391	103,974
Rentals	59	22	139	377	597	1,317
Other charges	-	-	-	587	587	39
Depreciation and amortization	14,314	2,838	43	360	17,555	508
Total operating expenses	31,125	56,024	22,632	26,516	136,297	130,121
Operating income (loss)	(9,400)	(3,601)	73,402	1,846	62,247	3,540
Nonoperating revenues (expenses)						
Investment earnings	171	21	714	167	1,073	(14)
Collections from participating units	2,139	3	-	590	2,732	-
Gain on sale of fixed asset	-	-	-	2,145	2,145	-
Interest expense	(3,778)	(260)	(9,787)	(786)	(14,611)	-
Total nonoperating revenues (expenses)	(1,468)	(236)	(9,073)	2,116	(8,661)	(14)
Income (loss) before transfers	(10,868)	(3,837)	64,329	3,962	53,586	3,526
Transfers in	-	-	-	748	748	1,000
Transfers out	-	(748)	(91,731)	(4,206)	(96,685)	(2,580)
Change in net position	(10,868)	(4,585)	(27,402)	504	(42,351)	1,946
Net position at October 1, 2013, as restated (Note 17)	208,591	97,361	243,072	9,922	558,946	11,397
Net position at September 30, 2014	\$ 197,723	\$ 92,776	\$ 215,670	\$ 10,426	\$ 516,595	\$ 13,343

Reconciliation of statement of revenues, expenses and changes in fund net position to the business-type activities in the statement of activities

Change in net position - enterprise funds	\$ (42,351)
The Delinquent Tax Revolving Fund primarily serves the general government and therefore is reported as governmental activities in the statement of activities (Note 1)	27,402
Change in net position of business-type activities	\$ (14,949)

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Enterprise Funds					
	Sewage Disposal Systems		Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	Internal Service Funds
	Downriver	Rouge Valley				
Cash flows from operating activities						
Receipts from customers	\$ 23,419	\$ 48,918	\$ 544,238	\$ 25,053	\$ 641,628	\$ 133,661
Payments to suppliers	(10,663)	(56,647)	(423,265)	(25,530)	(516,105)	(104,465)
Payments to employees	(2,592)	-	(985)	(11)	(3,588)	(7,214)
Payments for benefits	(2,048)	-	(605)	-	(2,653)	(5,420)
Receipts from (payments to) other funds	4,594	4,400	(70,687)	(680)	(62,373)	20,288
Receipts from (payments to) component units	70	(64)	-	-	6	7
Net cash provided by (used in) operating activities	12,780	(3,393)	48,696	(1,168)	56,915	36,857
Cash flows from non-capital financing activities						
Transfers (to) from other funds	-	(748)	(91,731)	(3,458)	(95,937)	(1,580)
Cash flows from capital and related financing activities						
Repayment of long-term debt	(17,056)	(495)	(243,374)	(4,105)	(265,030)	-
Proceeds from issuance of long term debt	3,419	-	291,000	6,542	300,961	-
Bond principal received from municipalities	12,849	25	-	2,044	14,918	-
Capital transfers from other funds	2,139	3	-	-	2,142	-
Interest received from participating local units	-	-	-	590	590	-
Acquisition of capital assets	(5,073)	(548)	-	(8,290)	(13,911)	(50)
Disposition of capital assets	-	-	-	4,654	4,654	-
Interest paid	(3,867)	(261)	(8,347)	(677)	(13,152)	-
Net cash provided by (used in) capital and related financing activities	(7,589)	(1,276)	39,279	758	31,172	(50)
Cash flows from investing activities						
Investment earnings	171	21	714	167	1,073	(14)
Change in cash and cash equivalents	5,362	(5,396)	(3,042)	(3,701)	(6,777)	35,213
Cash and cash equivalents at October 1, 2013	34,328	10,235	139,505	12,176	196,244	6
Cash and cash equivalents at September 30, 2014	\$ 39,690	\$ 4,839	\$ 136,463	\$ 8,475	\$ 189,467	\$ 35,219
Cash and cash equivalents at September 30, 2014 consist of the following:						
Equity in pooled cash and investments	\$ 14,998	\$ 861	\$ 26,379	\$ 2,857	\$ 45,095	\$ 35,216
Other cash and investments	1	-	-	45	46	3
Restricted assets:						
Equity in pooled cash and investments	22,168	3,978	42,376	5,573	74,095	-
Other cash and investments	2,523	-	67,708	-	70,231	-
Total cash and investments	\$ 39,690	\$ 4,839	\$ 136,463	\$ 8,475	\$ 189,467	\$ 35,219

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2014
(in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Sewage Disposal Systems		Delinquent Tax Revolving	Nonmajor Enterprise Funds	Total	
	Downriver	Rouge Valley				
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (9,400)	\$ (3,601)	\$ 73,402	\$ 1,846	\$ 62,247	\$ 3,540
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	14,314	2,838	43	360	17,555	508
Changes in current assets and liabilities:						
Delinquent property taxes receivable	-	-	29,872	-	29,872	-
Accounts receivable	(751)	(66)	16	(2,802)	(3,603)	-
Due from other funds	4,594	4,400	(50,305)	-	(41,311)	20,288
Due from other governmental units	2,445	(3,440)	-	(507)	(1,502)	-
Due from component units	39	(64)	-	-	(25)	7
Other current assets	4	-	-	-	4	87
Accounts and contracts payable	(347)	(13)	1,977	1,734	3,351	11,981
Accrued wages	9	-	6	3	18	(52)
Accrued benefits	6	-	-	-	6	(3)
Due to other funds	-	-	(20,382)	(680)	(21,062)	-
Due to component units	31	-	-	-	31	-
Due to other governmental units	-	-	14,154	-	14,154	-
Other liabilities	1,579	(3,447)	(208)	(1,122)	(3,198)	(503)
Compensated absences payable	(121)	-	(16)	-	(137)	(76)
Noncurrent other liabilities	378	-	137	-	515	1,080
Net cash provided by (used in) operating activities	\$ 12,780	\$ (3,393)	\$ 48,696	\$ (1,168)	\$ 56,915	\$ 36,857

concluded.

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Fiduciary Net Position Fiduciary Funds September 30, 2014 (in thousands)

	Pension and Other Employee Benefits Trust Funds	Agency Funds
Assets		
Retirement investments (Note 4):		
Equity securities	\$ 764,860	\$ -
Debt securities	199,935	-
Money market funds	36,067	-
Other investments	213,968	-
Total retirement investments	1,214,830	-
Equity in pooled cash and investments (Note 4)	7,323	207,039
Other cash and investments (Note 4)	-	2,429
Accounts receivable	1,318	-
Accrued interest receivable	921	-
Due from other component units	13	-
Prepayments and deposits	26	-
Depreciable capital assets, net (Note 8)	3	-
Total assets	1,224,434	\$ 209,468
Liabilities		
Accounts and contracts payable	836	\$ -
Due to other governmental units (Note 7)	-	1,177
Accrued wages and benefits	88	-
Due to broker for securities purchased	1,285	-
Undistributed receipts	-	26,289
Undistributed taxes	-	135,462
Other liabilities	601	46,540
Total liabilities	2,810	\$ 209,468
Net position		
Restricted for pension and other employee benefits	\$ 1,221,624	

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefits Trust Funds For the Year Ended September 30, 2014 (in thousands)

Additions	
Investment income:	
Net appreciation in fair market value	\$ 80,922
Interest and dividends	27,445
Other investment income	3,514
Investment expenses	<u>(3,707)</u>
Net investment income	<u>108,174</u>
Contributions:	
Employer	131,910
Employee	<u>14,147</u>
Total contributions	<u>146,057</u>
Total additions	<u>254,231</u>
Deductions	
Participant benefits	197,122
Administrative expenses	<u>3,613</u>
Total deductions	<u>200,735</u>
Change in net position	53,496
Net position at October 1, 2013	<u>1,168,128</u>
Net position at September 30, 2014 (Note 15)	<u><u>\$ 1,221,624</u></u>

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Net Position Component Units September 30, 2014 (in thousands)

	Airport Authority	Nonmajor Component Units	Total
Assets			
Equity in pooled cash and investments (Note 4)	\$ -	\$ 17,605	\$ 17,605
Other cash and investments (Note 4)	80,514	8,164	88,678
Receivables:			
Due in one year	16,270	2,842	19,112
Due in more than one year	-	12,088	12,088
Due from primary government	-	190	190
Due from other governmental units (Note 7)	23,933	-	23,933
Other assets	11,650	24	11,674
Restricted assets (Note 5):			
Other cash and investments	570,673	-	570,673
Accounts receivable	9,899	-	9,899
Capital assets not being depreciated (Note 8)	353,134	2,486	355,620
Capital assets being depreciated, net (Note 8)	1,707,924	32,103	1,740,027
Total assets	2,773,997	75,502	2,849,499
Deferred outflows of resources			
Deferred charge on refunding	33,746	-	33,746
Liabilities			
Accounts payable and accrued expenses	97,563	6,856	104,419
Accrued interest payable	-	96	96
Unearned revenue	1,525	2,773	4,298
Due to primary government (Note 7)	146	-	146
Due to other governmental units (Note 7)	1,330	-	1,330
Payable from restricted assets:			
Bonds and notes payable (Note 10)			
Due in one year	88,325	-	88,325
Other liabilities	37,785	-	37,785
Bonds, notes and other liabilities (Note 10):			
Due in one year	1,774	1,040	2,814
Due in more than one year	2,202,712	12,090	2,214,802
Net pension and other postemployment benefits obligations (Notes 15 and 16)	-	193	193
Total liabilities	2,431,160	23,048	2,454,208
Net position			
Net investment in capital assets	39,760	21,488	61,248
Restricted (Note 21)	314,707	493	315,200
Unrestricted	22,116	30,473	52,589
Total net position	\$ 376,583	\$ 52,454	\$ 429,037

See accompanying notes to the basic financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Statement of Activities Component Units For the Year Ended September 30, 2014 (in thousands)

	Airport Authority	Nonmajor Component Units	Total
Expenses	\$ 461,191	\$ 33,562	\$ 494,753
Program revenues			
Charges for services	403,161	27,554	430,715
Operating grants and contributions	1,030	5,160	6,190
Capital grants and contributions	32,680	-	32,680
Total program revenues	436,871	32,714	469,585
Net expense	(24,320)	(848)	(25,168)
General revenues			
Property taxes	-	5,946	5,946
Investment earnings	1,388	45	1,433
Other revenue	-	5,397	5,397
Total general revenues	1,388	11,388	12,776
Change in net position	(22,932)	10,540	(12,392)
Net position at October 1, 2013, as restated (Note 17)	399,515	41,914	441,429
Net position at September 30, 2014	\$ 376,583	\$ 52,454	\$ 429,037

See accompanying notes to the basic financial statements.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

NOTES TO THE BASIC FINANCIAL STATEMENTS

CHARTER COUNTY OF WAYNE, MICHIGAN

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CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Charter County of Wayne, Michigan (the County) was incorporated in 1796 and covers an area of approximately 623 square miles. The County provides law enforcement, administration of justice, community enrichment and development, and health and human services to approximately two million residents. The County operates under a Home Rule Charter that provides for government by a legislative branch, which is comprised of fifteen elected commissioners, and an executive branch, which is headed by an elected chief executive officer (County Executive). The County Executive is the County's chief administrator and manages the County's ten executive departments, including Children and Family Services, Corporation Counsel, Economic Development Growth Engine (EDGE), Health and Human Services, Homeland Security and Emergency Management, Management and Budget, Personnel/Human Resources, Public Services, Senior and Veteran Services, and Technology. In addition, the primary government includes other elected officials including the County Clerk, Prosecuting Attorney, Register of Deeds, Sheriff, and the Treasurer. The component units and other entities discussed below have been included as part of the reporting entity because of the significance of their operational or financial relationship to the County.

The Wayne County Employees' Retirement System (Retirement System), which is governed by the Wayne County Retirement Ordinance, is included as part of the County's fiduciary operations. The Retirement Commission oversees the ongoing operations of the Retirement System in accordance with the Retirement Ordinance.

Component Units

The financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units.

Blended Component Units - Blended component units are legally separate entities from the County, but provide exclusive benefit to the primary government, so data from these units are combined with data of the primary government.

The Wayne County Building Authority (WCBA) was established in 1961 under provisions of Act No. 31, Public Acts of Michigan, Extra Session of 1948, as amended, to acquire, furnish, equip, own, improve, enlarge, operate and/or maintain buildings and building sites for lease to, and eventual ownership by, the County. It is managed by a five-member board appointed by the County Executive, subject to approval by the Wayne County Commissioners. The County has pledged certain revenues, including a specific portion of its general property tax revenues, to secure the payment of certain outstanding obligations of the County and the WCBA. In addition, the County has pledged its limited tax full faith and credit for repayment of these obligations. The WCBA has no taxing authority. The operations of the WCBA are reported in one major and three nonmajor governmental funds.

The Detroit-Wayne County Stadium Authority (DWCSA) is a Michigan body corporate, incorporated on August 22, 1996 under the provisions of Act 31, Public Acts of Michigan of 1948. Its purpose is to construct, maintain, operate, and own stadia and their related structures, including Comerica Park and Ford Field, home of the Detroit Tigers Professional Baseball Team and the Detroit Lions Professional Football Team, respectively. The DWCSA is authorized to enter into contracts and indebtedness for this purpose. The DWCSA's Articles of Incorporation provide for a six-member board ("the Commission"). Each member of the Commission is appointed by the County Executive, with three members recommended by the Mayor of the City of Detroit. On April 1, 1997, the DWCSA issued revenue bonds totaling \$85,815,000. In 2013, DWCSA became a blended component unit as there is a financial benefit/burden relationship with Wayne County. Under a contract dated March 1, 1997, the County pledged its limited tax full faith and credit for repayment of these bonds. The County has also pledged certain motor vehicle rentals and hotel tax revenues levied by the County pursuant to Act No. 180, Public Acts of Michigan 1991 for the payment of the annual debt service. The DWCSA has no taxing authority. The operations of the DWCSA are reported in two nonmajor governmental funds.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Economic Development Corporation of Wayne County (EDC) is a separate legal entity that was established pursuant to Michigan Public Act 338 of 1974. Its 11-member board is appointed by the County Executive. The EDC acts on behalf of and at the direction of the County. Services include financial packaging, site location services, and low-cost financing to businesses locating or expanding in the County. In addition, the EDC is responsible for managing operations of the Guarding Building, the County's administrative headquarters. Starting in 2013, the EDC is reported as a blended component unit, as the EDC is fiscally dependent on the County, has no taxing authority and provides services almost exclusively to Wayne County.

Discretely Presented Component Units - Discretely presented component units are entities that are legally separate from the County but for which the County is financially accountable, or their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. These component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The Wayne County Airport Authority (Airport Authority) was established on August 2, 2002 under Public Act 90 of 2002 to control and operate the Detroit Metropolitan Wayne County Airport, the Willow Run Airport (the Airports) and the Airport Hotel.

The Airport Authority is an independent public benefit agency and considered an agency of the County for the purposes of federal and state laws, but it is not subject to any County charter requirements or the direction or control of either the County Executive or the Wayne County Commission. The Airport Authority is charged with the responsibility to operate and run the activities of the Airports and the Airport Hotel. The financial statements of the Airport Authority include the operations of the Airports and Airport Hotel.

The Airport Authority is managed by a seven-member board, with four members appointed by the County Executive, two members appointed by the Governor of the State of Michigan, and one member appointed by the Wayne County Commission. The appointments of the County Executive and the Governor are not subject to confirmation by the State Legislature or the Wayne County Commission. The County has pledged its limited tax full faith and credit as additional security for payment of the principal and interest on certain Airport Authority debt, subject to constitutional statutory and charter tax rate limitations.

Chapters 8, 20 and 21 Drainage Districts are established under the State of Michigan Drain Code (Public Act 40 of 1956, as amended; the "Drain Code") to provide for the construction, maintenance and funding of drains, sewers, and equipment used in water management and flood control. Each of the individual drainage districts is a separate legal entity, with the power to sue and to be sued, and to hold, manage, and dispose of real and personal property. The full faith and credit of the County is generally given for the long-term debt of the drainage districts. There are approximately 150 drainage districts that are assessed by the County. The drainage districts are grouped and reported as follows:

Chapter 8 Drainage Districts are inter- and intra-county drainage districts that are operated, maintained, and extended pursuant to the provisions in the Drain Code, which allow for assessment of the related costs to the specific owners of the benefited parcels of property or to the benefited public corporations. The Wayne County Drain Commissioner (the County's Deputy Director of Public Services, Environmental Services Group) is responsible for determining the yearly assessments. Under the Drain Code, the County is responsible for Chapter 8 drainage district administrative costs for maintenance.

Chapter 20 Drainage Districts are intra-county drainage districts that are operated, maintained, and extended pursuant to the provisions in the Drain Code, which allow for at-large assessment of costs against either the benefited public entities or the specific owners of the benefited parcels of property. The Chapter 20 Districts have drainage boards that are responsible for determining the yearly assessments. Each district's board statutorily consists of three members: the Wayne County Drain Commissioner, the district's county commissioner, and an appointee of the Wayne County Executive. The full faith and credit of the County has been pledged for the long-term debt of the drainage districts.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Chapter 21 (Milk River) Drainage District is an inter-county drainage district that is operated, maintained, and extended pursuant to the provisions in the Drain Code, which allow for assessment of the related costs to either the benefited public entities or the specific owners of the benefited parcels of property. The District has a drainage board that is responsible for determining the yearly assessments and statutorily consists of three members: the Director of Agriculture of the State of Michigan (chairperson), the Wayne County Drain Commissioner, and the Drain Commissioners for each of the counties of the specific drainage district. The County has pledged its full faith and credit for the long-term debt of each district.

The Wayne County-Detroit Community Development Entity, Inc. (CDE, Inc.) is an IRS Section 501(c)(3) corporation. It is a qualified community development entity that has been granted new market tax credits (NMTC) allocation authority from the U.S. Treasury's Community Development Financial Institutions Fund (CDFI Fund). CDE, Inc. must comply with various rules and regulations of the CDFI Fund and Section 45D of the IRS Code, and must ensure that the NMTC's are used for investment in low-income communities in Wayne County. The County Executive appoints seven of the eleven Board members. The CDE's limited liability corporations administer the NMTC projects.

The Greater Wayne County Economic Development Corporation (GWEDC) was created as a separate legal entity in November 2004 through an inter-local agreement between the EDC of Wayne County, the EDC of the City of Taylor and the EDC of the City of Detroit. The purpose of the GWEDC is to administer economic development programs and functions in Michigan. The GWEDC is governed by an executive committee and a board of directors. The County Executive appoints the members of the executive committee and six of the ten board members. The entity is primarily funded by contributions from the County.

The Brownfield Redevelopment Authority (BRA) was established by State enabling legislation. The BRA assists the Wayne County Department of Public Services and the various Wayne County communities involved with the Urban Recovery Partnership to facilitate the redevelopment of unproductive, contaminated and/or blighted property by providing tax incentives. The BRA's 11-member board is appointed by the County Executive. The BRA acts on behalf of and at the direction of the County.

HealthChoice of Michigan (HealthChoice) was formed by the County under the Municipal Health Corporations Act of 1987. HealthChoice was incorporated January 30, 1992 to manage a health care program benefiting employees of County businesses that are unable to provide health benefits to these employees. The program is funded equally by monthly contributions by employers, employees, and Metro HealthCare Services, Inc. (MHCS), a philanthropic Michigan non-profit corporation. HealthChoice board members are county-elected or county-appointed officials.

HealthChoice administers the program in conjunction with MHCS, which administers the transfer of monthly subsidies to HealthChoice; Patient Care Management System, a unit of the County, which provides the personnel to manage the program; and a third-party administrator, which collects subsidies from MHCS and premiums from employers, distributes health care provider payments, and remits any excess premiums to HealthChoice.

During the fiscal year, HealthChoice applied to obtain minimal essential coverage recognition under the Affordable Care Act for its health care plans. The Corporation has hired an attorney and is working closely with the Centers of Medicare and Medicaid Services to resolve any outstanding discrepancies between minimum essential coverage requirements and its current plans. HealthChoice has obtained quotes for additional coverage from its providers and has submitted proposed changes to its plan to support its application. However, as of the date of this report, HealthChoice has not been recognized as a minimal essential coverage provider. If the Corporation does not receive this recognition, it will make HealthChoice's plan not a feasible option for its members and it will raise substantial doubt about its ability to continue as a going concern.

The Wayne County Regional Jobs and Economic Growth Foundation (the Foundation) is an IRS Section 501(c)(3) organization formed to support and encourage economic development projects initiated by Michigan communities, economic development corporations, charities and other organizations that promote growth of businesses, jobs and economic opportunities within Wayne County. The nature and significance of the Foundation's relationship with the County and another of its component units, the GWEDC, are such that omission of the Foundation's operations from the County's financial statements would cause them to be misleading or incomplete. Accordingly, the Foundation has been included as a nonmajor discrete component unit of the County.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Executive Director of the Foundation (the “Foundation”) and the Chief Development Officer for Wayne County made the decision to dissolve the Foundation. The Foundation’s programs will be handled by either the GWEDC or another entity separate from Wayne County. As of September 30, 2014, the assignment of assets and liabilities had not occurred and were still held by the Foundation. The Foundation was dissolved effective November 24, 2014.

The Wayne County Land Bank Corporation (Land Bank) was incorporated by the County on October 19, 2006 through an intergovernmental agreement between the Michigan Land Bank Fast Track Authority (“Authority”, which is a public body corporate and politic within the Michigan Department of Labor and Economic Growth) and the Wayne County Treasurer (WCT). This agreement was formed under Sec. 5 of Article 3, and Sec. 28 of Article 7, of the Michigan Constitution of 1963 and the Land Bank Fast Track Act, 2003 PA 258 MCL 124.751 to 124.774. The agreement established the Wayne County Land Bank Corporation (Land Bank), a separate legal entity and public body corporate, to administer and execute the objectives of the Land Bank, which is to acquire, assemble, manage and/or dispose of real property, or rights and interests in real (such as tax reverted) property to develop/rehabilitate that property and promote economic growth; to quiet title to property; to issue bonds; and provide for financing, acquisition, assembly, and disposition of property.

The Land Bank is managed by a five-member board consisting of the WCT or Chief Deputy Treasurer (Board Chairperson), three members appointed by the Wayne County Executive, and one member appointed by the Wayne County Commission. The Land Bank is primarily funded through contributions and grants from the County; the Executive Director of the Land Bank is an employee of the County.

The following component units issue audited financial statements that may be obtained at the entity’s administrative offices:

Wayne County Building Authority
500 Griswold, 20th Floor
Detroit, Michigan 48226

HealthChoice of Michigan
640 Temple, Suite 370
Detroit, Michigan 48201

Wayne County Land Bank Corporation
c/o Office of the Wayne County Treasurer
400 Monroe, 5th Floor
Detroit, Michigan 48226

Greater Wayne County Economic
Development Corporation
500 Griswold, 30th Floor
Detroit, Michigan 48226

Wayne County Airport Authority
Detroit Metropolitan Wayne County Airport
L.C. Smith Terminal-Mezzanine
Detroit, Michigan 48242

Wayne County-Detroit Community
Development Entity, Inc.
500 Griswold, 30th Floor
Detroit, Michigan 48226

The administrative offices of the other component units are listed below. Detailed financial information may be obtained from the Wayne County Department of Management and Budget, 500 Griswold, 20th Floor.

Wayne Regional Jobs and Economic
Growth Foundation
500 Griswold, 30th Floor
Detroit, Michigan 48226

Economic Development Corporation of
Wayne County
500 Griswold, 30th Floor
Detroit, Michigan 48226

Detroit-Wayne County Stadium Authority
500 Griswold, 20th Floor
Detroit, Michigan 48226

Brownfield Redevelopment Authority
500 Griswold, 30th Floor
Detroit, Michigan 48226

Chapters 8, 20 and 21 Drainage Districts
Wayne County Department of Public Services
400 Monroe, 4th Floor
Detroit, Michigan 48226

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Related Organizations

County officials are also responsible for appointing members of boards of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments. County officials appoint the board members of the Detroit-Wayne County Joint Building Authority; Wayne County Council for the Arts, History and Humanities; Wayne County Zoological Authority; Wayne County Transit Authority; and Wings Over Wayne.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for services. Likewise, the primary government is reported separately from its discretely presented component units for which the primary government is financially accountable. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

The primary function of the Delinquent Tax Revolving Fund is to support the collection of property tax revenue, a general government function. The activities of the Delinquent Tax Revolving Fund have been classified as governmental activities in the government-wide financial statements and the reconciliation from the proprietary fund financial statements to the business-type activities column in the government-wide financial statements has been prepared.

The County's net position is reported in the following three categories: net investment in capital assets, restricted net position and unrestricted net position.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.
- Restricted net position results when constraints are placed on the use of net position by either creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are specifically associated with a service, program or department and are clearly identifiable to a specific function. In addition, indirect expenses for centralized services and administrative overhead are included as part of the direct expenses reported for the various activities. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. General government revenues also support the functions. Taxes, investment earnings, and other revenues that support the functions, but are not considered program revenues, are considered *general revenues*.

Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are activities between funds reported as governmental activities and funds reported as business-type activities. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

Fund Financial Statements

Separate fund financial statements are presented for governmental, proprietary, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. Nonmajor governmental, nonmajor enterprise, internal service, pension and other employee benefits trust, and agency funds are presented in the aggregate, and in individual columns, in the fund financial statements.

Governmental fund financial statements include those funds used to account for the County's general government activities. All governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recorded when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if collection occurs within sixty days. The County considers all other revenues to be available if they are collected within sixty days of the end of the fiscal year, except grant and trade receivables. They shall be considered available if they are collected within ninety days of the end of the fiscal year.

Expenditures are recognized as payable on the modified accrual basis when the liability is incurred, except for principal and interest on general long-term obligations, compensated absences, and claims, litigation, and assessments, which are recognized when due.

The County reports the following major governmental funds:

- *General Fund* - The General Fund accounts for all financial resources and expenditures except those accounted for and reported in other funds. The General Fund is the County's primary operating fund.
- *Roads Special Revenue Fund* - This fund is used to account for the operations associated with the maintenance and construction of certain roads, streets, and bridges located within the county. These operations are funded principally by the federal government, the State of Michigan, and local governmental units within the county.
- *Mental Health Special Revenue Fund* - This fund is used to account for revenue restricted for providing mental health services to County residents. These operations are primarily funded by the State of Michigan through Medicaid and state grants and contracts. Effective October 1, 2013, Public Acts 375 and 376 of 2012, transferred management and control of the Detroit Wayne County Mental Health Agency (Mental Health Fund) to the a Authority. This Authority is not a part of the County appropriations and the activities of the Authority are no longer reported with the County (also refer to Special Item (footnote 18) - Disposition of Mental Health Operations).
- *Health Special Revenue Fund* - This fund is used to account for revenue restricted for the purpose of providing health protection, maintenance, and improvement for the residents of the County. These operations are principally funded by federal grants and the State of Michigan through Medicaid and State grants and contracts.
- *Juvenile Justice and Abuse/Neglect Special Revenue Fund* - This fund accounts for the cost of providing required foster care and/or residential care to abused, neglected, and delinquent children, including County residents who become wards of the State of Michigan. These operations are principally funded by grants and contracts from the State of Michigan.
- *Wayne County Building Authority Construction Capital Projects Fund* - This fund is used to account for the funding and costs of constructing new facilities and major renovations of existing facilities. Financing is provided from bond proceeds received exclusively for those capital projects.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

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

The County reports the following major enterprise funds:

- *Downriver and Rouge Valley Sewage Disposal System Enterprise Funds* - These major enterprise funds are used to record the fiscal activities associated with operation and maintenance of the Downriver and Rouge Valley sewage treatment facilities. Costs are recovered through development of usage rates, which are billed to the local communities served.
- *Delinquent Tax Revolving Enterprise Fund* - This major enterprise fund is used to account for money advanced by the County to various taxing authorities for unpaid property taxes. It was established by law to buy any or all delinquent real property taxes and special assessments owed to the County and other taxing authorities in the county.

Additionally, the County reports the following fund types:

- *Special revenue funds* are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- *Debt service funds* are used to account for the accumulation of resources and the payment of general obligation bond principal and interest from governmental resources and for special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for the payment.
- *Capital projects funds* are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.
- *Enterprise funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges or where periodic determination of net income is appropriate for accountability purposes.
- *Internal service funds* are used to account for the costs of certain goods, services, and activities (such as information technology, employee health benefits, property insurance, buildings and grounds maintenance, etc.) provided by one department to another department or to component units of the County.
- *Pension and other employee benefits trust funds* are used to account for the assets of the County's employees' pension plan and other post employment benefit plans. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.
- *Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the County holds for others in an agency capacity. Agency funds, which only report a Statement of Fiduciary Net Position, use the accrual basis of accounting. The specific nature of transactions recorded in these funds are: current tax collections and their subsequent disbursement to other governmental units; court fines received by the district courts and disbursed to public libraries; receipts from bonds and other fees that are disbursed for attorney fees, restitution payments, garnishments, and jury fees; contractor retainages that are disbursed to the contractors upon successful completion of various projects; employee payroll holdings and their subsequent disbursement; and monthly benefit payments to retirees.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The County reports the following major component unit:

- *Airport Authority* - This entity accounts for the operation and maintenance of the Airports and the Airport Hotel. Airport revenues are primarily derived from landing fees, leases, and rentals received from users or fee-based operations. Activities associated with the Airport Hotel include funding the construction and furnishing of an airport hotel at the McNamara Terminal at the Detroit Metropolitan Wayne County Airport.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

Cash resources of the individual funds, except as specifically stated by the Comprehensive Investment Policy Ordinance, are pooled and invested. Interest on pooled investments is allocated among the respective funds based on average investment balances. Securities traded on national or international exchanges are valued at last reported sales price at current exchange rates, which represents fair value. Mortgages are valued on the basis of future principal and interest payments and are discounted at the prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value. Gains or losses on investments sold or exchanged are recognized when the transactions are completed (settlement dates).

Inventories, Prepaid Items and Deposits

Inventories are valued at cost, primarily using the weighted average cost flow assumption. Expenditures are recognized as inventory items are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items or deposits in both the government-wide and fund financial statements.

Fund balances in governmental funds have been reported as nonspendable for the balance in inventory, prepaid items and deposits at September 30, 2014, as that portion of fund balance is not in spendable form or is legally or contractually required to be maintained intact.

Interfund Balances

Outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Capital Assets

Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Infrastructure assets are defined as long-lived capital assets that are stationary in nature and can be preserved longer than most other capital assets. Infrastructure assets have an initial, individual cost of more than \$5,000.

Equipment, buildings and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in either the governmental or business-type activities column in the government-wide financial statements. All capital assets are recorded at historical cost or estimated historical cost, if actual cost information is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives (years), with the exception of certain Department of Public Services machinery and equipment and vehicles, which are depreciated using sum-of-the years digits:

Land improvements	20
Buildings and improvements	5-50
Infrastructure:	
Roadways and signage	7-15
Bridges and dams	25-50
Roadways and paving	5-25
Sewer systems	25-80
Airport	10-40
Machinery, equipment and vehicles	5-25
Office equipment	5

Deferred Outflows of Resources

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

Tax Anticipation Notes

Tax anticipation notes (TANs) represent short-term debt obligations issued for operating purposes in anticipation of future tax collections. From time to time, the County issues TANs to meet anticipated cash flow requirements resulting from a timing imbalance between cash receipts and expenditures.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Other Long-term Obligations

Other long-term obligations include compensated absences, net pension obligations, other post-employment benefits and reserves for commitments and contingencies. See Note 10, Long-term Debt and Other Obligations; Note 15, Pension Plans; Note 16, Other Postemployment Benefit Obligations; and Note 14, Commitments and Contingencies.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Compensated Absences

County employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding these limitations are forfeited.

In the government-wide and proprietary fund financial statements, all vacation and sick pay is accrued when earned by the employee. In the governmental fund financial statements, the governmental funds report a liability for vacation and sick pay for employees who have separated from the County, however, their accrued vacation and sick pay remain due and payable at year-end.

Pension and Other Postemployment Benefit Costs (OPEB)

The County offers both pension and retiree health care benefits to retirees. The County receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the County reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amounts, if any.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Financial Position may sometimes 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 one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting, that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

In the fund financial statements, governmental funds report the following components of fund balance:

- *Nonspendable* - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- *Restricted* - Amounts that have externally imposed constraints and are legally restricted by outside parties, constitutional provisions or enabling legislation for use of a specific purpose.
- *Committed* - Amounts that have been committed for specific purposes by formal action of the government's highest level of decision-making authority (i.e. County Commission). Commitments are made and can be rescinded only via resolution of the County Commission.
- *Assigned* - Amounts that are intended by the government to be used for specific purposes, but are not restricted or committed. By resolution of the Wayne County Commission, authority to assign fund balance has been designated to the Chief Financial Officer or his/her designee subject to the approval of the Wayne County Commission.
- *Unassigned* - Residual amounts remaining in the General Fund and negative amounts in other governmental funds.

In addition, special revenue funds are only allowed to be reported if they are used to account for activities that are substantially funded by a specific external revenue source that is restricted or committed for a specific purpose.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The County Commission has adopted, by ordinance, a Budget Stabilization Fund under Michigan's Public Act 30 of 1978. The County Commission may, with a 2/3 vote, set aside General Fund surplus, up to a maximum of 15% of the most recent General Fund budget (or average of the five most recent budgets, if less). An appropriation from the Budget Stabilization Fund, which also requires a 2/3 vote of the County Commission, may only occur to correct a budget shortfall, or in the case of a natural disaster. The balance at September 30, 2014 of the Stabilization amount, which is reported in the General Fund, is \$3 million.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the County shall consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the County will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts presented in the prior year data in the Management's Discussion and Analysis have been reclassified in order to be consistent with the current year's presentation.

Cash Flows

For purposes of the Statement of Cash Flows, the County considers cash equivalents as all highly liquid investments, including restricted assets, with a maturity of three months or less from the date of acquisition.

Passenger Facility Charges

The Airport Authority assesses passenger facility charges of \$4.50 per passenger. The passenger facility charges are recorded as non-operating revenues and may only be expended on capital and non-capital projects approved by the federal government. Net position related to unexpended passenger facilities charges is restricted.

2. BUDGET MATTERS

The following is a listing of total expenditures (in thousands) in excess of 2.5 percent of the final amended budget for the major governmental funds (the General, Roads, Health, Juvenile Justice and Abuse/Neglect Funds) and for nonmajor special revenue funds for which an annual budget has been legally adopted. Expenditures are presented at the legal level of budgetary control. The budgetary comparison schedules for the major governmental funds are presented as required supplementary information. The budgetary comparison schedules for the funds are presented in the supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

	Final Amended Budget	Actual Expenditures	Amount Over Amended Budget
General Fund			
General government:			
Corporation Counsel	\$ 8,695	\$ 8,962	\$ 267
Office of the County Executive	4,098	4,827	729
Personnel	4,961	5,142	181
Prosecuting Attorney	34,839	37,537	2,698
Public safety:			
County jail	101,550	116,304	14,754
Sheriff	31,111	32,139	1,028
Health and welfare:			
Jail Medical	-	12	12
Medical Examiner	5,733	5,927	194
Veterans Affairs	199	229	30
Special Revenue Funds			
Health -			
Other health programs	3,395	3,942	547
Drug Enforcement -			
Sheriff drug enforcement	93	139	46
Nutrition -			
Health and training programs	194	241	47
Community and Economic Development -			
Community program	57	59	2
Economic Development Corporation -			
Economic Development Corporation	74	511	437
Stadium and Land Development -			
Tourist tax	7,300	8,602	1,302

General Fund - Actual expenditures in the above functions exceeded budgeted expenditures by \$19.9 million which relates mainly to excess expenditures in the County Jail (\$14.8 million), Prosecuting Attorney (\$2.7 million) and Sheriff (\$1.0 million). These overages were not budgeted and will be funded primarily through General Fund General Purpose Revenues. This fund is in deficit. Refer to footnote 3 for disclosure of the deficit elimination plan for this fund.

Health - Actual expenditures in this activity exceeded budgeted expenditures by \$547,000. This fund is in deficit. Refer to footnote 3 for disclosure of the deficit elimination plan for this fund.

Drug Enforcement - Actual expenditures in this activity exceeded budgeted expenditures by \$46,000. The overage will be funded as seizure cases are adjudicated in court. This fund is not in deficit.

Nutrition Fund - Actual expenditures in this activity exceeded budget by \$47,000. The overage was funded through General Fund transfers. This fund is in deficit. Refer to footnote 3 for disclosure of the deficit elimination plan for this fund.

Community and Economic Development - Actual expenditures in this activity exceeded budget by \$2,000. The overage was funded through General Fund transfers. This fund is in deficit. Refer to footnote 3 for disclosure of the deficit elimination plan for this fund.

Economic Development Corporation - Actual expenditures in this activity exceeded budget by \$437,000. The overage was funded through parking fees. This fund is not in deficit.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Stadium and Land Development - Actual expenditures in this activity exceeded budget by \$1.3 million. The overage was funded by additional tourist tax collections. This fund is not in deficit.

The Wayne County Commission adopted original and amended budgets for the General, Health, Nutrition, and Community and Economic Development funds that projected fund deficits due to beginning of year deficits.

3. FUND DEFICITS

The County is required by its Home Rule Charter and State statutes, specifically Public Act 2 of 1968 and Public Act 275 of 1980, as amended, to operate under a plan to eliminate any fund deficits. For the year ended September 30, 2014, the County's General Fund reported an unassigned deficit of \$82.8 million a decrease of \$76.7 million in comparison with the prior year.

The unassigned deficits at September 30, 2014 were as follows (amounts in thousands):

	Deficit	Source of Funding			
		General Fund Appropriations	Other Internal Appropriations	Expenditure Reduction	Other Revenue Sources
Governmental funds					
General	\$ 82,804	\$ 82,804	\$ -	\$ -	\$ -
Health	5,033	5,033	-	-	-
Juvenile Justice	225	225	-	-	-
Nutrition	3,212	3,212	-	-	-
Victim Witness	6	-	-	-	6
Community and Economic Development	2,279	2,279	-	-	-
Total governmental funds	\$ 93,559	\$ 93,553	\$ -	\$ -	\$ 6
Enterprise funds					
Wetland Mitigation	\$ 1	\$ -	\$ -	\$ -	\$ 1
Internal service funds					
Buildings and Grounds Maintenance	\$ 281	\$ 420	\$ -	\$ -	\$ -
Component Units					
Wayne Regional Jobs and Economic Growth Foundation	\$ 1	\$ -	\$ -	\$ -	\$ 1

The General Fund has earmarked \$17.5 million in 2014 and anticipates committing \$13.6 million in 2015 for the funding of these deficits. A Deficit Elimination Plan (DEP) as required by the State is being developed for the elimination of the remainder of the unrestricted General Fund deficit. The plan is anticipated to be presented to the County Commission and the State of Michigan for approval in Spring 2015. In the event that other sources of revenues or reductions of expenditures identified in the DEP fail projected levels, the General Fund may be responsible for covering these shortfalls.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

Following is a summary of deposit and investment balances (in thousands) as of September 30, 2014:

	Primary Government	Component Units	Total
Statement of Net Position			
Equity in pooled cash and investments	\$ 175,334	\$ 17,605	\$ 192,939
Other cash and investments	5,338	88,678	94,016
Restricted assets: (Note 5)			
Equity in pooled cash and investments	143,125	-	143,125
Other cash and investments	70,231	570,673	640,904
Statement of Fiduciary Net Position			
Equity in pooled cash and investments	\$ 214,362	\$ -	\$ 214,362
Other cash and investments	2,429	-	2,429
Investments - pension and other employee benefits trust funds	1,214,830	-	1,214,830
Total	\$ 1,825,649	\$ 676,956	\$ 2,502,605
Reconciliation of Deposits and Investments			
Bank deposits (demand and time deposits):			
Treasurer's pool			\$ 509,437
Other deposits (in Treasurer's pool)			71,486
Other deposits (not in Treasurer's pool)			172,615
Investments in securities, mutual funds and similar instruments:			
Treasurer's pool			40,989
Pension and other employee benefits trust funds			1,214,830
Other investments (not in Treasurer's pool)			493,234
Cash on hand			14
Total			\$ 2,502,605

Composition of Cash and Investment Balances

Pooled cash and investments consist of demand deposits, certificates of deposit, money market funds, commercial paper, and obligations of the U.S. Treasury and agencies and obligations of political subdivisions within the State of Michigan. The Wayne County Treasurer administers these pools, which include the assets of certain component units. Equity in pooled cash represents the fund/reporting unit's position in the portfolio. In other words, it is the value of their ownership in the pools of cash and investments. Pooling of cash and investments accomplishes various goals, such as the ability to earn higher interest rates and better manage cash flow needs.

Other cash and investments include cash on hand and individual depository accounts held by the County. Various elected officials and others are the custodians of these individual depository accounts.

Cash and investments categorized as "restricted" relate to amounts for debt service, construction and other specific uses.

Fiduciary investments, which are predominantly made up of Retirement assets under the control of the Wayne County Retirement Board, are managed by external investment advisors. Agency fund investments are generally part of the County portfolio.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Airport Authority and certain other component units manage their own cash and investments. Disclosures related to the Airport Authority are included herein due to the significant nature of the cash and investment balances in relation to total component unit cash and investments, and to the County as a whole. Other discretely presented component units, not under the control of the Wayne County Treasurer (Treasurer), have been excluded.

State statutes (Public Act 20 of 1943, as amended) place limitations on the nature of deposits and investments available to the County. Deposits include demand deposits, money markets, and certificates of deposits in federally insured banks, credit unions and savings and loan associations that have offices in the State of Michigan. Statutes authorize the County to invest in obligations of the U.S. Treasury or any agency or instrumentality of the United States, certain commercial paper, repurchase agreements, bankers' acceptances of United States banks, external investment pools (organized under Public Act 367 or 121), mutual funds composed of otherwise legal investments (except those with fluctuating per share value), and certain obligations of the State of Michigan or its political subdivisions.

The investment policy adopted by the County, in accordance with Public Act 20 of 1943, as amended, authorizes investments in U.S. Treasuries, agencies, and instrumentalities, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings bank, or savings and loan association that is a member of the Federal Deposit Insurance Corporation (FDIC). The Treasurer may invest in commercial paper (rated A2/P2 or above), repurchase agreements, and bankers' acceptances. Investment pools organized under the Urban Cooperation Act of 1967, PA 7, MCL 124.501 to 124.512, under the local government investment pool Act of 1985, PA 121, MCL 129.141 to 129.150, and investment pools organized under the Surplus Funds Investment Act, 1982 PA 367, MCL 129.111 to 129.118, are also permitted. Investments may also be made in mutual funds registered under the Investment Company Act of 1940 Title I of Chapter 686, 54 stat. 789, 15 U.S.C. 80A-1 to 80A-3 and 80A-4 to 80A-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation, which maintain a rating of AAA or better by a nationally recognized statistical rating agency or that maintain a net \$1.00 share value. The foremost objective of the investment policy is the safety of investment principal.

Treasurer's Cash and Investment Portfolio

The County Treasurer's cash and investments are subject to several types of risk as discussed below.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government's deposits may not be recovered. The County's investment policy requires that deposits over the \$250,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, savings bank, or savings and loan association and that institution must meet minimum standards of at least one standard rating service. If deposits in a credit union exceed the insured limit, that institution must meet the minimum standards of at least one standard rating service.

At year-end, the County portfolio had \$572.3 million of bank deposits (primarily demand deposits and certificates of deposit) with a carrying value of \$572.0 million, that were largely uninsured and uncollateralized. Other primary government depository accounts (outside of the portfolio administered by the Treasurer) had a total bank balance and carrying value of \$5.3 million. The County believes that due to the dollar amount of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with acceptable levels of estimated risk are used as depositories.

Custodial Credit Risk of Investments - Following is a summary of the County's investments as of September 30, 2014 (in thousands):

U.S. agency bonds	\$	7,000
Municipal bonds		22,090
Money market funds		11,899
	\$	<u>40,989</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either the counterparty, or the counterparty's trust department or agent, but not in the County's name.

The County's investment policy requires that bonds, securities, and obligations of the United States or an agency or instrumentality of the United States must be held in the name of the County Treasurer, be purchased using the delivery versus payment procedure, and be held in third party safekeeping. Commercial paper should either be purchased directly from the issuing corporation, or be held in safekeeping by a third party institution. At year-end, none of the County's portfolio investments were subject to custodial credit risk due to one of the following: (a) investments were held by a third-party safe-keeper in the County's name; (b) investments were held by a trustee in the County's name; or (c) investments were part of a mutual fund.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In compliance with State law, the County's investment policy limits investments of commercial paper to the two highest classifications established by not less than two standard rating services, and which mature not more than 270 days after the date of purchase. As of year-end, the credit quality ratings of pooled County investments (other than the U.S. government) are as follows (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Agency</u>
Government agency bonds	\$ 7,000	AA+	S&P
Municipal bonds	1,170	AA	S&P
Municipal bonds	350	Aa2	Moody's
Municipal bonds	300	Aa3	Moody's
Municipal bonds	1,710	Not Rated	Fitch
Municipal bonds	6,585	Not Rated	Moody's
Municipal bonds	1,070	Not Rated	S&P
Municipal bonds	10,905	SP-1	S&P
	<u>22,090</u>		
Money market funds	2,523	Aaa-mf	Moody's
Money market funds	1,142	Not Rated	Fitch
Money market funds	6,979	Not Rated	Moody's
Money market funds	1,255	Not Rated	N/A
	<u>11,899</u>		
Total	<u>\$ 40,989</u>		

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investments with a single issuer. Through its investment policy, the County places limits on the amount the County may invest in any one issuer, along with the minimal capital strength of those issuers. There are also limits as to the use of specific types of instruments, along with limits upon use of a single institution. These limits are as follows:

Limits using capital strength test - Maximum investment is 25 percent of combined capital and surplus position of that financial institution.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Limits based upon use of specific instruments:

<u>Investment Type</u>	<u>Limit</u>
Bankers' acceptances	50%
Repurchase agreements	25%
U.S. government	100%
Commercial paper	60%
Money market funds, mutual funds and investment pools	50%
Certificate of deposit (bank)	50%
Certificates of deposit (credit unions)	10%
Certificates of deposit (savings and loan associations)	10%

County limits based on use of a single issuer:

<u>Investment Type</u>	<u>Limit</u>
Bankers' acceptances	25% of total portfolio
Repurchase agreements	10% of total portfolio
Certificates of deposit (bank)	33% of total portfolio
Certificates of deposit (savings and loan associations)	5% of total portfolio

At year-end, the County's investment portfolio did not exceed the limits based on use of specific instruments or use of a single issuer.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The County's investment policy addresses this risk by limiting the maturities on investments:

<u>Fund/Fund Type</u>	<u>Maximum Maturity</u>
General fund, operating funds	One year
Debt service, special assessment, nonexpendable trust funds	Five years
Delinquent tax revolving fund	Four years
Funds subject to federal arbitrage restrictions	Varies

The County's investment policy also dictates that for operating funds, investment maturities shall be scheduled to coincide with projected cash flow needs, according to the following general guidelines:

<u>Length of Maturity</u>	<u>Percent of Portfolio (minimums)</u>
Under 30 days	10%
Under 90 days	25%
Under 270 days	50%
Under one year	100%

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Investments as of September 30, 2014 adhere to the guidelines concerning limits on maturities of investments.

At year-end, the average maturities of investments subject to interest rate risk are as follows:

	Fair Value (in 000's)	Average Maturity
Government agency bond	\$ 7,000	261 days
Municipal bonds	22,090	579 days
Investments subject to risk	\$ 29,090	

As of September 30, 2014, ownership of assets within the portfolio is as follows:

Reporting unit	Cash and Investment Portfolio (in thousands)				Non-portfolio (in thousands)
	Dollar Amount of Portfolio	Percentage of Portfolio	Equity in Pooled Cash	Other Cash & Investments	Other Cash & Investments
Governmental activities	\$ 335,732	54.0%	\$ 268,024	\$ 67,708	\$ 5,292
Business-type activities	52,958	8.5%	50,435	2,523	46
Fiduciary activities	215,617	34.7%	214,362	1,255	1,174
Component units	17,605	2.8%	17,605	-	659,351
Total	\$ 621,912	100.0%	\$ 550,426	\$ 71,486	\$ 665,863

Wayne County Employees' Retirement System

The Wayne County Employees' Retirement System investments, which are under the control of the Wayne County Retirement Commission, are subject to statutory regulations imposed under the Michigan Public Pension Investment Act 314 of 1965, as amended (Act 55, P.A. 1982), and investment policy established by the Retirement Commission.

The Investment Act incorporates the prudent person rule and requires investment fiduciaries to act solely in the interest of the pension plans' (the Plans) participants and beneficiaries. The Retirement Commission has authority to invest the Plans' assets in common and preferred stock, obligations of the United States, its agencies, or U.S. government-sponsored enterprises, obligations of any state or political subdivision of a state having the power to levy taxes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, reverse repurchase agreements, real and personal property, mortgages, and certain other investments.

The Plans have balances in the County's pooled accounts, displayed in the financial statements as "equity in pooled cash and investments." Disclosures related to these "pooled" balances is included in section "A." above. See the individual Plans below for the appropriate investment risk information.

Wayne County Employees' Retirement System Defined Benefit Plan

Investment Allocation Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Commission. The policy pursues an investment strategy that protects the financial health of the Plan and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets are invested in the broad investment categories and asset classes to achieve the allocation targets below. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the Plan may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the Plan will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The adopted asset allocation policy as of September 30, 2014, is as follows:

Asset Class	Target Allocation	Allocation Range
Equity	50%	40% to 70%
Domestic fixed income	15%	5% to 50%
International fixed income	5%	0% to 25%
Real estate	15%	5% to 20%
Alternative investments	15%	10% to 20%
Michigan-based private equity	0%	0% to 2%
Short-term / cash	0%	0% to 5%
Total investments	100%	

Investment Holding - As of September 30, 2014 the Plan's investments (in thousands) are classified as follows:

Equity securities and mutual funds:	
Common stocks	\$ 370,816
Equity mutual funds	130,968
International equities	1,181
Total equity securities	502,965
Debt securities and mutual funds:	
Corporate	23,423
Asset-backed securities	11,857
Mortgage-backed securities	37,041
Government agencies bonds	89
U.S. government bonds	7,173
State and municipal bonds	1,320
Foreign debt securities	9,013
Total debt securities	89,916
Money market funds	36,067
Other investments:	
Real estate investment trusts	117,727
Hedge funds	28,500
Structured debt	14,729
Investments in partnerships (net of valuation allowance of \$13,000,000)	18,404
Total other investments	179,360
Total investments	\$ 808,308

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Plan's investments are subject to several types of risk, which are discussed below.

Custodial Credit Risk of Deposits - The Plan's carrying amount of deposits of \$6.9 million as of September 30, 2014 are included in the County's pooled cash.

Custodial Credit Risk of Investments - The Plan's investment policy and Public Act 314 of 1965, as amended, require that are (a) investments are held by a third-party safe-keeper in the Plan's name; (b) investments are held by a trustee in the Plan's name; or (c) investments are part of a mutual fund. The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SOC 1 report").

As of September 30, 2014, none of the Plan's investments were subject to custodial credit risk due to one of the following: (a) investments were held by a third-party safe-keeper in the Plan's name; (b) investments were held by a trustee in the Plan's name; or (c) investments were part of a mutual fund.

Concentration of Credit Risk - Other than obligations issued, assumed or guaranteed by the United States, its agencies or United States government sponsored enterprises, the Plan is prohibited by Public Act 314 of 1965, as amended, from investing in more than five percent of the outstanding obligations of any one issuer or investing more than five percent of the Plan's assets in the obligations of any one issuer. The Plan places no limits in excess of statutory authority. As of September 30, 2014, there were no investments that exceeded five percent or more of the Plan's total investments, other than investments in mutual funds, similar pooled investments, or investments issued, assumed, or guaranteed by the United States, its agencies, or United States government-sponsored enterprises.

A contract approved by the System's Board, permits the System to lend its securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives predominantly cash as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral cash is initially pledged at 102 percent of the fair value of the securities lent for domestic securities and 105 percent for international securities, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned. Securities on loan at year-end are summarized as follows (in thousands):

Common stocks	\$	91,448
Corporate bonds		8,931
U.S. government bonds		7,458
		<hr/>
	\$	<u>107,837</u>

At year-end, the System has no credit risk exposure to borrowers as the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

Credit Risk - The Plan's investment policy places no restrictions greater than what is allowed under Public Act 314 of 1965, as amended, that would further limit its investment choices. Ratings are not required for U.S. treasuries or certain money market funds.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Plan's investment in debt securities (in thousands) were rated at September 30, 2014 as follows:

	Corporate Bonds	Asset-backed Securities	Mortgage- backed Securities	U.S. Government Agencies	State and Municipal Bonds	Foreign Debt Securities
Standard & Poor's						
AAA	\$ -	\$ 3,139	\$ 22,782	\$ 89	\$ 890	\$ -
AA	978	2,636	2,308	-	-	1,328
A	8,927	2,745	2,961	-	430	3,358
BBB	13,053	-	2,769	-	-	3,545
BB	465	-	-	-	-	-
Moody's						
Aaa	-	2,505	5,643	-	-	782
Aa	-	832	-	-	-	-
Unrated	-	-	578	-	-	-
Total	\$ 23,423	\$ 11,857	\$ 37,041	\$ 89	\$ 1,320	\$ 9,013

As of September 30, 2014, the Plan's money market funds were rated A1+ by Standard & Poor's with weighted average maturities of 45 days.

Interest Rate Risk - The Plan's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the practice of the Plan to manage this risk by purchasing a mix of short and long-term investments.

Maturities of the Plan's debt securities as of September 30, 2014 were as follows (in thousands):

	Investment Maturities (Fair Value by Years)				
	Due < 1 year	Due in 1-5 years	Due in 6-10 years	Due > 10 years	Totals
Corporate bonds	\$ -	\$ 9,938	\$ 8,877	\$ 4,608	\$ 23,423
Asset-backed securities	-	4,526	5,692	1,639	11,857
Mortgage-backed securities	2	201	2,342	34,496	37,041
Government agencies bonds	89	-	-	-	89
U.S. government bonds	-	-	-	7,173	7,173
State and municipal bonds	-	430	-	890	1,320
Foreign debt securities	-	2,097	5,500	1,416	9,013
	\$ 91	\$ 17,192	\$ 22,411	\$ 50,222	\$ 89,916

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Foreign Currency Risk - Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The Plan's exposure to foreign currency risk is summarized as follows (in thousands):

Investment/Country	Currency	Fair Value (USD)
Foreign debt securities		
Australia	Australian dollar	\$ 703
Bermuda	Bermudian dollar	330
Brazil	Brazilian real	460
Canada	Canadian dollar	2,288
Cayman Islands	Cayman Island dollar	250
Columbia	Columbian peso	329
France	European euro	1,128
Germany	European euro	436
Mexico	Mexican peso	242
Spain	European euro	429
Switzerland	Swiss franc	425
United Kingdom	British pound	1,993
		9,013
International equities		
Canada	Canadian dollar	1,016
Norway	Norwegian krone	139
Switzerland	Swiss franc	26
		1,181
		\$ 10,194

Rate of Return - For the year ended September 30, 2014, the annual money-weighted rate of return on plan investments, net of investment expenses, was 8.3 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Commitments - The Plan has commitments to investments of \$96.3 million in private equities, structured debt and private real estate investments as of September 30, 2014, of which management believes \$14.0 million is unlikely to be called.

The Plan had credit enhancement agreements totaling \$25 million as of September 30, 2014 for which it receives fees from the companies in exchange for the credit enhancements. This credit enhancement was terminated November 3, 2014.

Wayne County Circuit Court Commissioners Bailiffs' Retirement System

Investment Allocation Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Commission. The policy pursues an investment strategy that protects the financial health of the Plan and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets are invested in the broad investment categories and asset classes to achieve the allocation targets below. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the Plan may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the Plan will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The adopted asset allocation policy as of September 30, 2014 (and subsequently modified), is as follows:

Asset Class	9/30/14 Allocation	12/31/14 Allocation
Equity	100%	49%
Domestic fixed income	0%	34%
International fixed income	0%	17%
Total investments	100%	100%

Investment Holdings - As of September 30, 2014, the Plan's investments (in thousands) are classified as follows:

Equity mutual funds	\$ 5,709
Debt securities	
Government agencies -	
Bond mutual funds	7
Money market funds	4
Total investments	\$ 5,720

The Plan's deposits and investments are subject to several types of risk, which are discussed below.

Custodial Credit Risk of Deposits - The Plan's carrying amount of deposits of \$3,937 as of September 30, 2014, are included in the County's pooled cash.

Custodial Credit Risk of Investments - The Plan's investment policy and Public Act 314 of 1965, as amended, require that (a) investments are held by a third-party safe-keeper in the Plan's name; (b) investments are held by a trustee in the Plan's name; or (c) investments are part of a mutual fund. The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SOC 1 report").

As of September 30, 2014, none of the Plan's investments were subject to custodial credit risk as all investments were held in the name of the Plan or were part of a mutual fund.

Concentration of Credit Risk - Other than obligations issued, assumed or guaranteed by the United States, its agencies or United States government sponsored enterprises, the Plan is prohibited by Public Act 314 of 1965, as amended, from investing in more than five percent of the outstanding obligations of any one issuer or investing more than five percent of a system's assets in the obligations of any one issuer. The Plan places no limit on the amount it may invest in any one issuer.

As of September 30, 2014, there were no investments that exceeded five percent or more of the Plan's total investments, other than investments in mutual funds, similar pooled investments, or investments issued, assumed, or guaranteed by the United States, its agencies, or United States government-sponsored enterprises. As a result, the Plan was not exposed to concentration of credit risk.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy places no restrictions greater than what is allowed under Public Act 314 of 1965, as amended, that would further limit its investment choices. Ratings are not required for U.S. treasuries or certain money market funds.

As of September 30, 2014, the Plan's investments in bond mutual funds were rated AAA by Standard & Poor's.

As of September 30, 2014, the Plan's money market funds were rated A1+ by Standard & Poor's with weighted average maturities of 45 days.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Other mutual funds are not subject to credit risk rating.

Interest Rate Risk - The Plan's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the practice of the Plan to manage this risk by purchasing a mix of short and long-term investments.

At September 30, 2014, the Plan's investments in bond mutual funds had maturities less than one year.

Rate of Return - For the year ended September 30, 2014, the annual money-weighted rate of return on plan investments, net of investment expenses, was 8.7 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Wayne County Employees' Retirement System Defined Contribution Plan

As of September 30, 2014, the Plan's investments (in thousands) are classified as follows:

Equity mutual funds	<u>\$ 256,186</u>
Debt mutual funds	
Guaranteed income fund	89,929
Bond mutual funds	<u>20,083</u>
Total debt funds	<u>110,012</u>
Participant loans receivable	<u>25,498</u>
Total investments	<u><u>\$ 391,696</u></u>

The Plan's investments are subject to several types of risk, which are discussed below.

Custodial Credit Risk of Deposits - The Plan's carrying amount of deposits of \$420,115 as of September 30, 2014 are included in the County's pooled cash.

Custodial Credit Risk of Investments - The Plan's investment policy and Public Act 314 of 1965, as amended, require that (a) investments are held by a third-party safe-keeper in the Plan's name; (b) investments are held by a trustee in the Plan's name; or (c) investments are part of a mutual fund. The Plan's investment policy also requires that the safekeeping institution shall annually provide a copy of its most recent report on internal controls (also referred to as a "SOC 1 report").

As of September 30, 2014, none of the Plan's investments were subject to custodial credit risk due to one of the following: (a) investments were held by third-party safe-keeper in the Plan's name; (b) investments were held by a trustee in the Plan's name; or (c) investments were part of a mutual fund.

Credit Risk - The Plan's investment policy places no restrictions greater than what is allowed under Public Act 314 of 1965, as amended, that would further limit its investment choices. Ratings are not required for U.S. treasuries or certain money market funds.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Plan has investments in a guaranteed income fund that has an average portfolio credit rating of AA- by Standard & Poor's and weighted average maturity of 3.6 years. Also, the Plan has investments in bond mutual funds that have the following portfolio characteristics as of September 30, 2014:

Amount (in thousands)	Portfolio Average Quality by S&P	Weighted Average Maturity (in years)
\$ 5,525	AA	4.18
11,848	AAA	7.89
2,710	BB	5.38
\$ 20,083		

The participant loans have a weighted maturity of 2.9 years at September 30, 2014.

Interest Rate Risk - The Plan's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the practice of the Plan to manage this risk by purchasing a mix of short and long-term investments. Interest rate risk information, expressed as weighted average maturities, is presented above.

Other Postemployment Benefits Trust

The Other Postemployment Benefits Trust Fund has approximately \$9.1 million in a custodial cash account with a third party broker. Accordingly, risk disclosures for deposits are not applicable and investment risk disclosures are similarly inapplicable.

Component Unit - Airport Authority

At September 30, 2014, the Airport Authority's cash and investment balances are significant in relation to total component unit cash and investments, and to the County as a whole. The Authority is subject to the same state statutes regarding allowable investments as cited earlier for the County. These balances are not included in County Treasurer's pool.

A summary of the Authority's cash and investments (in thousands) at year-end are as follows:

Cash - bank deposits	\$	95,325
Investments:		
U.S. treasuries		126,856
U.S. agencies		36,487
Commercial paper		277,511
Municipal bonds		8,910
Repurchase agreement		3,629
Money market funds		102,469
	\$	651,187

The Authority's cash and investments are subject to several types of risk, which are described below.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Credit Risk - In compliance with State law, the Authority's investment policy limits investments of commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. As of year-end, the credit quality ratings of investments (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value (thousands)</u>	<u>Rating</u>	<u>Rating Agency</u>
Commercial paper	\$ 75,373	A1, P1	S&P, Moody
Commercial paper	9,492	F1,P2	Fitch, Moody
Commercial paper	43,959	A2, P2	S&P, Moody
Commercial paper	148,687	A1+,P1	S&P, Moody
	<u>\$ 277,511</u>		
Money market funds	<u>\$ 102,469</u>	AAA	S&P

The above amounts do not include \$31.4 million of investments in the Municipal Employees' Retirement System (MERS) Retiree Health Funding Vehicle which are held in a separate reserve but invested on a pooled basis by MERS with other governmental units.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the \$250,000 insured limit in a commercial bank shall not equal more than 25 percent of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At September 30, 2014, the Airport Authority had \$51.7 million of bank deposits (certificates of deposit, checking, and savings accounts) that were largely uninsured and uncollateralized. The remaining \$43.6 million is fully insured and collateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments - Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Airport Authority's investment policy requires that all investments not purchased directly from an issuer must be held in the name of the Authority, be purchased using the delivery versus payment procedure, and be held in third-party safekeeping. At September 30, 2014, none of the Airport Authority's investments were subject to custodial credit risk due to one of the following:

- Investments were held by a third-party safe-keeper in the Authority's name,
- Investments were held by the Authority's trustee in the Authority's name,
- Investments were part of a mutual fund.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority's investment policy addresses this risk by setting limits by investment fund type as follows:

<u>Investment Fund Type</u>	<u>Maturity Maximum</u>
General pool	1 year
Bond reserve	5 years
Bond payment and capital interest funds	1 business day prior to bond payment date
Construction funds	Must match draw schedule or less

Note: All Commercial Paper is limited to state statute to 270 days maximum

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

At year end, the average maturities of investments (in thousands) subject to interest rate risk are as follows:

	Fair Value	Average Maturities
U.S. treasuries		
Bond reserves	\$ 22,733	1.3 years
Bond payment funds	98,000	60 days
Construction funds	3,023	6 months - 2 years
Hotel	3,100	2 months
	126,856	
	Fair Value	Average Maturities
U.S. agencies		
Bond reserves	\$ 30,992	3.6 years
Construction	5,495	5 months - 2 years
	36,487	
Commercial paper		
Bond reserves	75,089	42 days
Construction	143,412	7 days - 4 months
Other construction and operating	54,109	36 days
Hotel	4,901	21 days
	277,511	
Municipal Bonds		
Bond reserves	1,492	1.9 years
Construction	3,769	1.6 years
Other construction and operating	3,649	20 days
	8,910	
Repurchase agreement		
Bond reserves	3,629	8.2 years
	\$ 453,393	
Total investments subject to interest rate risk		

Concentration of Credit Risk - Through its investment policy, the Authority places limits on the amount the Authority may invest in any one issuer, along with the minimal capital strength of those issuers. There are also limits as to the use of specific types of instruments, along with limits upon use of a single institution. These limits are as follows:

Limits using capital strength test - Maximum investment is 25 percent of combined capital and surplus position of that financial institution.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Authority's policy on concentration credit risk limits specific instruments (as a percent of the total investment portfolio) as follows:

<u>Investment Type</u>	<u>Limit</u>	<u>Actual % at Year-end</u>
Bankers' acceptance	50%	0.0%
Repurchase agreements	25%	0.5%
Certificates of deposit (bank)	50%	6.8%
Money market funds	50%	19.6%
Commercial paper	60%	40.7%
U.S. government	100%	23.9%

The Authority's policy on concentration credit risk limits single issuers (as a percent of the total investment portfolio) is as follows:

<u>Investment Type</u>	<u>Limit</u>
Bankers' acceptances	25%
Repurchase agreements	10%
Certificates of deposit (bank)	33%
Certificates of deposit (S&L)	5%

Actual year-end investments in a single issuer exceeding five percent of total portfolio are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Fair Value (in thousands)</u>	<u>Percentage of Portfolio</u>	<u>Rating</u>
Toyota Credit (PR)	Commercial Paper	\$ 105,089	15.39%	A1+, P1
Abbey National NA LLC	Commercial Paper	57,892	8.48%	A1, P1
Intesa Funding LLC	Commercial Paper	43,958	6.44%	A2, P2
Toyota Motor Credit	Commercial Paper	43,598	6.39%	A1+, P1

5. RESTRICTED ASSETS

In accordance with the terms of certain bond issues, the sewage disposal systems restrict assets that are pledged for the repayment of certain bonds or for maintenance, replacement and/or construction of infrastructure. Bonds principal due from local units or municipalities is recorded upon the issuance of debt for construction of sewage facilities and systems. Such principal will be repaid by the benefited local communities in accordance with the debt service requirements of the County. A summary of the restricted assets for business-type activities (in thousands) at year-end are as follows:

	<u>Enterprise Funds</u>			<u>Total Business-type Activities</u>
	<u>Downriver</u>	<u>Rouge Valley</u>	<u>Nonmajor Funds</u>	
Equity in pooled cash and investments:				
Replacements and improvements	\$ 4,296	\$ 3,978	\$ 3,282	\$ 11,556
Bond and interest redemption	17,872	-	2,291	20,163
Total equity in pooled cash and investments	22,168	3,978	5,573	31,719
Other cash and investments -				
Bond and interest redemption	2,523	-	-	2,523
Accounts receivable:				
Bond and interest redemption	12,653	-	1,662	14,315
Bond principal due from local units	76,566	125	8,602	85,293
Total	\$ 113,910	\$ 4,103	\$ 15,837	\$ 133,850

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Restricted assets in governmental activities, include amounts that are pledged toward the payment of outstanding notes, will be used for delinquent tax administration and short-term borrowings. A summary of restricted assets for governmental activities at year-end are as follows:

	Governmental Funds		Delinquent Tax Revolving Enterprise Fund	Total Governmental Activities
	Building Authority Fund	Nonmajor Funds		
Equity in pooled cash and investments:				
Construction	\$ 60,229	\$ 7,159	\$ -	\$ 67,388
Bond and interest redemption	-	659	42,376	43,035
Economic development	-	583	-	583
Operating and maintenance	-	400	-	400
Total equity in pooled cash and investments	60,229	8,801	42,376	111,406
Other cash and investments -				
Bond and interest redemption	-	-	67,708	67,708
Accounts receivable -				
Delinquent property taxes	-	-	341,838	341,838
Total	\$ 60,229	\$ 8,801	\$ 451,922	\$ 520,952

In addition to the above, the Airport Authority component unit has restricted assets of \$581 million consisting of other cash and investments (\$571 million) and accounts receivable (\$10 million) for various purposes including debt repayment, passenger facility charges, drug enforcement, and the construction, maintenance and replacement of capital assets including infrastructure.

6. LONG-TERM RECEIVABLES

In 1992, a federally-funded revolving loan sub-grant was received from the State of Michigan. Prior to fiscal year 2010, Metropolitan Growth and Development Corporation acted as the administrator of the Urban Loan Fund (ULF), on behalf of the County, to promote economic development for minority businesses and businesses in distressed communities.

As of September 30, 2014, the current value of the outstanding loans is \$726,124 (net of an allowance of \$588,852). These loans represent long-term receivables of the governmental activities and the Community and Economic Development Fund.

7. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund Transfers

Interfund transfers are used to 1) transfer revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) transfer receipts restricted to debt service from the funds collecting the receipts to the debt service funds as debt service payments become due, and 3) transfer unrestricted revenues collected in the General Fund to other funds to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Interfund transfers for the year ended September 30, 2014 consisted of the following (in thousands):

	Transfers Out			
	General	Roads	Building Authority Construction	Nonmajor Governmental Funds
Transfers In				
General	\$ -	\$ 147	\$ -	\$ 870
Roads	-	-	-	-
Health	6,720	-	-	-
Juvenile Justice	63,689	-	-	4,495
Nonmajor governmental funds	11,353	4,042	5,306	1,500
Nonmajor enterprise funds	-	-	-	-
Internal service funds	1,000	-	-	-
Totals	\$ 82,762	\$ 4,189	\$ 5,306	\$ 6,865

continued below...

	Transfers Out				Totals
	Rouge Valley Sewage Disposal System	Delinquent Tax Revolving	Nonmajor Enterprise Funds	Internal Service	
Transfers In					
General	\$ -	\$ 91,630	\$ 3,204	\$ 200	\$ 96,051
Roads	-	-	1,002	-	1,002
Health	-	-	-	-	6,720
Juvenile Justice	-	-	-	-	68,184
Nonmajor governmental funds	-	101	-	2,380	24,682
Nonmajor enterprise funds	748	-	-	-	748
Internal service funds	-	-	-	-	1,000
Totals	\$ 748	\$ 91,731	\$ 4,206	\$ 2,580	\$ 198,387

Interfund Receivables and Payables

Interfund balances result from the time lag between the dates 1) interfund goods and services are provided or reimbursable expenditures occur, and 2) payment between funds are made. Interfund balances for the year ended September 30, 2014 consisted of the following (in thousands):

	Due from Other Funds				Total
	General	Roads	Nonmajor Governmental Funds	Delinquent Tax Revolving	
Due to Other Funds					
General	\$ -	\$ -	\$ -	\$ 39,460	\$ 39,460
Health	-	-	-	3,491	3,491
Juvenile Justice and Abuse/Neglect	-	-	-	8,945	8,945
Nonmajor governmental funds	3,939	18	1,555	7,195	12,707
Nonmajor enterprise funds	-	-	-	78	78
Totals	\$ 3,939	\$ 18	\$ 1,555	\$ 59,169	\$ 64,681

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The amounts receivable from component units in the primary government financial statements as of September 30, 2014 consisted of the following (in thousands):

	Airport Authority
Due from Component Units	
General	\$ 17
Roads	65
Rouge Valley Sewage Disposal System	64
Fiduciary funds	13
Totals	\$ 159

The amounts payable to component units in the primary government financial statements as of September 30, 2014 consisted of the following (in thousands):

	Due to Component Units		
	Downriver Sewage Disposal Systems	Nonmajor Governmental Funds	Total
Due from Primary Government Nonmajor component units	\$ 31	\$ 159	\$ 190

Disaggregation of Receivable and Payable Balances

Significant receivable and payable balances from other governmental units at September 30, 2014 are as follows (in thousands):

	Due From Other Governmental Units			
	State of Michigan	U.S. Federal Government	Local Governments	Total
Governmental funds				
General	\$ 34,137	\$ 3,028	\$ 4,416	\$ 41,581
Roads	15,122	-	1,183	16,305
Health	1,142	529	2,338	4,009
Juvenile Justice and Abuse/Neglect	19,265	911	2,511	22,687
Nonmajor governmental funds	799	5,629	29	6,457
Internal service funds	-	95	-	95
Total governmental funds	\$ 70,465	\$ 10,192	\$ 10,477	\$ 91,134
Enterprise funds				
Downriver Sewage Disposal System	\$ -	\$ -	\$ 2,766	\$ 2,766
Rouge Valley Sewage Disposal System	-	-	13,444	13,444
Nonmajor enterprise funds	-	-	3,300	3,300
Total enterprise funds	\$ -	\$ -	\$ 19,510	\$ 19,510
Component units				
Airport Authority	\$ -	\$ -	\$ 23,933	\$ 23,933

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

There are certain receivables from governmental activities, classified as due within one year on the Statement of Net Position that were not collected within sixty to ninety days of year-end and are thus not considered available to fund liabilities of the current fiscal year. At September 30, 2014, there are approximately \$26.9 million of receivables from federal, state, and various local municipalities that were not collected within ninety days of year-end. There are also approximately \$38.9 million of property tax receivables that were not collected within sixty days of year-end and \$181,000 of contractor and other receivables that were not collected within ninety days of year-end. These amounts are included in deferred inflows in the governmental funds as of September 30, 2014.

	Due To Other Governmental Units			
	State of Michigan	U.S. Federal Government	Local Governments	Total
Governmental funds				
General	\$ 3,140	\$ -	\$ 1	\$ 3,141
Roads	5,403	-	5,840	11,243
Health	-	309	-	309
Nonmajor governmental funds	-	10	646	656
Total governmental funds	<u>\$ 8,543</u>	<u>\$ 319</u>	<u>\$ 6,487</u>	<u>\$ 15,349</u>
Enterprise funds				
Delinquent Tax	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,169</u>	<u>\$ 14,169</u>
Component units				
Airport Authority	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,330</u>	<u>\$ 1,330</u>
Fiduciary funds - Agency funds	<u>\$ 709</u>	<u>\$ 81</u>	<u>\$ 387</u>	<u>\$ 1,177</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

8. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2014 was as follows (in thousands):

Primary Government

	Beginning Balance	Additions	Transfers (net)	Disposals	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 538,444	\$ -	\$ 1,001	\$ (24)	\$ 539,421
Construction in progress	26,392	15,375	(18,216)	-	23,551
	<u>564,836</u>	<u>15,375</u>	<u>(17,215)</u>	<u>(24)</u>	<u>562,972</u>
Capital assets, being depreciated:					
Land improvements	12,946	-	-	-	12,946
Buildings and improvements	386,175	1,537	178	-	387,890
Machinery and equipment	140,650	6,535	-	(1,482)	145,703
Vehicles	24,115	384	-	(1,004)	23,495
Office furniture and equipment	26,118	2,080	378	(1,633)	26,943
Infrastructure	1,614,353	13,303	17,660	-	1,645,316
	<u>2,204,356</u>	<u>23,839</u>	<u>18,216</u>	<u>(4,119)</u>	<u>2,242,292</u>
Less accumulated depreciation for:					
Land improvements	(11,746)	(297)	-	-	(12,043)
Buildings and improvements	(267,149)	(11,870)	-	-	(279,019)
Machinery and equipment	(104,596)	(6,260)	-	1,483	(109,373)
Vehicles	(21,724)	(802)	-	997	(21,529)
Office furniture and equipment	(21,698)	(2,712)	-	777	(23,633)
Infrastructure	(1,277,427)	(37,295)	-	-	(1,314,722)
	<u>(1,704,340)</u>	<u>(59,236)</u>	<u>-</u>	<u>3,257</u>	<u>(1,760,319)</u>
Total capital assets being depreciated, net	<u>500,016</u>	<u>(35,397)</u>	<u>18,216</u>	<u>(862)</u>	<u>481,973</u>
Governmental activities capital assets, net	<u>\$ 1,064,852</u>	<u>\$ (20,022)</u>	<u>\$ 1,001</u>	<u>\$ (886)</u>	<u>\$ 1,044,945</u>

Construction in progress as of September 30, 2014 includes roads construction and building renovations. At year-end, the costs expected to be incurred to complete these projects are estimated at \$11.7 million. These projects are funded by contributions from state and local governmental units, capital project fund appropriations, and general revenues.

Depreciation expense was charged to governmental activities as follows (in thousands):

Judicial	\$ 1,036
General government	11,089
Public safety	3,400
Highways, streets and bridges	40,700
Health and welfare	1,070
Recreation and culture	1,336
Public works	54
Capital assets held by the Delinquent Tax revolving fund revolving fund	43
Capital assets held by government internal service funds are charged to the various functions based on asset usage	508
	<u>\$ 59,236</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Proprietary fund capital assets are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the governmental capital assets and are as follows (in thousands):

	Beginning Balance	Additions	Transfers (net)	Disposals	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 5,309	\$ -	\$ (1,001)	\$ (421)	\$ 3,887
Construction in progress	3,489	13,740	(1,035)	-	16,194
	8,798	13,740	(2,036)	(421)	20,081
Capital assets, being depreciated:					
Land improvements	1,446	-	-	(78)	1,368
Buildings and improvements	38,269	27	-	-	38,296
Machinery and equipment	1,726	92	-	-	1,818
Vehicles	69	-	-	-	69
Office furniture and equipment	15	52	-	-	67
Infrastructure	540,886	-	-	-	540,886
	582,411	171	-	(78)	582,504
Less accumulated depreciation for:					
Land improvements	(535)	(65)	-	26	(574)
Buildings and improvements	(32,338)	(729)	-	-	(33,067)
Machinery and equipment	(979)	(125)	-	-	(1,104)
Vehicles	(21)	(14)	-	-	(35)
Office furniture and equipment	(2)	(3)	-	-	(5)
Infrastructure	(235,066)	(16,576)	-	-	(251,642)
	(268,941)	(17,512)	-	26	(286,427)
Total capital assets being depreciated, net	313,470	(17,341)	-	(52)	296,077
Business-type activities capital assets, net	\$ 322,268	\$ (3,601)	\$ (2,036)	\$ (473)	\$ 316,158

Depreciation expense was charged to business-type activities as follows (in thousands):

Sewage disposal systems (includes non-major activities)	\$ 17,508
Parking lots	4
	\$ 17,512

Construction in progress involves various sewage disposal system improvements. The costs expected to be incurred to complete these projects are estimated at \$15.9 million. These projects are expected to be funded by future contributions from federal grants, participating local governmental units, and assets restricted for improvements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Discretely Presented Component Units

Capital assets activity for the Wayne County Airport Authority, a major component unit, for the year ended September 30, 2014 was as follows (in thousands):

	Beginning Balance	Additions	Disposals	Ending Balance
Component Unit - Airport Authority				
Capital assets, not being depreciated:				
Land	\$ 243,623	\$ 1,566	\$ (245)	\$ 244,944
Construction in progress	41,975	108,343	(42,128)	108,190
	<u>285,598</u>	<u>109,909</u>	<u>(42,373)</u>	<u>353,134</u>
Capital assets, being depreciated:				
Buildings and improvements	2,092,832	4,536	(24)	2,097,344
Machinery, equipment and vehicles	79,881	6,621	(471)	86,031
Infrastructure	1,338,053	37,981	(5,955)	1,370,079
	<u>3,510,766</u>	<u>49,138</u>	<u>(6,450)</u>	<u>3,553,454</u>
Less accumulated depreciation for:				
Buildings and improvements	(946,744)	(81,377)	100	(1,028,021)
Machinery, equipment and vehicles	(53,070)	(5,303)	310	(58,063)
Infrastructure	(708,002)	(54,948)	3,504	(759,446)
	<u>(1,707,816)</u>	<u>(141,628)</u>	<u>3,914</u>	<u>(1,845,530)</u>
Total capital assets being depreciated, net	<u>1,802,950</u>	<u>(92,490)</u>	<u>(2,536)</u>	<u>1,707,924</u>
Airport Authority capital assets, net	<u>\$ 2,088,548</u>	<u>\$ 17,419</u>	<u>\$ (44,909)</u>	<u>\$ 2,061,058</u>

The estimated costs to complete Metro Airport's current capital improvement program totaled \$481.9 million at September 30, 2014, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled \$42.4 million at September 30, 2014.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled \$109.4 million at September 30, 2014, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled \$9.8 million at September 30, 2014.

Capital assets activity for the nonmajor component units for the year ended September 30, 2014 was as follows (in thousands):

	Beginning Balance	Additions	Disposals	Ending Balance
Nonmajor Component Units				
Capital assets, not being depreciated:				
Construction in progress	\$ 653	\$ 1,833	\$ -	\$ 2,486
Capital assets, being depreciated:				
Buildings and improvements	24,415	55	-	24,470
Infrastructure	74,608	-	-	74,608
Machinery and equipment	1,207	57	-	1,264
	<u>100,230</u>	<u>112</u>	<u>-</u>	<u>100,342</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Ending Balance
Less accumulated depreciation for:				
Buildings and improvements	\$ (18,422)	\$ (348)	\$ -	\$ (18,770)
Infrastructure	(46,585)	(2,341)	-	(48,926)
Machinery and equipment	(484)	(59)	-	(543)
	<u>(65,491)</u>	<u>(2,748)</u>	<u>-</u>	<u>(68,239)</u>
Total capital assets being depreciated, net	<u>34,739</u>	<u>(2,636)</u>	<u>-</u>	<u>32,103</u>
Nonmajor Component Units capital assets, net	<u>\$ 35,392</u>	<u>\$ (803)</u>	<u>\$ -</u>	<u>\$ 34,589</u>

Fiduciary Funds

Capital assets activity for the year ended September 30, 2014 was as follows (in thousands):

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, being depreciated - Machinery, equipment and vehicles	\$ 431	\$ -	\$ -	\$ 431
Less accumulated depreciation for - Machinery, equipment and vehicles	<u>(426)</u>	<u>(2)</u>	<u>-</u>	<u>(428)</u>
Fiduciary funds capital assets, net	<u>\$ 5</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 3</u>

9. SHORT-TERM DEBT - TAX ANTICIPATION NOTES

The County issues tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund. Public Act 357 of 2004 shifted the County's general operating levy (primary revenue source) from December 1 (first quarter of fiscal year) to July 1 (fourth quarter of fiscal year). Periodic cash flow shortfalls occur throughout the year as the majority of collections on the general operating levy are received in late August through mid-October.

On May 28, 2014, tax anticipation notes of \$75 million were sold at 1.52 percent with a maturity date of October 31, 2014. The County has pledged its unpaid 2014 operating taxes and its limited tax full faith and credit to the payment of the notes. The unpaid 2014 operating taxes include the 2014 unpaid operating taxes remaining to be collected as of the date of the note resolution. The tax anticipation notes were redeemed on October 1, 2014.

Interest expense is reported as a general government expense in the government-wide Statement of Activities. Interest expense related to the 2014 tax anticipation notes amounted to \$0.3 million, for the year ended September 30, 2014. Total principal and interest remaining to be paid on the notes is \$41.3 million.

Short-term debt activity for the year ended September 30, 2014, was as follows (amounts in thousands):

	Beginning Balance	Issued	Redeemed	Ending Balance
2013 tax anticipation notes	\$ 65,000	\$ -	\$ (65,000)	\$ -
2014 tax anticipation notes	-	75,000	(33,733)	41,267

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

10. LONG-TERM DEBT AND OTHER OBLIGATIONS

The County's long-term debt at year-end is summarized below (amounts are rounded to thousands). State statutes limit a government's debt to 10 percent of the State Equalized Value of property located in that jurisdiction; this equated to approximately \$4.5 billion for the County at September 30, 2014.

Capital Leases. In July 2011, the County entered into a five-year lease agreement with First Capital Equipment Leasing Corporation for the lease of dump trucks for the Department of Public Services. This lease agreement qualifies as a capital lease for accounting purposes. The equipment and lease payable were recorded at the present value of the future minimum lease payments which was \$2.1 million as of the inception date. The lease requires minimum annual payments of \$393,617.

In December 2009, the County entered into a seven-year lease agreement with First Capital Equipment Leasing Corporation for the lease of heavy equipment for the Department of Public Services. This lease agreement qualifies as a capital lease for accounting purposes. The equipment and lease payable were recorded at the present value of the future minimum lease payments which was \$4.99 million as of the inception date. The lease requires minimum annual payments of \$835,732.

Notes Payable. In March 2010, the County and BRA entered into a \$1 million Environmental Protection Agency Revolving Loan Fund Agreement, for the purpose of environmental remediation of the Central City Park. The loan is due serially from May 2012 through May 2016 at an interest rate of 1.0 percent.

The future minimum lease obligations and the net present value for the leases and notes outstanding as of September 30, 2014, are as follows (in thousands):

September 30,	Principal	Interest
2015	\$ 1,325	\$ 109
2016	1,328	54
	\$ 2,653	\$ 163

Operating Leases. The County is committed under 24 leases for office, storage space, and land. These leases are considered for accounting purposes to be non-cancelable operating leases. Lease expenditures/expenses for the year ended September 30, 2014 amounted to \$8.7 million. Future minimum lease payments for these leases are as follows (amounts in thousands):

September 30,	Governmental Activities	Business-type Activities
2015	\$ 6,837	\$ 316
2016	5,724	329
2017	5,669	342
2018	5,766	355
2019	5,743	370
2020-2024	20,426	2,083
2025-2029	22,475	2,534
2030-2034	26,056	3,083
2035-2039	23,802	1,413
	\$ 122,498	\$ 10,825

General Obligation Bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

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

	<u>Year of Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Governmental activities				
1996 building authority	2016	4.0 - 6.5%	\$ 45,000	\$ 7,185
2003 capital improvement	2024	2.0 - 4.75%	13,740	8,125
2007 building authority refunding	2019	4.25 - 5.75%	50,380	15,610
2008 capital improvement	2038	4.375 - 5.0%	32,875	32,875
2008 capital improvement	2025	5.25 - 5.5%	18,110	13,315
2008 water and sewer	2038	4.5 - 5.7%	13,060	11,710
2009 equipment	2019	4.55 - 7.0%	8,105	3,500
2009 equipment	2025	3.75 - 5.375%	24,715	10,465
2009 building improvement	2040	6.75%	24,885	23,515
2010 installment purchase	2016	2.25 - 3.125%	7,670	395
2010 building authority (jail)	2041	6.22 - 10.0%	200,000	200,000
2011 installment purchase	2015	2.39%	9,026	1,608
			<u>\$ 447,566</u>	<u>\$ 328,303</u>

In 2007, the County issued \$50.4 million in bonds with a premium of \$1.6 million through the MMBA Local Government Loan Program with an average interest rate of 5.0 percent to advance refund \$50.8 million of outstanding 1994 Building Authority Refunding Bonds, including the Warren Valley Golf Course obligations.

In 1996, the Building Authority issued \$45.0 million in Series 1996A debt with an average interest rate of 5.8 percent to finance construction of the Wayne County Juvenile Detention Facility, as well as other capital projects. These bonds are payable by the Building Authority solely from the rental payments to be made by the County and from funds relating to this issue held by the Trustee. The County's obligation to make the rental payments is a limited tax general obligation supported by the full faith and credit of the County, subject to certain limitations.

In 2003, the County issued General Obligation Limited Tax Capital Improvement Bonds Series 2003 in the amount of \$13.7 million. The bonds are due serially through 2024 with an average interest rate of 4.3 percent and were issued to fund structural repairs to the tower of the Wayne County Building, architectural changes and additions to the Prosecutor's office, other County buildings and the purchase of related equipment. The County has pledged its full faith and credit for repayment, subject to certain limitations.

In 2008, the County issued General Obligation Limited Tax Capital Improvement Bonds, Series 2008A and 2008B in the amounts of \$32.9 million and \$18.1 million at average interest rates of 4.89 and 5.44 percent, respectively. The purpose of these bonds was to acquire the Guardian Building located at 500 Griswold Street, the First Street Parking Deck at 621 First Street and the building located at 511 Woodward Avenue all of which are located within the City of Detroit, Michigan (collectively, the "Buildings") and to defray the costs of renovating, furnishing and/or equipping the Buildings. The full faith and credit of the County has been pledged for these bonds, subject to certain limitations.

In 2008, the County issued General Obligation Limited Tax Water Supply and Sewage Disposal System Improvement Bonds, Series 2008, in the amount of \$13.1 million at an average interest rate of 5.42 percent. The purpose of the bonds is to pay all or part of the costs of water supply and sewage disposal system improvements on property in the Charter Township of Huron located in Wayne County. The full faith and credit of the County has been pledged for these bonds, subject to certain limitations.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

In 2009, the County issued Local Project Bonds through the MMBA Local Government Loan Program, Series 2009A (taxable) and Series 2009B (tax-exempt) in the amounts of \$8.1 and \$24.7 million, respectively. These bonds were issued for the purpose of acquiring or refinancing certain personal property and equipment for various County departments, as well as certain road construction and improvements. A portion of these bonds were issued for Third Circuit Court equipment. The bonds are due serially through November 2018 and 2024 respectively at interest rates ranging from 3.125 to 6.70 percent. The County has pledged its full faith and credit, subject to certain limitations. This is considered a limited tax general obligation of the County.

In 2009, the County issued General Obligation Limited Tax Building Improvement Bonds, Series 2009A (tax-exempt) in the amount of \$24.9 million, consisting of a term bond at an interest rate of 6.75 percent due in November 2039. The bonds were issued for the purpose of constructing, furnishing and/or equipping improvements and renovations to the Guardian Building, located at 500 Griswold Street, the First Street Parking Deck, located at 621 First Street, the building located at 511 Woodward Avenue, and the County Medical Examiner's Office located at 1300 E. Warren Avenue, all of which are located within the City of Detroit, Michigan. The County has pledged its full faith and credit for repayment, subject to certain limitations.

In 2010, the County issued installment purchase agreements through the Michigan Finance Authority (MFA), Local Government Loan Program Revenue Bonds, Series 2010D (tax-exempt) in the amount of \$7.7 million for the purpose of acquiring certain personal property, equipment and software for various County departments. The bonds are due serially through June 2016 at interest rates ranging from 3.0 to 3.125 percent. The County has pledged its full faith and credit for repayment, subject to certain limitations.

In 2010, the Building Authority issued \$200 million in Series 2010 bonds to finance construction of a new Wayne County consolidated jail complex. The Authority has designated the Bonds as "recovery zone economic development bonds" under section 1400U-2 of the Internal Revenue Code and to elect under Code Section 54AA(g) to receive a direct pay interest credit from the United States Treasury equal to 45 percent of the stated interest paid on the bonds as provided in Code Section 6431. The bonds are due serially through December 2040, at interest rates ranging from 6.22 to 10.0 percent, with the first interest principal payment to be paid in December 2014. The County has pledged its full faith and credit for these bonds, subject to certain limitations.

In 2011, the County entered into a \$9 million Installment Purchase Contract through the MFA Local Government Loan Program, for the purpose of acquiring certain personal property, equipment and software for various County departments. Payments on the principal are due serially through September 2015 at an interest rate of 2.39 percent.

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Business-type activities				
1995 sewage disposal (#5117-03)	2016	2.25%	\$ 14,120	\$ 865
1995 sewage disposal (#5117-15)	2019	2.25%	49,525	11,765
1995 sewage disposal (#5117-18)	2018	2.25%	14,731	2,645
1995 sewage disposal (#5117-19)	2018	2.25%	10,822	1,922
1995 sewage disposal (#5117-21)	2017	2.25%	2,932	316
1995 sewage disposal (#5117-23)	2018	2.25%	2,083	380
1995 sewage disposal (#5117-24)	2021	2.25%	58,035	20,225
1995 sewage disposal (#5117-26)	2018	2.25%	5,980	1,075
1995 sewage disposal (#5117-27)	2018	2.25%	5,291	872
1995 sewage disposal (#5117-28)	2018	2.25%	1,907	450
1995 sewage disposal (#5117-30)	2018	2.25%	5,773	1,350
1995 sewage disposal (#5117-31)	2019	2.25%	3,840	910
1997 sewage disposal (#5117-29)	2018	2.25%	2,510	595
1998 sewage disposal (#5117-25)	2021	2.25%	16,865	5,880
1999 sewage disposal refunding	2017	3.05 - 4.85%	11,100	2,105
1999 sewage disposal refunding	2016	3.05 - 4.80%	2,730	285
1999 sewage disposal refunding	2016	3.05 - 4.80%	6,390	640
1999 sewage disposal (#5117-01)	2020	2.50%	105	34
1999 sewage disposal (#5117-20)	2021	2.50%	12,030	4,260
1999 sewage disposal (#5117-32)	2020	2.25%	11,732	3,407

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

	<u>Year of Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Business-type activities				
1999 sewage disposal	2019	4.5-5.125%	\$ 15,005	\$ 4,370
2000 sewage disposal (#5117-34)	2021	2.50%	5,085	2,075
2005 sewage disposal (#5217-01)	2026	1.63%	4,680	2,985
2007 sewage disposal refunding	2018	4.25 - 5.75%	9,935	4,550
2007 sewage disposal	2028	4.25 - 5.75%	15,790	12,555
1994 sewage disposal (#5106-01)	2016	2.00%	2,590	310
1995 sewage disposal (#5104-01)	2016	2.25%	2,650	320
1995 sewage disposal (#5123-01)	2019	2.25%	5,857	1,387
2009 sewage disposal (#5140-01)	2019	2.25%	425	125
2011A sewage disposal	2030	2.50%	275	255
2011A sewage disposal	2032	2.50%	760	700
			<u>\$ 301,553</u>	<u>\$ 89,613</u>

In 1995, the County authorized issuance of limited tax general obligation bond to the MMBA loan revolving fund for up to \$14.1 million (project series 5117-03) at interest rate 2.25 percent which is due serially through 2016. The project involves improvements to the sludge processing facilities at the Wyandotte Wastewater Treatment Plant. Through September 30, 2014, the County received \$14.1 million from the revolving loan fund and the outstanding amount on the bonds were \$0.9 million.

In 1995, the County authorized the issuance of bonds to the MMBA revolving loan fund for up to \$84.0 million (project series 5117-23-24, 26-28 and 30-31) for the Downriver Sewage Disposal System. Through September 30, 2014, the County received \$82.9 million from the revolving loan fund and the outstanding amount on the bonds are \$25.3 million.

In 1996, the County authorized the issuance of bonds to the MMBA revolving loan fund for up to \$49.5 million (project series 5117-15) at interest rate 2.25 percent which is due serially through 2019. The project involves construction of a connection to the existing outfall facility of the Southgate Wyandotte Drain Drainage District. The County has pledged its limited tax full faith and credit for the Bonds. Through September 30, 2014, the County received \$49.5 million from the revolving loan fund and the outstanding amount on the bonds are \$11.8 million.

In 1996 the County authorized the issuance of bonds to the MMBA revolving loan fund for up to \$29.25 million (project series 5117-18,19 and 21) for the Downriver Sewage System at interest rate of 2.25 percent which is due serially through 2018. The county has secondarily pledged its full faith and credit for repayment. The purpose of the issuance was to finance the following three projects: Wayne County downriver regional tunnel sewer system, construction of the Eureka Road relief sewer and construction of a new electrical substation at the Wyandotte wastewater treatment plant. Through September 30, 2014, the County received \$28.4 million from the revolving loan fund and the outstanding amount on the bonds are \$4.9 million.

In 1997 the County authorized the issuance of bonds to the MMBA revolving loan fund for up to \$2.5 million (project series 5117-29) for the Downriver Sewage Disposal System. Through September 30, 2014, the County has received \$2.5 million from the revolving loan fund and the outstanding amount on the bonds are \$0.6 million.

In 1998 the County authorized the issuance of bonds to the MMBA revolving loan fund for up to \$16.8 million (project series 5117-25) for the Downriver Sewage Disposal System. Through September 30, 2014, the County received has \$16.9 million from the revolving loan fund and the outstanding amount on the bonds are \$5.9 million.

In 1999, the County authorized the issuance of refunding bonds to the MMBA revolving loan fund for up to \$11.1 million for the Rouge Valley Waste Water Control System at interest rate of 3.05 - 4.85 percent which is due serially through 2017. The purpose of the bonds were for refunding outstanding principal amount of \$9.7 million of the Rouge Valley Waste Water Control System Bonds, 1994 Series D, issued on December 21, 1994. The City of Dearborn Heights has pledged its full faith and credit pursuant to Act 185. This bond is payable primarily from the proceeds of contractual payments received from the City of Dearborn Heights. At September 30, 2014, the outstanding amount on the bonds are \$2.1 million.

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Notes to Financial Statements

In 1999, the County authorized issuance of limited tax general obligation refunding bonds to the MMBA revolving loan fund for up to \$2.7 million for the Rouge Valley Waste Water Control System at interest rate of 3.05 - 4.85 percent which is due serially through 2017. The purpose of the bonds were for refunding outstanding principal amount of \$2.45 million of the Rouge Valley Waste Water Control System Bonds, 1994 Series B, issued on October 13, 1994. The City of Inkster has pledged its full faith and credit pursuant to Act 185. This bond is payable primarily from the proceeds of contractual payments received from the City of Inkster. At September 30, 2014, the outstanding amount on the bonds are \$0.3 million.

In 1999, the County authorized issuance of limited tax general obligation refunding bonds to the MMBA revolving loan fund for up to \$6.39 million for the Rouge Valley Waste Water Control System at interest rate of 3.05 - 4.85 percent which is due serially through 2017. The purpose of the bonds were for refunding outstanding principal amount of \$5.6 million of the Rouge Valley Waste Water Control System Bonds, 1994 Series C, issued on December 21, 1994. The City of Inkster has pledged its full faith and credit pursuant to Act 185. This bond is payable primarily from the proceeds of contractual payments received from the City of Inkster. At September 30, 2014, the outstanding amount on the bonds are \$0.6 million.

In 1999, the County authorized the issuance of bonds to the MMBA revolving loan fund for up to \$23.9 million (project series 5117-01,20 and 32) for the Downriver Sewage Disposal System. Through September 30, 2014, the County has received \$23.9 million from the revolving loan fund and the outstanding amount on the bonds are \$7.7 million.

In 1999, the Series 1999 B bonds were issued for \$15.0 million as partial completion bonds to finance approximately \$11.0 million deficit-funded construction costs and \$4.0 million in additional construction costs for the Downriver Sewer System. The bonds are payable primarily from taxes which will be assessed by the Downriver Sewage System communities for their portion of the improvements. The County has pledged its full faith and credit for the additional security. Through September 30, 2014, the outstanding amount on the bonds are \$4.4 million.

In 2000, the County authorized the issuance of bonds to the MMBA revolving loan fund for up to \$5.1 million (project series 5117-34) for the Downriver Sewage Disposal System at interest rate of 2.5 percent which is due serially through 2021. Through September 30, 2014, the County has received \$5.1 million from the revolving loan fund and the outstanding amount on the bonds are \$2.1 million.

In 2005, the County authorized the issuance of limited tax general obligation bonds to the MMBA revolving loan fund for up to \$4.7 million (project series 5217-01) for the Downriver Sewage System at interest rate of 1.63 which is due serially through 2026. The County has secondarily pledged its full faith and credit for repayment. The project involves renovation of the Downriver wastewater treatment facility's primary settling tanks and automation of the waste-activated sludge control system. Through September 30, 2014, the County received \$4.7 million from the revolving loan fund and the outstanding amount on the bonds are \$3.0 million.

In 2007, the County authorized issuance of Series 2007 B limited tax general obligation refunding bonds to the MMBA revolving loan fund for \$9.9 at interest rate of 4.25 - 5.75 percent which is due serially through 2018. The purpose of the bonds were to advance refund \$10.1million of the outstanding LGLP series 1995B bonds. This bond is payable primarily from the proceeds of contractual payments received from the City of River Rouge. The County has pledged its full faith and credit for the additional security. At September 30, 2014, the outstanding amount on the bonds are \$4.6 million.

In 2007, the County authorized issuance of limited tax general obligation bonds, revenue bonds Series 2007 B to the MMBA for up to \$15.8 million at interest rate 4.5 - 5.75 percent which is due serially through 2028. The improvements included upgrade and expansion of the Downriver Wastewater Facility to handle a peak flow of 225 million gallons per day and construction of approximately 19 miles of tunnels and relief sewers and a tunnel pumping station to increase the wastewater transport capacity of the system. Through September 30, 2014, the outstanding amount on the bonds are \$12.6 million.

In 1994, the County authorized the issuance of limited tax general obligation Series 1995 A bonds to the MMBA revolving loan fund for up to \$2.6 million (project series 5106-01) for the CSO Basin at interest rate of 2.0 percent which is due serially through 2019. The county has pledged its limited full faith and credit for repayment. Through September 30, 2014, the County has received \$2.6 million from the revolving loan fund and the outstanding amount on the bonds are \$0.3 million.

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In 1995, the County authorized the issuance of limited tax general obligation Series 1995 A bonds to the MMBA revolving loan fund for up to \$2.7 million (project series 5104-01) for the CSO Basin at interest rate of 2.25 percent which is due serially through 2016. This bond is payable primarily from the proceeds of contractual payments received from the City of Dearborn Heights. The County has pledged its limited full faith and credit for repayment. The project involves the construction of a 2.7 million gallon combined sewage retention/treatment basin with a pumping station at the Warrendale site and approximately 2,500 linear feet reinforced concrete collector sewer from the service areas to the basin. Through September 30, 2014, the County has received \$2.7 million from the revolving loan fund and the outstanding amount on the bonds are \$0.3 million.

In 1995, the County authorized the issuance of limited tax general obligation Series 1995 A bonds to the MMBA revolving loan fund for up to \$5.9 million (project series 5123-01) for the City of River Rouge at interest rate of 2.25 percent which is due serially through 2019. This bond is payable primarily from the proceeds of contractual payments received from the City of River Rouge. The City of River Rouge has pledged its full faith and credit for repayment and the County has pledged its limited full faith and credit for repayment. The project involves the construction of a 5.2 million gallon retention basin and pumping station, 66, 96 and 108-inch influent sewers, 72 and 96 inch outfall sewers, demolition of existing facilities, site work, including all associated facilities and appurtenances, and all related work. Through September 30, 2014, the County has received \$5.9 million from the revolving loan fund and the outstanding amount on the bonds are \$1.4 million.

In 2009, the County authorized the issuance of bonds to the MMBA revolving loan fund for up to \$0.4 million (project series 5140-01) for the Rouge Valley Sewage Disposal System. Through September 30, 2014, the County received \$0.4 million from the revolving loan fund and the outstanding amount on the bonds are \$0.1 million.

In 2011, the County authorized the issuance of Series 2011 A bonds to the MMBA revolving loan fund for up to \$0.3 million for the City of Dearborn Heights at interest rate of 2.5 percent which is due serially through 2028. The purpose of the bonds were to finance the cost of the segment one of structural, sampling, and disinfection improvements to the Dearborn Heights Combined Sewage Overflow Retention Treatment Basin. This bond is payable primarily from the proceeds of contractual payments to be paid by the City of Dearborn Heights to the County. The County has pledged its full faith and credit for the repayment of the bonds. Through September 30, 2014, the County received \$0.3 million from the revolving loan fund and the outstanding amount on the bonds are \$0.3 million.

In 2011, the County authorized the issuance of Series 2011 A bonds to the MMBA revolving loan fund for up to \$0.8 million for the City of River Rouge at interest rate of 2.5 percent which is due serially through 2032. The purpose of the bonds were to finance the cost of the segment one of structural, sampling, and disinfection improvements to the River Rouge Combined Sewage Overflow Retention Treatment Basin. This bond is payable primarily from the proceeds of contractual payments to be paid by the City of River Rouge to the County. The County has pledged its full faith and credit for the repayment of the bonds. Through September 30, 2014, the County received \$0.8 million from the revolving loan fund and the outstanding amount on the bonds are \$0.7 million.

Component Units	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
<u>Drainage Districts</u>				
2008 drain (Chapter 8)	2023	5.45%	\$ 1,455	\$ 873
2009A drain (#5117-01)	2020	2.5 - 10.0%	426	138
2009A drain (#5349-01)	2030	2.50%	3,717	3,115
2012 drain (Henry)	2022	3.65%	214	171
2013 drain (Chapter 8; Adams)	2023	7%	340	310
2013 drain (Chapter 8; Throop)	2023	7%	1,150	1,035
2011 drain (Chapter 20; Southgate)	2032	2.50%	1,285	1,185
2014 drain (Chapter 20; Ecorse)	2024	1.75 - 5.25%	2,630	2,630

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Notes to Financial Statements

	<u>Year of Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
<u>Airport Authority</u>				
<i>Metro Airport</i>				
Installment purchase contract	2023	4.33%	\$ 3,886	\$ 2,916
Installment purchase contract	2015	3.70%	333	47
Installment purchase contract	2014	3.54%	423	11
Installment purchase contract	2018	4.05%	392	159
Installment purchase contract	2013	5.31%	364	-
Installment purchase contract	2017	1.77%	285	174
Installment purchase contract	2017	1.77%	830	507
Installment purchase contract	2017	1.77%	218	133
Installment purchase contract	2017	1.64%	833	508
<i>Willow Run Airport</i>				
Notes payable - Washtenaw County	2019	0%	292	103
<i>Hotel</i>				
Series 2001A	2030	5.0% to 5.5%	99,630	99,630
Series 2001B	2015	6.0% to 6.6%	11,290	4,185
Working capital loan	2017	8.00%	1,500	-
			<u>\$ 131,493</u>	<u>\$ 117,830</u>

In 2008, Chapter 8 Mizner Drain Drainage District issued notes to borrow \$1.5 million, payable in annual installments until maturity in June 2023. Repayment of this debt will be made from special assessments against the properties benefiting from these improvements and is guaranteed by the full faith and credit of the individual drainage districts.

In 2012, Henry Drainage District issued a ten years note "Henry Drain Notes, Series 2012" at the interest rate of 3.65 percent for \$0.2 million to finance the cost of improvements of the Drainage District. Repayment of the debt is made from the special assessment against all parcel holders within the Henry Drainage District and payable in annual installments until maturity in June 2022.

In 2009, the Michigan Municipal Bond Authority (MMBA) approved and authorized \$6.2 million in Ecorse Creek Pollution Abatement Drain (ECPAD) No. 1 Drain Bonds Series 2009A. Up to forty percent of the loaned amount, \$2.5 million has been forgiven under the American Recovery and Reinvestment Act of 2009 (ARRA). As of September 30, 2014 the County received \$3.7 million of MMBA bond funds for this project. This loan is secured by special assessments on the communities served by the Ecorse Creek drain and is guaranteed by the full faith and credit of the Drainage District.

In 2011, Chapter 20 Drainage Districts issued \$1.3 million bonds to finance the project involving maintenance and improvement of the Southgate-Wyandotte Relief Drain for approved petition projects through the MFA, Local Government Loan Program Revenue Bonds Series 2011. The County has secondarily pledged its full faith and credit for repayment, subject to certain limitations. Repayment of the debt is made from special assessment against all parcel holders within the Southgate - Wyandotte Drain Drainage District, the City of Southgate, City of Wyandotte, Charter County of Wayne and Michigan Department of Transportation.

In 2013, Chapter 8 Drainage Districts issued "Adams Drain Bonds, Series 2013" for \$0.3 million bonds. The purpose of the bonds is to defray the cost of construction improvement to the Adams Drain. Repayment of the debt is made from special assessment against all parcel holders within the Adams Drain Drainage District, the Huron Township, Charter County of Wayne and land owners of the Drainage District. The full faith and credit of the Drainage District have been pledged and, as an additional security, the County has pledged its limited tax full faith and credit.

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Notes to Financial Statements

In 2013, Chapter 8 Drainage Districts issued “Throop Drain Bonds, Series 2013” for \$1.2 million. The purpose of the bonds is to defray the cost of construction improvement to the Troop Drain. Repayment of the debt is made from special assessment against all parcel holders within the Troop Drain Drainage District, the Van Buren Township, Sumpter Township, Charter County of Wayne, Norfolk Southern Railway and land owners of the Drainage District. The full faith and credit of the Drainage District have been pledged and, as additional security, the County has pledged its limited tax full faith and credit.

In 2014, Chapter 20 Drainage Districts issued Ecorse Creek Pollution Abatement Drain (ECPAD) No.1 Bonds Series 2014 for \$2.6 million. The purpose of the bonds is to defray the cost of acquiring and constructing improvements to the ECPAD Drain No.1, consisting of the restoration and reconstruction of the Taylor/Pelham Basin located in the City of Taylor (the "Taylor Basin"). Repayment of the debt is made from special assessment roll No.2 assessed against the City of Dearborn Heights, City of Taylor, Charter County of Wayne and State of Michigan. The full faith and credit of the Drainage District have been pledged and, as an additional security, the County has pledged its limited tax full faith and credit.

Further information regarding Airport Authority debt is presented in its separately issued report.

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

	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 19,002	\$ 25,892	\$ 18,272	\$ 2,600	\$ 3,462	\$ 5,811
2016	16,725	24,934	16,914	2,057	3,760	5,624
2017	11,830	24,048	15,754	1,578	3,545	5,445
2018	11,260	23,376	13,818	1,138	3,420	5,274
2019	11,435	22,620	7,314	805	4,942	5,060
2020-2024	42,255	103,562	12,026	2,069	31,741	20,941
2025-2029	48,075	86,175	5,330	524	43,900	11,513
2030-2034	62,400	63,575	185	10	23,060	1,152
2035-2039	77,225	33,769	-	-	-	-
2040-2041	28,096	4,039	-	-	-	-
	<u>\$ 328,303</u>	<u>\$ 411,990</u>	<u>\$ 89,613</u>	<u>\$ 10,781</u>	<u>\$ 117,830</u>	<u>\$ 60,820</u>

Revenue Bonds. The government issues revenue bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revenue bonds currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Governmental activities				
2012 building authority	2041	3-5.25%	\$ 14,960	\$ 14,675
2012 stadium authority refunding	2026	3.0-5.0%	58,160	54,880
			<u>\$ 73,120</u>	<u>\$ 69,555</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Business-type activities				
2007 sewage disposal	2028	4.0 - 5.4%	\$ 4,300	\$ 3,400
2008 sewage disposal	2030	2.50%	4,329	3,434
2008 sewage disposal	2031	2.50%	10,612	8,877
2008 sewage disposal	2030	2.50%	12,115	10,145
2008 sewage disposal	2030	2.50%	4,330	3,435
2009 sewage disposal (#5350-01)	2031	2.50%	11,426	10,028
2011 sewage disposal	2033	2.50%	13,689	13,134
2013 sewage disposal	2016	2.00%	2,637	2,637
2013 sewage disposal	2018	2.00%	7,692	7,692
			<u>\$ 71,130</u>	<u>\$ 62,782</u>

In 2011, the Building Authority issued \$14.9 million of Series 2011 F revenue bonds through the Michigan Finance Authority (MFA) Local Government Loan Program. The bonds were issued for the purpose of financing the purchase by the Authority of municipal obligations issued by certain political subdivisions of the State of Michigan. The series bonds are separately secured from the bonds of other types and are payable solely from the rent revenues on the municipal obligations. The bonds are due serially through 2042.

In 2012, the Stadium Authority issued the Series 2012 refunding bonds in the amount of \$58.2 million with a premium of \$5.2 million. The bonds were issued solely for the purpose of advance refunding \$67.7 million of the outstanding Building Authority (Stadium) Bonds, Series 1997 dated March 1, 1997. The bonds are limited obligations of the Authority and are payable solely from the cash rentals payable by the County. The cash rentals are payable from motor vehicle rental and hotel tax revenue (the "tourist taxes") levied by the County pursuant to Act No 180, Public Acts of Michigan, 1991, and has pledged its limited tax full faith and credit for prompt payment of the cash rentals. The bonds are serially payable through 2026.

The County has pledged future Downriver Sewage Disposal System revenues, net of specified operating expenses, to repay the outstanding balance of \$3.4 million of Downriver Sewage Disposal System 2007D revenue bonds, \$25.9 million of the State Revolving Loan Fund Bonds for SRF Projects 5217 - 02 through - 05, \$13.1 million for Project 5217-15 (collectively the "5217 bonds") and \$2.6 million for Project 5419-01, payable through 2035. Annual principal and interest payments on the revenue bonds are expected to require less than 100 percent of net revenues. The revenue bonds are secondarily secured by the limited tax full faith and credit pledge of the County and the total customer net revenue for the FY 2014 is \$4.9 million.

In 2008, the County authorized issuance of Downriver Sewage Disposal System Revenue Bonds Series 2008 A,B C, AND D to the MMBA for up to \$32.1 million at interest rate 2.5 percent which is due serially through 2030. The purpose of the bonds was for improvements to the Downriver Wastewater Treatment Facility in Wyandotte. The principal and interest for these bonds shall be primarily payable from the charges for sewage disposal services assessed against the communities. The revenue bonds are secondarily secured by the limited tax full faith and credit pledge of the County.

In 2009, the MMBA approved the County's loan application (#5350-01) for up to \$19.6 million for projects to upgrade and improve the Rouge Valley Sewage Disposal System. Up to forty percent of the loaned amount is forgiven under the American Recovery and Reinvestment Act of 2009 (ARRA). The County received \$19.0 million of MMBA bond funds for this project, \$7.6 million of which were ARRA funds. The County recognized \$11.4 million of debt for the Rouge Valley Disposal System. These loans are limited tax general obligations of the County of Wayne, but are payable through 2031 from sewage revenues to be received from the communities served by the Rouge Valley Sewage Disposal System.

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Notes to Financial Statements

In 2011, the County authorized issuance of Downriver Sewage Disposal System revenue bonds Series 2011 A to the MMBA up to \$14.1 million at interest rate of 2.5 percent which is due serially through 2033. The principal and interest for these bonds shall be primarily payable from the charges for sewage disposal services assessed against the communities pursuant to Downriver Sewage Disposal System Contract. The revenue bonds were secondarily secured by the limited tax full faith and credit pledge of the County. The project involves the improvements of Wastewater Treatment Plant located in Wyandotte, including influent pump station modification, primary settling tank upgrades and additions, aeration basin rehabilitation and associated improvements and electrical substation improvements. As of September 30, 2014 the County received \$13.7 million of MFA bond funds for this project.

In 2013, the MFA approved the County's loan application for up to \$13.4 million for projects to upgrade and improve the Northeast Sewage Disposal System. As of September 30, 2014 the County received \$7.7 million of MFA bond funds for this project. Annual principal and interest payments on the revenue bonds are expected to require less than 100 percent of net revenues.

In 2013, the MFA approved the County's loan application for up to \$12.0 million for projects to improve the Downriver Sewage Disposal System's Wastewater Treatment Facility. As of September 30, 2014 the County received \$2.6 million of MFA bond funds for this project.

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Component Units				
<u>Drainage Districts</u>				
2010 drain (Chapter 8)	2030	2.25 - 5.0%	\$ 2,480	\$ 2,000
2010 drain (Chapter 8)	2030	2.25 - 5.0%	585	480
2010 drain (Chapter 8)	2020	2.25 - 4.0%	240	145
2011 drain (Chapter 8; Lateral 94)	2022	4.5%	830	670
<u>Airport Authority</u>				
Series 2005	2034	3.5% to 5.25%	507,135	454,025
Series 2007A Jr. Lien	2037	4.85% to 5.0%	180,390	169,980
Series 2007B	2028	4.0% to 5.382%	119,390	114,585
Series 2008A	2032	4.0% to 5.75%	142,285	114,580
Series 2010A	2018	2.0% to 5%	222,490	145,890
Series 2010B	2013	4.0% to 5.0%	8,795	-
Series 2010C	2022	1.5% to 5.5%	188,415	137,480
Series 2010D	2021	1.5% to 5.5%	28,045	21,885
Series 2011A	2022	4.0% to 5%	152,465	152,465
Series 2011B	2020	3.0% to 5%	16,965	16,965
Series 2012A	2042	3.0% to 5.0%	177,565	177,565
Series 2012B	2037	5.00%	25,090	25,090
Series 2012C	2020	3.0% to 4.0%	3,885	1,655
Series 2012D	2028	3.0% to 5.0%	71,525	65,055
Series 2013A	2033	0.08%	200,010	200,010
Series 2013B	2028	0.78%	74,860	74,860
Series 2013C	2028	0.82%	115,615	115,615
Series 2014A	2034	0.82%	30,000	30,000
Series 2014B	2044	3.0% to 5.0%	66,595	66,595
Series 2014C	2044	3.0% to 5.0%	31,845	31,845
			<u>\$ 2,367,500</u>	<u>\$ 2,119,440</u>

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In 2010, three Chapter 8 drainage districts issued bonds for approved petition projects through the MFA, Local Government Loan Program Revenue Bonds, Series 2010D. The Cook and Gladding Drainage District issued \$2.5 million and the Winslow Drainage District issued \$0.6 million. The two bond issues are due serially through June 2030 at interest rates ranging from 3.0 to 5.0 percent. The Wolfe Drainage District issued \$0.2 million. The bonds are due serially through June 2020 at interest rates ranging from 3.0 to 4.0 percent. Repayment of the debt is made from special assessments against the properties benefiting from these improvements. The County has secondarily pledged its full faith and credit for repayment, subject to certain limitations.

During 2012, two Chapter 8 Drainage Districts issued promissory notes to borrow funds to construct major improvements to the specified Drains. The Lateral 94 Drain Drainage District issued Series 2011, Lateral 94 Drain Bonds in the amount of \$0.8 million to be repaid with annual payments scheduled through 2022. The Henry Drain Drainage District borrowed \$0.2 million by issuing a Note Payable due in annual installments until maturity in June 2022. Repayment of this debt will be made from social assessment against the properties benefiting from these improvements and is guaranteed by the full faith credit of the individual Drainage District.

Further information regarding Airport Authority debt is presented in its separately issued report.

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

	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 3,680	\$ 3,399	\$ 2,580	\$ 1,588	\$ 85,870	\$ 86,174
2016	4,075	3,208	3,690	1,499	89,830	82,873
2017	4,405	2,999	3,790	1,406	92,440	78,309
2018	4,675	2,774	3,890	1,311	88,640	73,772
2019	4,685	2,541	3,990	1,216	92,745	69,298
2020-2024	23,575	9,207	19,317	4,617	492,850	275,597
2025-2029	15,015	3,769	19,726	2,113	559,505	184,046
2030-2034	3,005	2,214	5,799	207	366,620	99,791
2035-2039	4,575	1,238	-	-	162,185	37,697
2040-2044	1,865	140	-	-	80,315	11,367
2045	-	-	-	-	8,440	211
	\$ 69,555	\$ 31,489	\$ 62,782	\$ 13,957	\$ 2,119,440	\$ 999,135

Delinquent Tax Notes. The County issues delinquent tax notes in connection with the purchase of delinquent property taxes. The final payment on the Series 2012 delinquent tax notes was made in September 2014. The 2012 delinquent tax collections are pledged as collateral for the repayment of the outstanding Series 2013 delinquent tax notes of \$264 million issued in June and November 2013. The 2013 delinquent tax collections are pledged as collateral for the repayment of the outstanding Series 2014 delinquent tax notes of \$247 million issued in May and June 2014. All of the delinquent tax collections pledged for each issuance are required to be used toward repayment of the notes. Interest paid in fiscal 2014, on Series 2012, 2013 and 2014 notes, was \$1.2, \$4.0 and \$2.4 million, respectively.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
Governmental activities				
2013 delinquent tax notes	2015	3.69%	\$ 25,000	\$ 4,423
2013 delinquent tax notes	2016	2.0 - 2.5%	35,000	19,250
2013 delinquent tax notes	2016	2.83%	60,000	10,184
2013 delinquent tax notes	2016	3.69%	20,000	3,511
2013 delinquent tax notes	2016	2.75 - 3.75%	44,000	31,000
2014 delinquent tax notes	2016	3.69%	20,000	11,000
2014 delinquent tax notes	2017	3.75%	20,000	16,451
2014 delinquent tax notes	2017	2.25 - 4.1%	50,000	50,000
2014 delinquent tax notes	2017	3.75%	20,000	16,454
2014 delinquent tax notes	2017	4.25%	57,000	57,000
2014 delinquent tax notes	2017	2%	100,000	83,040
			<u>\$ 451,000</u>	<u>\$ 302,313</u>

Annual debt service requirements to maturity for delinquent tax and other notes are as follows:

	Governmental Activities	
	Principal	Interest
2015	\$ 66,600	\$ 8,516
2016	87,668	5,494
2017	148,045	949
	<u>\$ 302,313</u>	<u>\$ 14,959</u>

Changes in long-term debt activity for the year ended September 30, 2014 were as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities					
General obligation bonds	\$ 346,055	\$ -	\$ (17,752)	\$ 328,303	\$ 19,002
Revenue bonds	72,965	-	(3,410)	69,555	3,680
Delinquent tax notes	254,687	291,000	(243,374)	302,313	66,600
Capital leases and notes payable	3,928	-	(1,275)	2,653	1,325
Workers compensation self insurance	5,877	1,009	(1,613)	5,273	1,423
Claims and judgments	12,446	20,487	(11,478)	21,455	3,525
Compensated absences	26,278	23,745	(26,278)	23,745	17,858
Deferred amounts:					
For issuance premiums	6,941	-	(551)	6,390	551
For issuance discounts	(252)	24	-	(228)	(24)
	<u>\$ 728,925</u>	<u>\$ 336,265</u>	<u>\$ (305,731)</u>	<u>\$ 759,459</u>	<u>\$ 113,940</u>
Business-type activities					
General obligation bonds	\$ 108,175	\$ -	\$ (18,562)	\$ 89,613	\$ 18,272
Revenue bonds	55,917	9,960	(3,095)	62,782	2,580
Compensated absences	338	228	(338)	228	228
Deferred amounts -					
For issuance premiums	822	-	(59)	763	58
	<u>\$ 165,252</u>	<u>\$ 10,188</u>	<u>\$ (22,054)</u>	<u>\$ 153,386</u>	<u>\$ 21,138</u>

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Notes to Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Component Units</u>					
Airport Authority					
Revenue bonds	\$ 2,070,180	\$ 518,925	\$ (472,960)	\$ 2,116,145	\$ 85,615
Purchase contracts	5,273	-	(818)	4,455	775
General obligation bonds	106,960	-	(3,145)	103,815	1,935
Notes payable	122	-	(19)	103	19
Other accrued liabilities	11,571	550	(2,432)	9,689	1,755
Deferred amounts:					
For issuance premiums	60,323	5,986	(6,369)	59,940	-
For issuance discounts	(1,459)	123	-	(1,336)	-
	\$ 2,252,970	\$ 525,584	\$ (485,743)	\$ 2,292,811	\$ 90,099
Nonmajor component units					
Drain bonds and notes	\$ 7,268	\$ 2,681	\$ (492)	\$ 9,457	\$ 732
Drain revenue bonds	3,555	-	(260)	3,295	255
Other liabilities	370	-	(21)	349	24
Compensated absences	63	29	(63)	29	29
	\$ 11,256	\$ 2,710	\$ (836)	\$ 13,130	\$ 1,040

Claims and judgments represent actions that have been asserted, are probable of loss, and estimable. The amount of probable loss has been determined through court orders, judgments, or annual estimates by the County's Corporation Counsel. Claims and assessments that are not probable of loss or are not estimable are discussed in Note 14, *Commitments and Contingencies*.

Payments on the general obligation bonds that pertain to the County's governmental activities are made by the debt service funds, except for the delinquent tax notes, which are repaid directly from the Delinquent Tax Revolving Fund, an enterprise fund. The liability for compensated absences, net pension obligation and net other postemployment benefit obligation for governmental activities are liquidated by the respective funds when paid. Changes in the net pension and other postemployment benefit obligations are disclosed in notes 15 and 16, respectively.

11. RISK MANAGEMENT

The County is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

The County is self-insured for workers' compensation, certain health and disability benefits, and other claims, litigation, and assessments. Accruals for claims, litigation, and assessments are recorded in the government-wide and proprietary fund financial statements. These accruals are recorded in the fund financial statements, within the governmental funds, when the amounts are due and payable at year-end. All other amounts are recorded in the government-wide financial statements when probable of loss and estimable in amount.

Health insurance and workers' compensation claims that are probable of loss and estimable in amount are included in the government-wide, proprietary and fiduciary fund financial statements. Other claims consist of property damage and minor auto damage claims. The amount of claims liability is based on analyses performed by outside consultants and includes an estimate of incurred claims that have not yet been reported. The County purchases commercial insurance for claims in excess of coverage provided by the internal service funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

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Notes to Financial Statements

A reconciliation of the County's self-insured claims liability (in thousands) at September 30, 2014 follows:

	Workers' Compensation	Hospitalization Insurance	Long-term Disability	Other Claims	Total
Estimated liability, September 30, 2012	\$ 7,276	\$ 2,971	\$ 331	\$ 250	\$ 10,828
Claims and changes in estimates	(303)	74,674	815	61	75,247
Claim payments	(1,096)	(75,744)	(815)	(311)	(77,966)
Estimated liability, September 30, 2013	5,877	1,901	331	-	8,109
Claims and changes in estimates	1,009	60,198	829	231	62,267
Claim payments	(1,613)	(60,361)	(829)	(231)	(63,034)
Estimated liability, September 30, 2014	<u>\$ 5,273</u>	<u>\$ 1,738</u>	<u>\$ 331</u>	<u>\$ -</u>	<u>\$ 7,342</u>

The liability for workers' compensation claims includes an estimate of loss and allocated loss adjustment expenses (ALAE). The estimate of loss is based on historical loss runs for the workers' compensation program through September 30, 2014. ALAE represents the cost of legal fees, expert testimony, medical examinations, and the like that are associated with the defense and settlement of particular claims. Unallocated loss adjustment expenses are not included in the estimate.

A discount rate of 1.5 percent was used to determine the present value of unpaid workers' compensation claims.

12. PROPERTY TAXES

County Tax Levy

The County general operating property tax (established by Charter) is levied each July 1 (lien date). County taxes are receivable beginning on the July 1 levy date and become delinquent on March 1 of the following year. Other ad valorem and statutory property taxes are levied on December 1.

Pursuant to the County Charter and State law, the County has levied an ad valorem property tax against the taxable value (TV), based on property values determined by local assessors in the several townships and cities as of the preceding December 31. Real and personal property in Wayne County for the July 1, 2013 and December 1, 2013 combined levies was equalized at \$42.9 billion.

In 1994, Michigan voters approved Proposal A, which limits future annual increases in assessed values to the lesser of 5 percent or the rate of inflation, with assessed value reverting to 50 percent of true cash value when the property is sold. Beginning in 1995, taxable property had two valuations: State equalized value (SEV) and TV, with property taxes calculated upon the TV of real and personal property. Generally, TV is the lesser of (a) the TV of the property in the immediately preceding year, adjusted for losses, multiplied by the lesser of the inflation rate or 5 percent, plus additions, or (b) the property's current SEV. Therefore, TV of a property may be different from the same property's SEV. The December 2013 ad valorem and statutory levies were equal to the millage rate times the 2013 taxable value of \$40.9 billion. The July 2014 general operating levy was the millage rate times the 2014 taxable value of \$40.0 billion.

By statute, the County's ad valorem property tax rate may not exceed 10.0 mills, plus any additional millage authorized by statute and approved by the voters of the County. The County Charter, as approved by the electorate on November 3, 1981, established 6.07 mills to be the maximum rate for general operating purposes.

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In 1988, the voters of Wayne County approved an additional 1 mill (jail millage) to be levied through December 1, 1997, to acquire, construct, and/or operate jail, misdemeanor, juvenile incarceration or detention facilities; and to provide adult-penalty options such as work release, home detention, and community restitution, with at least one-tenth of a mill set aside to acquire, build, and operate a juvenile offender work/training institution. In 1998, the Wayne County electorate voted to continue the one mill for the years 1998 through 2001. In 2002, the Wayne County electorate again voted to continue this one additional mill (as reduced by the Headlee requirements of the Michigan Constitution) for the years 2012 through 2021.

In 1990, the voters of Wayne County approved an additional 1 mill, to be levied through December 1, 1999, for general operating purposes. In 2000, the Wayne County electorate voted to continue the additional one mill (as reduced by the Headlee requirements of the Michigan Constitution) for the years 2000 through 2009. In 2009, the voters renewed the additional one mill for the years 2009 through 2019.

In 1996, the voters of Wayne County approved an additional quarter-mill to be levied through December 1, 2000, to fund operations and major improvements in the Wayne County Parks System and historic Fort Wayne. In 2000, the Wayne County electorate voted to continue the additional quarter-mill (as reduced by the Headlee requirements of the Michigan Constitution) for the years 2001 through 2010. In 2010, the voters renewed the additional quarter-mill to be levied through 2015.

The 1976 Headlee Amendment (Michigan Constitution, Article IX) provides that the total County ad valorem property tax levy is subject to reduction in any year in which the increase in assessed (or taxable) values on existing properties exceeds the Consumer Price Index. As a result of the Headlee Amendment, the December 1, 2013 and July 1, 2014 tax rates, per \$1,000 of Valuation, were:

Charter (Statutory)	5.6483
Public safety (jail millage)	0.9381
Extra voted (additional general)	0.9529
County parks	0.2459
Soldiers relief (veteran's relief)	<u>0.0368</u>
	<u><u>7.8220</u></u>

Delinquent Tax Revolving Fund

The Wayne County Treasurer (Treasurer) is required by the General Property Tax Law, Act 206 of 1983, as amended, to collect delinquent real property taxes levied by all local units of government within the County. Public Act 123 of 1999 (the Act) amended the General Property Tax Law to subject property on which taxes have become delinquent to expedited forfeiture, foreclosure, and sale over a two-year period. All property returned for delinquent taxes, and upon which taxes, interest, penalties, and fees remain unpaid after the property is returned as delinquent to the Treasurer, is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes. The Act reformed the tax reversion process by shortening it to two years and amending the May tax sale process. The Act also established the primary responsibility for administration with the Treasurer.

In addition, under the Act, the Treasurer pays the local governmental unit's treasurer in full for delinquent real property taxes owed according to the delinquent tax roll "returned" to the Treasurer. Taxes eligible for payment include all delinquent taxes, except taxes on personal property, due and payable to the taxing authorities in the County. The Treasurer is then responsible for the collection of all outstanding delinquent taxes, due to the County, local school district, intermediate school district, community college district, city, township, special assessment district, or any other taxing authority. The County retains all interest and penalties generated by the delinquent taxes to offset its tax collection costs.

Effective March 1, 2004, payment of delinquent real property taxes for the City of Detroit changed pursuant to Michigan Public Act 246. This act required the City of Detroit to become a part of the uniform state property tax collection process, and changed the Treasurer's responsibility to include collection of delinquent City of Detroit real property taxes.

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Notes to Financial Statements

The General Property Tax Law authorized the Treasurer to establish a Delinquent Tax Revolving Fund, an enterprise fund, to buy any or all delinquent real property taxes and special assessments owed to the County and taxing authorities in the county. The assets of the Delinquent Tax Revolving Fund, including delinquent property taxes receivable, amounting to \$537.7 million at September 30, 2014, are pledged as collateral for payment of the general obligation limited tax notes (see chart below). Proceeds of the notes are used to liquidate amounts due to the County's General Fund, other County funds, the communities, and other governmental agencies for the purchase of the delinquent real property taxes receivable. Debt service on the notes is funded by subsequent collections on delinquent taxes, plus interest and collection fees thereon, and by investment earnings.

Amounts remaining from the 2011 and prior Delinquent Tax Funds at September 30, 2014 are no longer required for debt service or administration. A portion of the excess earnings (surpluses) relating to these funds are periodically transferred to the County's General Fund. During 2014, a \$91.6 million transfer was made to the General Fund.

Real property taxes not collected within two years after the sale of the related general obligation limited tax notes are charged back to the appropriate taxing authorities (including the County's General Fund). For the fiscal year ended September 30, 2014, approximately \$14.6 million of delinquent taxes receivable, net of related tax sales auction proceeds, were reflected as a reduction of property tax revenues in the County's General Fund. At September 30, 2014, two years of the County's delinquent real property taxes receivable are recorded in the Delinquent Tax Revolving Fund.

13. MAJOR CUSTOMER - AIRPORT AUTHORITY COMPONENT UNIT

Delta Airlines, Inc. (Delta) accounts for approximately 30 percent of total Airport Authority operating revenues for the year ended September 30, 2014, including 50 percent of landing and related fees, 69 percent of airline rental and related fees, and 83 percent of facility use fees. Approximately 50 percent of total 2014 enplanements are attributable to Delta's operations. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Airport Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Airport Authority. The Airport Authority had approximately \$4.4 million in net receivables from Delta at September 30, 2014.

The airlines serving the Airport Authority have been impacted by global events to varying degrees. Delta Airlines filed for bankruptcy reorganization in 2005 (it has since emerged), and American Airlines filed for bankruptcy reorganization in November 2011. During 2008, Delta Airlines completed a merger with Northwest Airlines, which was formerly the primary carrier servicing the Airport Authority. This consolidation has affected Detroit Metropolitan Airport positively as Delta has continued to utilize Detroit as a hub and remains the primary carrier.

It is reasonable to assume that any additional financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport Authority, could have a material adverse effect on the Airport Authority. Any financial or operational difficulties by a Signatory Airline may, whether directly or indirectly, have a material adverse impact on Airport Authority operations.

14. COMMITMENTS AND CONTINGENCIES

Claims, litigation, and assessments asserted against the County, which are probable of loss and estimable in amount, are reflected in the government-wide and proprietary fund financial statements at September 30, 2014. In the governmental fund financial statements, liabilities are accrued when costs are settled and the amount is due and payable.

The County receives funds from other governmental units to finance County operations and certain grant projects. These amounts received or receivable are subject to audit and adjustment, based on compliance with applicable agreements and other regulatory requirements. Any disallowed amounts, including those already collected, may constitute a liability of the applicable fund. The amount, if any, that may be disallowed by grantors or other governmental units cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The County is a defendant in a number of other lawsuits, a party in other disputes, and subject to claims and property tax appeals, and other potential liabilities that have resulted from its activities in providing services to the citizens of Wayne County. The ultimate unrecorded effect on the County's financial statements of the resolution of these various matters is, in the opinion of management, not expected to be material.

Litigation Matters

Wayne County - Retiree Health Litigation

On December 18, 2009, a lawsuit was filed against the County which is based on a dispute concerning changes to retiree health care coverage plans, which resulted in increased cost sharing for the retirees. On October 6, 2010, the action was certified as a class action lawsuit. The plaintiffs' claim that the County's actions are a breach of certain contractual obligations that protect the plaintiffs from increases in cost sharing. A trial date has not been set and the County's exposure is not estimable at this time. The County intends to vigorously defend this action.

Wayne County - Retirement Inflation Equity Fund Litigation

On November 8, 2010, the Wayne County Retirement Commission and Wayne County Employees Retirement System ("the Plaintiffs") filed a complaint in Wayne County Circuit Court seeking mandamus and declaratory and injunctive relief to enjoin the enforcement of amendments made to the County's Retirement Ordinance. The Plaintiffs' claimed that the Retirement Ordinance amendments violated Article 9: Section 24 of the 1963 Michigan Constitution because it unlawfully diminished or impaired accrued financial benefits, and that the amendments violated the Public Employee Retirement System Investment Act, MCL 38.1132 et. seq, in being contrary to the "Exclusive Benefit" rule and the "Prohibited Transaction" rule. Plaintiffs sought specifically to invalidate the transfer of approximately \$32 million from the "Inflation Equity Fund" ("IEF" the reserve from which 13th checks were paid) to the County's defined benefit plans and the credit of that \$32 million to the County's fiscal year 2010-2011 defined benefit plan contribution. Plaintiffs also sought to invalidate limitations on the size of the IEF and annual distribution amounts.

The trial court, in an opinion and order dated September 29, 2011, granted summary disposition in favor of the County and dismissed all of the Plaintiffs' claims. Plaintiffs appealed, and on May 9, 2013, in a published decision, affirmed in part and reversed in part the trial court's order. The Court of Appeals affirmed the trial court's determination that the 13th check was not an accrued financial benefit and the Ordinance did not violate Article 9, Section 24 of the Michigan Constitution. The court also upheld the Ordinance annual distribution limits and, prospectively, the total IEF reserve limitation. The Court reversed trial court's determination with respect to the transfer from the IEF to the defined benefit plan and the County's credit to its fiscal year 2010-2011 defined benefit plan contribution, finding that both the transfer and credit violated the Exclusive Benefit and Prohibited Transaction rules.

The Michigan Supreme Court, in an opinion and order dated December 14, 2014, affirmed the Michigan Court of Appeals' decision, that the transfer of funds from the IEF to the defined benefit plan, coupled with an offset to the County's required pension contribution, violated the Exclusive Benefit Rule and Prohibited Transaction Rule. The Supreme Court also vacated other parts of the Court of Appeals decision, including its conclusion that the transfer of the funds from the IEF to the defined benefit plan violated the Exclusive Benefit Rule and the Prohibited Transaction Rule without a corresponding offset to the County's required pension contribution. The Supreme Court remanded the lawsuit back to Wayne County Circuit Court. Orders to reinstate the lawsuit and set a special conference for April 1, 2015 were entered on February 23, 2015. The principal amount of the claim is \$32.2 million, exclusive of interest.

Wayne County Building Authority - Consolidated Jail Project

A Memorandum of Understanding (MOU) was signed on December 5, 2013 between Wayne County, the Wayne County Building Authority and Rock Ventures, LLC for the proposed development and disposition of the Justice Property, including the partially constructed jail parcel, Frank Murphy Hall of Justice, the Juvenile Detention Facility and the two downtown jails for \$50 million; \$20 million for the jail parcel and \$30 million in the aggregate for the balance of the Justice Property. The provisions of the MOU were non-binding and allowed for the parties to have a period of 180 days to assess the viability and desirability of proceeding with the transactions contemplated by the MOU. The execution of the purchase agreement was contingent on the County obtaining an acceptable development and use agreement regarding the development of the State of Michigan's vacant correctional facility located on Mound Road in Detroit, Michigan.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

As of the date of issuance of this report, both parties have fully performed the terms of the MOU. Rock Ventures has completed its due diligence and the County has neither solicited nor negotiated with a third party for the development of the Justice Property. The County was in negotiations with the State of Michigan regarding development at the Mound Correctional Facility. In the fall of 2014, the Wayne County Commission passed a resolution that the County would not proceed with any further negotiations with the State of Michigan regarding development at the Mound Correctional Facility.

If the County enters into any binding agreement for the sale of the Justice Property prior to December 31, 2015, the County must reimburse Rock Ventures for actual costs up to \$500,000 for any due diligence they may have conducted on the Justice Property.

Component Units - Airport Authority

The Airport Authority is a defendant in a number of lawsuits and claims that have resulted from the ordinary course of providing services. The ultimate effect on the Authority's financial statements of the resolution of these matters is, in the opinion of the Authority's counsel, not expected to be material.

Environmental Matters

Wayne County - Governmental Activities

Environmental accruals are recorded when it is both probable that a liability has been incurred and the amount of the liability is reasonably estimable, based on current law and existing technologies. The County is a party to disputes and negotiations regarding potentially hazardous sites within Wayne County. A liability for such matters has not been recognized at September 30, 2014, as the County expects its obligation, if any, to be immaterial.

Component Units - Airport Authority

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. At September 30, 2014, the Airport Authority had accrued obligations of \$4.9 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however, these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. In accordance with GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the liability has been recorded at the current value estimated using the expected cash flow technique, a probability-weighted approach. Thirty six percent of the recorded environmental liability is related to a consent decree and judgment issued during 1994 that identifies the Airport Authority as one of the 14 responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). Most of the remaining liability is for asbestos remediation estimates. Further information relating to the Airport Authority's environmental matters are disclosed in the Airport Authority's comprehensive annual financial report.

15. PENSION PLANS

Wayne County Employees' Retirement System

Plan Description

The County provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system, which is governed by the Wayne County Retirement Ordinance, as amended. The Retirement System provides five defined benefit retirement options, four of which are contributory (together, the Defined Benefit Plan) and a Defined Contribution Plan. The Retirement System provides retirement, survivor, and disability benefits to substantially all County and Airport Authority employees. In addition, the County's Retirement Board of Commissioners administers the Wayne County Circuit Court Commissioners Bailiffs' Retirement System, a defined benefit plan. The Retirement Board issues separate financial statements, annually. Copies of financial statements for each plan can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Defined Benefit Plan (Plan Option 1, Plan Option 2, Plan Option 3, and a component of Plan Option 5 and Plan Option 6, or collectively “the Plan”) and the Defined Contribution Plan (Plan Option 4 and a component of Plan Option 5 and Plan Option 6) have been combined for presentation in the financial statements. Participant statistics include the primary government as well as the Airport Authority.

In 1983, the County closed Plan Option 1 of the WCERS to new hires, and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant. At September 30, 2013, the date of the most recent actuarial valuation, combined membership in the Plan consisted of 5,494 retirees and beneficiaries receiving benefits, 138 inactive (separated) employees entitled to benefits but not yet receiving them, and 2,421 current active employees.

Effective October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 (“Plan Option 5”), which contains both defined benefit and defined contribution components. Participants in the Defined Benefit Plan options previously in existence (Plan Option 1, Plan Option 2, and Plan Option 3) could elect to transfer their account balances to Plan Option 5 if authorized during specific time periods noted within collective bargaining agreements. New employees could elect to participate in Plan Option 4 through September 30, 2001.

Effective October 1, 2008, WCERS established the Wayne County Hybrid Retirement Plan # 6 (“Plan Option 6”), which contains both defined benefit and defined contribution components. A defined contribution provision of this plan is voluntary for the member and 0 percent for the employer. Plan Option 6 is available only upon transfer from Plan Option 5, if authorized during specific time periods noted within collective bargaining agreements.

Effective October 1, 2001, only Plan Option 5 is available to new employees, except for new executives and legislative benefit plan members, who may continue to elect participation in Plan Option 4; Plan Options 1, 2, and 3 are closed to new hires. Because there is no legal requirement to segregate the assets relating to Plan Options 1, 2, 3, 5 or 6 in paying benefits, the financial statements of the defined benefit plan include the net position and changes in net position relating to Plan Options 1, 2, and 3, as well as the defined benefit components in Plan Options 5 and 6. The defined contribution portion of Plan Options 5 and 6 are included in the financial statements of the Defined Contribution Plan (Plan Option 4).

Pension Benefits

Benefits are paid monthly over the member’s or survivor’s lifetime, after meeting normal retirement or duty disability retirement requirements, which vary by Plan option. Benefits are established and may be amended by changes in collective bargaining agreements, or modification to the Retirement Ordinance. Pension benefits paid are based on the following percentages of average final compensation, for each year of credited service:

Plan Option 1 - Depending on the applicable collective bargaining agreement, either (a) 2.65 percent for each year, (b) 2.5 percent for each year, or (c) 2.0 percent for each year up to 20 years and 2.5 percent for each year over 20 years. Maximum County-financed portion is 75 percent of average final compensation. Minimum monthly pension is \$5 per month, multiplied by the number of years of service.

Plan Option 2 - 1 percent for each year up to 20 years, and 1.25 percent for each year over 20 years. Maximum County-financed portion is 75 percent of average final compensation.

Plan Option 3 - Depending on the applicable collective bargaining agreement, either (a) 2.0 percent for each year up to 20 years, 2.5 percent for each year between 20 and 25 years, and 3.0 percent for each year over 25 years, or (b) 1.5 percent for each year up to 20 years, 2.0 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years, or (c) 2.5 percent for all years of credited service contingent upon payment of \$500 per year for each year up to 20 years. Maximum County-financed portion is 75 percent of average final compensation.

Plan Option 5 - Depending on the applicable collective bargaining agreement, either (a) 2.0 percent per year for each year of credited service, or (b) 1.25 percent for each year up to 20 years, and 1.5 percent for each year over 20 years. Maximum County-financed portion is 75 percent of average final compensation.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Plan Option 6 - 2.5 percent per year for each year of credited service. Maximum County-financed portion is 75 percent of average final compensation.

Death and Disability Benefits - The Plan also provides non-duty death and disability benefits to members after ten years of credited service for Plan Option 1, 2, 5, and 6 along with, non-duty death benefits for Plan Option 3. The ten-year service provision is waived for duty disability and death benefits.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative expenses are financed through investment earnings.

The County's policy, in accordance with State statute, is to fund pension costs. Accrued unfunded actuarial liabilities, if any, are amortized over a period not to exceed 30 years.

Methods Used to Value Investments

The Retirement Board of Commissioners has authority to invest the Plan's assets in common and preferred stock; obligations of the United States, its agencies, or U.S. government sponsored enterprises; obligations of any state or political subdivision of a state having the power to levy taxes, banker's acceptances, certificates of deposits; commercial paper; repurchase agreements; reverse repurchase agreements; real and personal property; mortgages; and certain other investments.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Fixed debt quotations are provided by a national brokerage pricing service. Real estate values are determined on the basis of comparable yields available in the marketplace. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Retirement Commission, with the assistance of a valuation service.

Many of the Plan's investments in partnerships and real estate investment trusts are invested in assets which do not have exchange quotations that are readily available. Such assets are valued initially at cost, with subsequent adjustments to values that reflect meaningful third-party transactions, or to fair value determined by the general partners or management of the partnerships and trusts. Factors considered in valuing these individual securities may include, but are not limited to, the purchase price, changes in the financial condition and prospects of the issuer, calculations of the total enterprise value using discounted cash flow projections, trading comparables of securities of comparable companies engaged in similar businesses, estimates of liquidations value, the existence of restrictions on transferability, prices received in recent significant placements of securities of the same issuer, and other analytical data relating to the investment. There are inherent limitations in any estimation technique. Because of the inherent uncertainty of valuations, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

The Plan did not hold any individual investments, other than investments in registered investment companies or investments issued or guaranteed by the U.S. government that exceeded five percent of total assets as of September 30, 2014.

Contributions

The Plan's basic benefits, as provided for in the Pension Ordinance and various collective bargaining agreements or benefit plans (i.e., coverage groups), are funded by contributions from the County and active members, as specified by the plan option selected, and by the investment income earned on the Plan's assets.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Participants in Plan Option 1 contribute 2.0 to 6.58 percent of annual compensation, depending on years of credited service. The Sheriff's Command Officers and Deputies contribute 5.0 percent of annual compensation. Participants in Plan Option 2 do not make plan contributions but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation. Participants in Plan Option 5 contribute from zero to 5.0 percent of annual compensation, depending on the employee's coverage group. Participants in Plan Option 6 contribute 4.0 percent of annual compensation.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units. The ability to amend the Plans rests with the Wayne County Board of Commissioners.

Annual Pension Cost

For the fiscal year ended September 30, 2014, the County's annual pension cost was \$69.5 million and \$71.4 million was contributed. The annual required contribution was determined using an actuarial valuation of the Plan dated September 30, 2011, (using an entry age normal actuarial cost method) determined as a level percentage of payroll. The County has agreed to voluntarily contribute such additional amounts as necessary to provide assets sufficient to meet the benefits to be paid to Plan members. The significant actuarial assumptions used to compute the contribution requirements include a rate of return on the investment of present and future assets of 7.75 percent compounded annually, wage inflation of 3.5 percent, and projected salary increases of 3.5 to 9.05 percent compounded annually. The following table shows (in thousands) the County's annual pension cost, the amount contributed to the plan, and changes in the County's net pension obligation.

Annual required contribution	\$	68,772
Interest on net pension obligation		1,581
Adjustment to annual required contribution		<u>(816)</u>
Net pension cost		69,537
Contributions made		<u>(71,466)</u>
Increase in net pension obligation		(1,929)
Net pension obligation, beginning of year		<u>20,394</u>
Net pension obligation, end of year	\$	<u><u>18,465</u></u>

Contributions in the amount of \$71.4 million (as reported above) do not include contributions of \$8.7 million made by the Mental Health Authority in March 2014, which were accrued in the former Mental Health Fund in fiscal 2013, but the Wayne County Employees' Retirement System fund did not recognize the contribution until year 2014.

Changes in the net pension obligation for the year ended September 30, 2014 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Primary Government</u>				
Governmental activities	\$ 20,349	\$ -	\$ (1,926)	\$ 18,423
<u>Component Units</u>				
Nonmajor component unit	<u>45</u>	<u>-</u>	<u>(3)</u>	<u>42</u>
	<u>\$ 20,394</u>	<u>\$ -</u>	<u>\$ (1,929)</u>	<u>\$ 18,465</u>

The Wayne County Airport Authority contributed an additional \$2.7 million for the year ended September 30, 2014 to help fund incentives and enhancements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The following represents the County's annual pension costs for the last three years:

Three-Year Trend Information (Dollar amounts in thousands)						
Fiscal Year Ended September 30,	Annual Pension Cost	Annual Pension Cost Contributed	Transfers from the Inflation Equity Reserve	Percentage of Annual Pension Cost Contributed	Net Pension Obligation	
2012	\$ 52,046	\$ 47,676	\$ 6,352	100%	\$	30,608
2013	67,390	77,604	-	102%		20,394
2014	69,537	71,466	-	103%		18,465

As of September 30, 2014, the Plan's reserves are as follows (in thousands):

Reserve for employee contributions	\$ 127,684
Reserve for employer contributions (deficit)	(456,812)
Reserve for pension payments	1,141,490
Reserve for inflation equity	2,258
Total reserve balances	\$ 814,620

Funded Status/Funding Progress

The Plan's funded status as of September 30, 2013, the most recent actuarial valuation date, is as follows (in millions):

Actuarial value of assets	\$ 748.5
Actuarial accrued liability - entry age	1,659.0
Unfunded actuarial accrued liability	\$ 910.5
Funded ratio	45.1%
Annual covered payroll	\$ 269.9
Unfunded actuarial accrued liability as a percentage of covered payroll	337.3%

The schedule of funding progress, which is presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of the Plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additional information as of the latest valuation is as follows:

Valuation date		September 30, 2013
Actuarial cost method		Entry age normal
Amortization method	County	Level percent of payroll
	WCAA	Level dollar
Remaining amortization period		26 years closed
Assets valuation method		4-year smoothed market

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Actuarial assumptions:

Investment rate of return	County / WCAA	7.75 percent (includes wage inflation at 3.5 percent)
	DWMHA	3.73%
Projected salary increases	County / WCAA	3.5-9.05 percent (includes wage inflation at 3.5 percent)
	DWMHA	0.00% (frozen accrued benefits)
Cost of living adjustments		Not applicable

Factors that significantly affect the identification of trends in the amounts reported include, for example, changes in benefit provisions, the size or composition of the population covered by the Plan, or the actuarial methods and assumptions used.

Net pension liability (under GASB Statement No. 67)

The components of the net pension liability of the County at September 30, 2014 are as follows (in thousands):

Total pension liability	\$ 1,660,416
Plan fiduciary net position	<u>(814,620)</u>
County's net pension liability	<u><u>\$ 845,796</u></u>

Plan fiduciary net position as a percentage of the total pension liability	49.06%
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Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of September 30, 2013 (and rolled forward to September 30, 2014), using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.5 percent
Salary increases	3.5-8.8 percent, average, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Combined Healthy Mortality Table projected 20 years

The actuarial assumptions used in the September 30, 2013 valuation were based on the results of an actuarial experience study for the period October 1, 2005 through September 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 (see the discussion of the Plan's investment allocation policy) are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equities	7.5%
International equities	8.5%
Domestic bonds	2.5%
International bonds	3.5%
Real estate	4.5%

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Discount rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.75 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate (in thousands):

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
County's net pension liability	\$ 1,006,264	\$ 845,796	\$ 708,568

Wayne County Circuit Court Commissioners Bailiffs' Retirement System

Plan Description

The Wayne County Circuit Court Commissioners Bailiffs' Retirement System (Bailiffs' Retirement System) is a single-employer defined benefit public employee retirement plan (the Plan) governed by the WCERS and created under the County of Wayne's Enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Bailiffs' Retirement System is established by the County to provide retirement, survivor, and disability benefits to the County's Circuit Court Commissioners Bailiffs Unit employees. The ability to modify or amend the Plan rests with the Wayne County Board of Commissioners.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative expenses are financed through investment earnings.

Methods Used to Value Investments

The Retirement Board of Commissioners has authority to invest the Plan's assets in common and preferred stock; obligations of the United States, its agencies, or U.S. government sponsored enterprises; obligations of any state or political subdivision of a state having the power to levy taxes; banker's acceptances; certificates of deposits; commercial paper, repurchase agreements; reverse repurchase agreements; real and personal property; mortgages; and certain other investments.

Market values for common stocks and money market funds are based on September 30, 2014, closing market quotations. Fixed debt quotations are provided by a national brokerage pricing service. Investments that do not have established market values are reported at estimated fair value.

The Plan did not hold any individual investments, other than those in registered investment companies or investments issued or guaranteed by the U.S. government that exceeded five percent of total assets as of September 30, 2014.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Contributions

The Plan's basic benefits are funded by contributions from the State of Michigan through prior agreement, by active members, process service fees and by investment income earned on plan assets. The Plan members contribute 3.0 percent of the first \$4,200 of annual compensation plus 5.0 percent of annual compensation in excess of \$4,200. On behalf payments of fringe benefits and salaries for County employees were recognized as revenue and expense during the fiscal year.

The funding policy provides for periodic contributions based upon a fundamental financial objective of having rates of contribution that remain relatively level from generation to generation. To determine the employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, the Plan has actuarial valuations prepared annually. In preparing those valuations, the entry age actuarial cost method is used to determine normal cost and actuarial accrued liabilities.

Pension Benefits

Employees with 25 years of service and having attained age 50, as well as employees with five years of service and having attained age 60, are entitled to annual pension benefits upon reaching the applicable retirement age. There is no mandatory retirement age. Pension benefits are calculated as total years of service multiplied by 2.0 percent of average final compensation. The maximum portion financed by the WCERS is 75 percent of average final compensation.

There were three active participants in the Plan for 2014 (all of whom were vested), and five retirees and beneficiaries receiving benefits.

Reserves - Circuit Court (in thousands)

As of September 30, 2014, the Plan's reserve balances are as follows:

Reserve for employee contributions	\$ 1,135
Reserve for employer contributions	3,407
Reserve for pension payments	690
Reserve for inflation equity	68
Unallocated net position	<u>435</u>
Total reserve balances	<u><u>\$ 5,735</u></u>

Annual Pension Cost

For the fiscal year ended September 30, 2014, there were no required contributions or actual contributions made by the County. The annual pension cost of \$36,698 was equal to the actual contributions provided by the State of Michigan. The annual required contribution was determined using an actuarial valuation of the Plan as of September 30, 2013. Contributions were determined using an entry age actuarial cost method. The Plan is fully funded.

Three-Year Trend Information (In thousands)

Fiscal Year Ended September 30,	Annual Pension Cost	Actual Contributed	Percentage of Annual Pension Cost Contributed
2012	\$ -	\$ 36,820	-
2013	-	34,160	-
2014	-	36,698	-

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Funded Status/Funding Progress

The Plan's funded status as of September 30, 2013, the most recent actuarial valuation date, is as follows (in thousands):

Actuarial value of assets	\$ 4,688
Actuarial accrued liability - entry age	2,150
Overfunded actuarial accrued liability	\$ 2,538
Funded ratio	218.0%
Annual covered payroll	\$ 294
Overfunded actuarial accrued liability as a percentage of covered payroll	863.3%

The schedule of funding progress, which is presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of the Plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additional information as of September 30, 2013, the latest valuation, is as follows:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	Fully funded
Assets valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.0 percent
Projected salary increases	0.0 percent
Cost of living adjustments	Inflation equity reserve distributions

Factors that significantly affect the identification of trends in the amounts reported include, for example, changes in benefit provisions, the size or composition of the population covered by the Plan, or the actuarial methods and assumptions used.

Net Pension Asset (under GASB Statement No. 67)

The components of the net pension asset of the County at September 30, 2014, are as follows (in thousands):

Total pension liability	\$ 2,164
Plan fiduciary net position	(5,735)
County's net pension asset	\$ (3,571)
Plan fiduciary net position as a percentage of the total pension liability	265.1%

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of September 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Price Inflation	3.5 percent
Salary increases	0.0 percent
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Mortality Table

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 (see the discussion of the Plan's investment allocation policy) are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equities	7.5%
International equities	8.5%
Domestic bonds	2.5%
International bonds	3.5%
Real estate	4.5%

Discount rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
County's net pension asset	\$ 3,470,271	\$ 3,571,255	\$ 3,663,786

Wayne County Employees' Retirement System Defined Contribution Plan

The Wayne County Employees' Retirement System instituted a Defined Contribution Plan, a single employer plan (Plan Option 4 and a component of Plan Option 5 and Plan Option 6) under the County's Enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Plan was established to provide retirement, survivor and disability benefits to County employees. The administration, management and responsibility for the proper operation of the Plan are vested in the trustees of the Wayne County Retirement Board of Commissioners. The ability to modify or amend the Plan rests with the Wayne County Board of Commissioners.

Under Plan Option 4, participants contribute from 1.0 percent up to 4.0 percent of eligible pay, depending on the participant's coverage group. The County makes contributions at a rate ranging from 4.0 percent to 15 percent of eligible pay, depending on the employee's coverage group and years of service. At September 30, 2014, there were 2,083 active employees in the Plan, and 497 participants entitled to receive future benefits. Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

Participants in Plan Option 5 contribute 2.0 to 3.0 percent of eligible gross pay depending upon employee coverage group. The County makes matching contributions at a rate equal to the amount contributed by each employee. Under certain employee coverage groups, employees contribute on a voluntary basis with no employer match, subject to applicable Internal Revenue Service rules and regulations. At September 30, 2014, there were 1,443 active employees in the Plan, three retirees currently receiving benefits, and 300 individuals entitled to future benefits. Employees are vested at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service. All full-time permanent County employees are eligible to join the Plan.

Employees contribute to Plan Option 6 on a voluntary basis, subject to all IRS rules and regulations. The County makes no matching contributions. At September 30, 2014, there were 580 active employees in the Plan and 90 individuals entitled to future benefits. Employees are vested as to employer contributions at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service if they were not previously vested in Plan Option 5 at the time of transfer. Plan Option 6 is only available upon transfer from Plan Option 5, if authorized, during specific time periods noted within collective bargaining agreements.

Total employer and employee contributions for Plan Option 4, 5 and 6, during 2014 were \$15.2 million and \$5.6 million, respectively.

Participants in Plan Option 4 and some participants in Plan Options 5 and 6, depending on applicable collective bargaining agreements, are eligible for a loan from the Plan. Only active employees with a vested account balance of \$2,000 or more are eligible. Interest on a loan is at the prime rate, plus 1%, as reported in the Wall Street Journal.

The Plan uses the accrual basis of accounting, which recognizes revenues as earned and expenses as incurred. Market values for common stock, money market funds and mutual funds are based on September 30, 2014, closing market quotations.

The Plan did not hold any individual investments, other than investments in registered investment companies or investments issued or guaranteed by the U.S. government that exceeded five percent of total assets as of September 30, 2014.

Deferred Compensation Plan

The County has made available to all permanent employees a deferred compensation plan (the Plan) established in accordance with Internal Revenue Code Section 457. The Plan permits participating employees to defer a portion of their salary until future years. Accumulated deferred compensation amounts are not available to employees or their estates until retirement, death, termination of employment or unforeseeable emergency.

All assets of the Plan are (until paid or made available to the participant or beneficiary) held in trust by a third party administrator for the exclusive benefit of the participants and their beneficiaries. The assets are invested in annuity contracts and mutual funds. It is the opinion of the County's Corporation Counsel that the County has no liability for losses under the Plan but does have the fiduciary duty of due care that would be required of an ordinary prudent investor.

In accordance with generally accepted accounting principles, the assets and liabilities of the deferred compensation plan are not included in the County's financial statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

16. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

Plan Description. The County provides other postemployment benefits under a single-employer defined benefit plan. The plan provides hospitalization and other health insurance for Wayne County retirees under the age of 65 and their dependents, pursuant to agreements with various collective bargaining units or other actions of the Wayne County Commission or Wayne County Retirement Board. In addition, the County covers the cost of federal Medicare premiums and supplemental hospitalization for retirees over 65 and their eligible dependents. The County also pays the cost of basic retiree life insurance, up to \$5,000 per employee, on a *pay-as-you-go* basis. Substantially all County employees may become eligible for benefits if they reach normal retirement age while employed by the County. This plan covers all retirees of Wayne County and Wayne County Airport Authority's pre-2002 retirees. The Plan has 3,430 employees in active service and 4,984 retired employees and beneficiaries currently receiving benefits as of September 30, 2014 with the results actuarially rolled back to October 1, 2013 on a "no gain/loss" basis.

In addition, the County pays for health care and insurance benefits for Airport Authority post-2002 retirees. The cost of these benefits is fully reimbursed by the Airport Authority and the County bears no responsibility for these costs. The Airport Authority funds these costs through a separate plan. The plan has 686 members (including 489 Airport Authority employees in active service and 197 retired Airport Authority employees and beneficiaries currently receiving benefits who retired after September 1, 2002).

Funding Policy. These benefits are funded on a pay-as-you-go basis and periodic pre-funding payments as determined by the County. The County paid a total of approximately \$35.9 million for health care and retirees' life insurance benefits for retirees covered under the plan for the fiscal year ended September 30, 2014. There is no required contribution for the plan members.

In September 2008, the Airport Authority created an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental and life insurance coverage and other post employment benefits other than pensions. The Airport Authority began funding the trust and fully implemented GASB Statements No. 43 and No. 45 in September 2008. In September 2012 the Authority transferred these funds into a Municipal Employees Retirement System (MERS) Retiree Health Funding Vehicle, which is held in a separate reserve, but invested on a pooled basis by MERS with other governmental units. The balance as of September 30, 2014 in this restricted plan is \$31,438,200. Non Medicare retirees are required to contribute either 10 percent of the Blue Cross Blue Shield illustrative rate or 10 percent of the lesser of the HAP active and HAP retiree premium. The Airport Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Airport Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust. The schedule of employer contributions for the Airport Authority as of October 1, 2012, which is the date of the most recent actuarial valuation, is presented following the notes to the basic financial statements.

Annual OPEB Costs and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) costs are calculated based on the *annual required contribution* (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standard's Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the component of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

	Wayne County Pre and Post- 2002 Retirees *	Airport Authority Post- 2002 Retirees
Annual required contribution	\$ 77,541	\$ 7,588
Interest on net OPEB obligation (asset)	8,607	(265)
Adjustment to annual required contribution	(8,617)	200
Net OPEB cost	77,531	7,523
Contributions made:		
Payments of current premiums	(35,901)	(1,659)
Advance funding	-	(5,864)
Increase in net OPEB obligation (asset)	41,630	-
Net OPEB obligation (asset), beginning of year	216,571	(3,318)
Net OPEB obligation (asset), end of year	\$ 258,201	\$ (3,318)

* The County and Airport Authority have a contractual agreement whereby the Airport Authority is responsible for 11.25 percent of the unfunded actuarial accrued liability in this plan. This percentage is for the coverage of the pre-2002 Airport Authority retirees.

Changes in the OPEB obligation for the year ended September 30, 2014 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Primary Government				
Governmental activities	\$ 213,876	\$ 40,986	\$ -	\$ 254,862
Business-type activities -				
Downriver Sewage Disposal System	2,354	377	-	2,731
Component Units				
Nonmajor component units	83	67	-	150
Fiduciary Funds	258	200	-	458
	\$ 216,571	\$ 41,630	\$ -	\$ 258,201

None of the amounts are due within one year. The amount shown above for fiduciary funds pertain to the benefits provided to employees of the Employees' Retirement System.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and prior two years were as follows:

Three-Year Trend Information (Dollar amount in thousands)			
Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2012(1)	\$ 86,712	52.1%	\$ 180,993
2013	89,486	60.2%	216,571
2014	77,531	46.3%	258,201

(1) Includes pre-2002 Airport Authority retirees

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

The Airport Authority's OPEB cost for its post-2002 retirees, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for 2014 and two prior years were as follows:

Three-Year Trend Information (Dollar amount in thousands)			
Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Asset
2012	\$ 5,515	126.8%	\$ 3,245
2013	7,296	101.0%	3,318
2014	7,523	100.0%	3,318

Funding Status and Funding Progress

The funded status for the Wayne County plan as of October 1, 2013, the date of the most recent actuarial valuation, was as follows (in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2011	\$ -	\$ 1,531,491	\$ 1,531,491	0.0%	\$ 182,192	840.6%
10/1/2012	-	1,568,535	1,568,535	0.0%	182,908	857.6%
10/1/2013	11,177	1,333,744	1,322,567	0.8%	181,566	728.4%

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

The funded status as of October 1, 2012 for the Wayne County Airport Authority Act 149 Health Care Fund, the date of the most recent actuarial valuation, was as follows (in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/1/2009	\$ 6.6	\$ 65.7	\$ 59.1	10.1%	41.6	142.07%
10/1/2010	10.1	68.2	58.1	14.8%	35.4	164.12%
10/1/2012	18.9	97.7	78.8	19.3%	34.2	230.41%

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

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

In the October 1, 2013 actuarial valuations for the Wayne County plan, the actuarial cost method used was the projected unit credit method with linear proration to decrement. The actuarial assumptions included a 4 percent investment rate of return, which is the rate of the expected long-term investment returns on the plans and a projected 3 percent salary increase. The plan used an annual healthcare cost trend rate of 9 percent initially, reduced to an ultimate rate of 5 percent after eight years, and a general inflation rate of 3 percent. The UAAL for the plan is being amortized on an open basis using the straight-line method (level percent of pay amortized annually) over thirty years. The UAAL for the liabilities allocated to the Detroit Wayne Mental Health Authority is amortized over a level dollar over a sixteen year period.

In the October 1, 2012 actuarial valuation for the Airport Authority's post-2002 plan, the actuarial cost method used was the projected unit credit method. The actuarial assumptions included an 8 percent investment rate of return, which is the rate of the expected long-term investment returns on the plan assets and a projected 3.5 percent salary increase. The plan used an annual healthcare cost trend rate of 7.8 percent initially, reduced to an ultimate rate of 5 percent after ten years. The UAAL for the plan is being amortized on an open basis using the straight-line method (level percent of pay amortized annually) over thirty years.

17. RESTATEMENT OF BEGINNING OF YEAR NET POSITION

During the year, the County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources. It also limits the use of the term "deferred" in financial statement presentation. This implementation resulted in bond issuance costs being recognized as expense in the period incurred.

Prior to this change in accounting principle, the total amount of unamortized bond issuance costs as of September 30, 2013 was \$5.3 million for governmental activities and \$0.6 million for business type activities. The cumulative effect of the write-off of bond issuance costs for the component units was \$13.1 million, which was the net of \$20.5 million bond issuances costs and \$7.4 million of prepaid bond insurance premiums. The write-off of bond issuance costs reduced the net position as though these costs had been expensed as financing fees in the year incurred. As a result of this implementation, the County restated its beginning net position as follows:

	Government-wide Statements		
	Governmental Activities	Business-type Activities	Component Units
Beginning net position at October 1, 2013, as originally reported	\$ 800,849	\$ 316,445	\$ 454,609
Bond issuance cost write-off	(5,286)	(571)	(13,180)
Beginning net position at October 1, 2013, as restated	\$ 795,563	\$ 315,874	\$ 441,429

18. SPECIAL ITEM - DISPOSITION OF MENTAL HEALTH OPERATIONS

Under generally accepted accounting standards, gains or losses on the disposal of operations should be reported as a special item in the period in which the disposal occurs, based on the effective transfer date of operations. On December 14, 2012, the Michigan Legislature approved and the Governor signed Public Acts 375 and 376 of 2012, a Mental Health Authority (MHA) bill. Effective October 1, 2013, the new law transferred management and control of the Detroit Wayne County Mental Health Agency (Mental Health Fund) to the new Authority. Beginning in fiscal year 2014, the Authority was no longer part of the County appropriations.

During the year, the County early adopted the applicable accounting standards and the loss from the disposal of mental health operations has been recorded as a special item in the statement of activities and statement of revenues, expenditures and changes in fund balance as of October 1, 2013.

As a result of the disposition of the mental health operations described above, the loss from the disposal of operations at October 1, 2013 was \$68,729 in the fund financial statements and \$69,898 in the government activities of the government-wide statements.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

In addition to the above, in the County's establishing resolution, the Authority assumed all of the assets and liabilities of the Mental Health Fund, including the liabilities related to pension and other postemployment benefits. In February 2015, the Authority paid \$13.1 million to the County for a portion of these liabilities, but the County and the Authority are still in negotiations to determine the final settlement amounts and payment terms.

19. SUBSEQUENT EVENTS

In October 2014, the Michigan Finance Authority approved the County's loan application for the following two debt issuances: (1) up to \$2.2 million at 2.50% interest due serially through 2035 for Segment Two improvements to the Dearborn Heights Combined Sewage Overflow (CSO) Retention Treatment Basin, and (2) up to \$3.4 million at 2.50% interest due serially through 2035 for improvements to the Rouge Valley Sewage Disposal System. As of January 2015, the County received \$0.2 million of the funds for the City of Dearborn Heights CSO bonds and \$0.4 million for the Rouge Valley Sewage Disposal System Revenue bonds.

20. UPCOMING REPORTING CHANGES

Statement No. 68, Accounting and Financial Reporting for Pensions

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information. The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ended September 30, 2015.

Statement No. 69, Government Combinations and Disposals of Government Operations

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* which provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity. GASB Statement No. 69 is required to be adopted for years beginning after December 15, 2014. For the County, this standard will be adopted for the year ended September 30, 2015.

Statement No. 70, Non-exchange Financial Guarantees

In April 2013, the GASB issued Statement No. 70, *Non-exchange Financial Guarantees*. This standard addresses the accounting and disclosure of situations in which one government offers a financial guarantee on behalf of another government, not-for-profit organization, private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). A government that extends a nonexchange financial guarantee will be required to recognize a liability when qualitative factors and/or historical data indicate that it is "more likely than not" that the government will be required to make a payment on the guarantee. It further requires governments to disclose any outstanding financial guarantees in the notes to the financial statements. GASB Statement No. 70 is required to be adopted for years beginning after June 15, 2014. For the County, this standard will be adopted for the year ended September 30, 2015.

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

21. RESTRICTED NET POSITION

Following is a summary of the restricted net position as of September 30, 2014:

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Restricted net position				
Health and welfare	\$ 7,324	\$ -	\$ 7,324	\$ -
Delinquent tax administration	129,962	-	129,962	-
Debt service	7,872	-	7,872	-
Veterans programs	2,461	-	2,461	-
Economic development	6,217	-	6,217	493
Bond programs	-	-	-	267,801
Capital projects	1,059	-	1,059	15,132
Drug enforcement	-	-	-	1,317
Airport operations	-	-	-	30,457
Total restricted net position	\$ 154,895	\$ -	\$ 154,895	\$ 315,200

CHARTER COUNTY OF WAYNE, MICHIGAN

Notes to Financial Statements

22. FUND BALANCES

Following is a summary of the composition of fund balances as of September 30, 2014:

	General	Roads	Health	JJAN	BACCP	NGF	Total
Nonspendable	\$ 1,687	\$ 7,933	\$ 156	\$ 336	\$ -	\$ 66	\$ 10,178
Restricted for							
Inpatient hospitalization	7,324	-	-	-	-	-	7,324
Debt service	-	-	-	-	-	16,222	16,222
Capital projects	-	3,722	-	-	53,530	7,045	64,297
General government	-	-	-	-	-	2,831	2,831
Highways and streets	-	3,889	-	-	-	-	3,889
CED	-	-	-	-	-	2,941	2,941
Public safety	-	-	-	-	-	2,096	2,096
Health and welfare	-	-	-	-	-	5,947	5,947
Total restricted	7,324	7,611	-	-	53,530	37,082	105,547
Assigned for							
Highways and streets	-	31,662	-	-	-	-	31,662
Parks and recreation	-	-	-	-	-	13,951	13,951
CED	-	-	-	-	-	326	326
Public safety	-	-	-	-	-	2,863	2,863
Health and welfare	-	-	-	-	-	552	552
Debt service	-	-	-	-	-	1,974	1,974
Total assigned	-	31,662	-	-	-	19,666	51,328
Unassigned (deficit)	(82,804)	-	(5,033)	(225)	-	(5,497)	(93,559)
Total fund balances	\$ (73,793)	\$ 47,206	\$ (4,877)	\$ 111	\$ 53,530	\$ 51,317	\$ 230,369

CED - Community and economic development
 JJAN - Juvenile Justice and Abuse/Neglect
 BACCP - Building Authority Construction Capital Projects
 NGF - Nonmajor governmental funds



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules
 Major Governmental Funds
 General Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Over Under
Revenues				
Taxes:				
Property	\$ 272,419	\$ 272,419	\$ 294,895	\$ 22,476
Sales	45,088	45,088	44,821	(267)
Licenses and permits	621	673	599	(74)
Federal grants	24,465	26,149	26,908	759
State grants and contracts	51,981	44,556	43,488	(1,068)
Local grants and contracts	90,324	8,191	7,102	(1,089)
Charges for services	119,779	125,363	123,321	(2,042)
Interest and rents	2,864	2,822	1,784	(1,038)
Other	16,782	16,848	22,168	5,320
Total revenues	624,323	542,109	565,086	22,977
Expenditures				
Current operations:				
Legislative	9,389	9,369	8,417	(952)
Judicial	225,552	133,995	138,734	4,739
General government	159,876	165,782	163,571	(2,211)
Public safety	135,883	138,111	152,379	14,268
Public works	503	503	432	(71)
Health and welfare	42,485	36,195	36,093	(102)
Recreational and cultural	3,668	4,078	3,184	(894)
Community and economic development	-	-	-	-
Capital outlay	27	236	3,339	3,103
Debt service				
Principal	-	-	-	-
Interest	1,900	1,183	527	(656)
Total expenditures	579,283	489,452	506,676	17,224
Revenues over (under) expenditures	45,040	52,657	58,410	5,753
Other financing sources (uses)				
Transfers in	73,781	138,752	96,051	(42,701)
Transfers out	(102,377)	(100,725)	(82,763)	17,962
Proceeds from sale of capital assets	-	-	75	75
Total other financing sources (uses)	(28,596)	38,027	13,363	(24,664)
Net change in fund balance	16,444	90,684	71,773	(18,911)
Fund balance (deficit) at October 1, 2013	(145,566)	(145,566)	(145,566)	-
Fund balance (deficit) at September 30, 2014	\$ (129,122)	\$ (54,882)	\$ (73,793)	\$ (18,911)

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules
 Major Governmental Funds
 Roads Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Over (Under)
Revenues				
Federal grants	\$ 18,856	\$ 19,428	\$ 2,752	\$ (16,676)
State grants and contracts	79,275	83,016	90,493	7,477
Local grants and contracts	2,443	2,443	2,253	(190)
Charges for services	3,855	4,462	5,778	1,316
Interest and rents	310	310	376	66
Other	25	25	69	44
Total revenues	104,764	109,684	101,721	(7,963)
Expenditures				
Current operations -				
Highways, streets and bridges	105,133	111,904	82,406	(29,498)
Capital outlay	4,217	4,847	10,880	6,033
Debt service:				
Principal	1,275	1,275	1,275	-
Interest	160	160	160	-
Total expenditures	110,785	118,186	94,721	(23,465)
Revenues over (under) expenditures	(6,021)	(8,502)	7,000	15,502
Other financing sources (uses)				
Transfers in	-	1,002	1,002	-
Transfers out	(4,166)	(4,166)	(4,189)	(23)
Proceeds from sale of capital assets	60	183	266	83
Total other financing sources (uses)	(4,106)	(2,981)	(2,921)	60
Net change in fund balance	(10,127)	(11,483)	4,079	15,562
Fund balance at October 1, 2013	43,127	43,127	43,127	-
Fund balance at September 30, 2014	\$ 33,000	\$ 31,644	\$ 47,206	\$ 15,562

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules
 Major Governmental Funds
 Mental Health Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Over (Under)
Revenues				
Federal grants	\$ -	\$ -	\$ -	\$ -
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current operations:				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Pension	-	-	-	-
Materials and supplies	-	-	-	-
Contractual services	-	-	-	-
Travel	-	-	-	-
Operating	-	-	-	-
Rentals	-	-	-	-
Other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Net change before special item	-	-	-	-
Special item	-	-	(68,729)	(68,729)
Net change in fund balance	-	-	(68,729)	(68,729)
Fund balance at October 1, 2013	68,729	68,729	68,729	-
Fund balance at September 30, 2014	\$ 68,729	\$ 68,729	\$ -	\$ (68,729)

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules
 Major Governmental Funds
 Health Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Over Under
Revenues				
Federal grants	\$ 1,680	\$ 2,412	\$ 8,141	\$ 5,729
State grants and contracts	8,882	9,815	3,809	(6,006)
Local grants and contracts	190	6,514	4,448	(2,066)
Charges for services	24,439	18,929	12,376	(6,553)
Other	-	-	-	-
Total revenues	<u>35,191</u>	<u>37,670</u>	<u>28,774</u>	<u>(8,896)</u>
Expenditures				
Current operations -				
Health and welfare	41,492	43,971	38,515	(5,456)
Capital outlay	-	-	203	203
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>41,492</u>	<u>43,971</u>	<u>38,718</u>	<u>(5,253)</u>
Revenues over (under) expenditures	(6,301)	(6,301)	(9,944)	(3,643)
Other financing sources (uses)				
Transfers in	6,720	6,720	6,720	-
Net change in fund balance	419	419	(3,224)	(3,643)
Fund balance (deficit) at October 1, 2013	(1,653)	(1,653)	(1,653)	-
Fund balance (deficit) at September 30, 2014	<u>\$ (1,234)</u>	<u>\$ (1,234)</u>	<u>\$ (4,877)</u>	<u>\$ (3,643)</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules
 Major Governmental Funds
 Juvenile Justice / Abuse and Neglect
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (Unaudited)	Final Amended Budget (Unaudited)	Actual	Variance Over (Under)
Revenue				
Federal grants	\$ 2,221	\$ 2,713	\$ 4,073	\$ 1,360
State grants and contracts	71,854	82,884	67,677	(15,207)
Local grants and contracts	19,879	19,879	10,767	(9,112)
Charges for services	8,047	8,121	7,429	(692)
Total revenue	<u>102,001</u>	<u>113,597</u>	<u>89,946</u>	<u>(23,651)</u>
Expenditures				
Current operations -				
Health and welfare	159,318	181,915	151,304	(30,611)
Capital outlay	5	5	20	15
Total expenditures	<u>159,323</u>	<u>181,920</u>	<u>151,324</u>	<u>(30,596)</u>
Revenues over (under) expenditures	<u>(57,322)</u>	<u>(68,323)</u>	<u>(61,378)</u>	<u>6,945</u>
Other financing sources (uses)				
Transfers in	57,322	68,322	68,184	(138)
Proceeds from sale of capital assets	-	-	1	1
Total other financing sources (uses)	<u>57,322</u>	<u>68,322</u>	<u>68,185</u>	<u>(137)</u>
Net change in fund balance	-	(1)	6,807	6,808
Fund balance (deficit) at October 1, 2013	<u>(6,696)</u>	<u>(6,696)</u>	<u>(6,696)</u>	-
Fund balance (deficit) at September 30, 2014	<u>\$ (6,696)</u>	<u>\$ (6,697)</u>	<u>\$ 111</u>	<u>\$ 6,808</u>

See accompanying notes to required supplementary information.

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Employees' Retirement System Defined Benefit Plan Schedule of Funding Progress *(amounts in millions)*

Actuarial Valuation Date #	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Overfunded) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
9/30/2008 #	\$ 985.0	\$ 1,338.8	\$ 353.8	73.6%	\$ 330.0	107.2%
9/30/2009 #	970.9	1,444.3	473.4	67.2%	297.5	159.1%
9/30/2010	900.8	1,502.1	601.3	60.0%	277.4	216.8%
9/30/2011	794.6	1,594.8	800.2	49.8%	272.1	294.1%
9/30/2012	746.4	1,624.6	878.2	45.9%	269.0	326.5%
9/30/2013	748.5	1,659.0	910.5	45.1%	269.9	337.3%

After changes in benefit provisions or revised actuarial assumptions.

Note: The schedule includes Hybrid Plan 6 that was created October 1, 2008.

Wayne County Employees' Retirement System Defined Benefit Plan Schedule of Employer Contributions *(amounts in thousands)*

Fiscal Year Ended September 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
2009	\$ 32,559	\$ 32,559	100.0%
2010	35,401	35,401	100.0%
2011	39,666	39,666 *	100.0%
2012	51,662	51,662 *	100.0%
2013	67,390	77,604	115.2% [1]
2014	68,772	71,466	103.9% [1] [2]

Note: The schedule includes Hybrid Plan 6 that was created October 1, 2008.

[1] The Wayne County Airport Authority contributed an additional \$2.7 million in employer contributions to the plan to fund retirement incentives and enhancements offered to employees.

[2] The Detroit Wayne Mental Health Authority contributed an additional \$8.7 million in employer contributions to the Plan to fund its employees.

* See disclosure at footnote 15.

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information

Wayne County Circuit Court Commissioners Bailiffs' Retirement System
 Schedule of Funding Progress
(amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	(Overfunded) AAL (OAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a) / c)
9/30/2008	\$ 5,859	\$ 3,367	\$ (2,492)	174.0%	\$ 651	-383%
9/30/2009	5,795	3,287	(2,508)	176.3%	547	-459%
9/30/2010	5,569	2,499	(3,070)	222.8%	312	-984%
9/30/2011	4,843	2,454	(2,389)	197.4%	319	-749%
9/30/2012	4,734	2,390	(2,344)	198.1%	320	-733%
9/30/2013	4,688	2,150	(2,538)	218.0%	294	-863%

Wayne County Circuit Court Commissioners Bailiffs' Retirement System
 Schedule of Employer Contributions
(amounts in thousands)

Fiscal Year Ended September 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
2009	\$ -	\$ 38	-
2010	-	38	-
2011	-	29	-
2012	-	37	-
2013	-	34	-
2014	-	37	-

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information
Wayne County Other Postemployment Benefits

Schedule of Funding Progress (Unaudited)
(amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
10/1/2007	\$ -	\$ 855.9	\$ 855.9	0.0%	\$ 193.3	442.8%
10/1/2009	-	1,514.0	1,514.0	0.0%	180.3	839.7%
10/1/2011	-	1,531.5	1,531.5	0.0%	182.2	840.6%
10/1/2012	-	1,568.5	1,568.5	0.0%	182.9	857.6%
10/1/2013	11.2	1,333.7	1,322.5	0.8%	181.6	728.2%

Schedule of Employer Contributions (Unaudited)
(amounts in millions)

Fiscal Year Ended September 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
2009	\$ 57.9	\$ 43.5	75.1%
2010	87.8	39.2	44.6%
2011	90.5	33.7	37.2%
2012	86.7	45.2	52.1%
2013	89.4	53.9	60.3%
2014	77.5	35.9	46.3%

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information (GASB Statement No. 67)

Wayne County Employees' Retirement System Defined Benefit Plan Schedule of Investment Returns Last Two Fiscal Years (ultimately building to ten years)

<u>Fiscal Year Ended</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
9/30/2013	14.09%
9/30/2014	8.33%

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information (GASB Statement No. 67)

Wayne County Employees' Retirement System Defined Benefit Plan
 Schedule of Changes in the County's Net Pension Liability and Related Ratios
 Last Fiscal Year (ultimately building to ten years)
(amounts in thousands)

	2014
Change in total pension liability	
Service cost	\$ 16,359
Interest	122,811
Changes of benefit terms	9,798
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(133,395)
Net change in total pension liability	15,573
 Total pension liability, beginning	 1,644,843
 Total pension liability, ending (a)	 1,660,416
 Change in plan fiduciary net position	
Contributions - employer	80,181
Contributions - member	8,522
Net investment income	80,199
Benefit payments, including refunds of member contributions	(133,395)
Administrative expense	(3,013)
Other	-
Net change in plan fiduciary net position	32,494
 Plan fiduciary net position, beginning	 782,126
 Plan fiduciary net position, ending (b)	 814,620
 County's net pension liability, ending (a)-(b)	 \$ 845,796
 Plan fiduciary net position as a percentage of the total pension liability	49.06%
 Covered-employee payroll	151,536
 County's net pension liability as a percentage of covered payroll	558.15%

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information (GASB Statement No. 67)

Wayne County Employees' Retirement System Defined Benefit Plan
 Schedule of County Contributions
 Last Fiscal Year (ultimately building to ten years)
(amounts in thousands)

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2014	\$ 68,772	\$ 80,181	\$ (11,409)	\$ 151,536	52.9%

Notes to Schedule of Contributions

Valuation date September 30, 2013 (and rolled forward to September 30, 2014, the measurement date.

Notes Actuarially determined contribution rates are calculated as of September 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Other information The September 30, 2013 valuation determined contributions using an investment return assumption of 7.75%.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years from 9/30/13; 24 years from 9/30/14 (decreasing two years each year thereafter)
Asset valuation method	4-year smoothed market; 20% corridor
Wage inflation	3.5%
Salary increases	3.5-8.8% including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Combined Healthy Mortality Table projected 20 years

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information (GASB Statement No. 67)

Wayne County Circuit Court Commissioners Bailiffs' Retirement System Schedule of Investment Returns Last Two Fiscal Years (ultimately building to ten years)

<u>Fiscal Year Ended</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
9/30/2013	15.70%
9/30/2014	8.70%

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information (GASB Statement No. 67)

Wayne County Circuit Court Commissioners Bailiffs' Retirement System Schedule of Changes in the County's Net Pension Liability and Related Ratios Last Fiscal Year (ultimately building to ten years)

	2014
Change in total pension liability	
Service cost	\$ 14,839
Interest	160,774
Changes of benefit terms	-
Differences between expected and actual experience	(114,610)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(125,424)
Net change in total pension liability	(64,421)
 Total pension liability, beginning	 2,227,828
 Total pension liability, ending (a)	 2,163,407
 Change in plan fiduciary net position	
Contributions - employer	36,698
Contributions - member	8,470
Net investment income	505,041
Benefit payments, including refunds of member contributions	(125,424)
Administrative expense	(78,318)
Other	-
Net change in plan fiduciary net position	346,467
 Plan fiduciary net position, beginning	 5,388,195
 Plan fiduciary net position, ending (b)	 5,734,662
 County's net pension liability, ending (a)-(b)	 \$ (3,571,255)
 Plan fiduciary net position as a percentage of the total pension liability	265.08%
 Covered-employee payroll	47,956,745
 County's net pension liability as a percentage of covered payroll	-7.45%

CHARTER COUNTY OF WAYNE, MICHIGAN

Required Supplementary Information (GASB Statement No. 67)

Wayne County Circuit Court Commissioners Bailiffs' Retirement System
 Schedule of County Contributions
 Last Fiscal Year (ultimately building to ten years)

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2014	\$ -	\$ 36,698	\$ (36,698)	\$ 163,999	22.4%

Notes to Schedule of Contributions

Valuation date September 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	Not applicable; fully funded
Asset valuation method	4-year smoothed market
Price inflation	3.0%
Salary increases	0.0%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Mortality Table

CHARTER COUNTY OF WAYNE, MICHIGAN

Note to the Required Supplementary Information

1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for the general and special revenue funds. The budgetary comparison schedules included as required supplementary information and as other supplementary information were prepared on the same modified accrual basis used to reflect actual results.

The County Executive prepares and submits a proposed operating budget during June of each year to the Wayne County Commission (the Commission) for the year beginning October 1. After public hearings to obtain taxpayers' comments, the budget is legally enacted through passage of an ordinance by the Commission (the Appropriations Ordinance). The appropriated budget for the general fund is adopted by function (legislative, judicial, general government, public safety, public works, etc.), activity, revenue or expenditures and account generally. The legal level of budgetary control for the special revenue funds is at the activity, revenue or expenditure and account level. For the Roads fund, the budget is prepared in accordance with the *State of Michigan Uniform Accounting Procedures Manual for County Road Commissions*, which requires that federal grant revenue be included in the accounts and budgets for the Roads Fund.

Amendments that change the County's annual appropriations ordinance require the approval of the Commission. Budget amendments were made during the year. Certain transfers within line items that do not affect aggregate departmental appropriations may be made without the Commission's approval. Expenditures are required to remain within appropriated amounts. All appropriations lapse at the end of the fiscal year.

For budgetary purposes at year end, encumbrances of the budgeted governmental funds, representing purchase orders, contracts and other commitments, lapse and must be re-appropriated in the following year. All unencumbered appropriations lapse at the end of the year, except for capital projects fund appropriations, which are carried forward until such time as the project is completed or terminated.

A reconciliation of the budgetary comparison schedules to the fund-based statements of changes in fund balance is as follows:

	Total Revenue/ Transfers In/ Proceeds from Sale of Assets	Total Expenditures/ Transfers Out	Total
General fund based on adopted budget	\$ 635,736	\$ (566,696)	\$ 69,040
Third Circuit Court	120,082	(117,533)	2,549
Probate Court	9,038	(8,854)	184
Fiscal Stabilization Fund	16,000	(16,000)	-
General fund per consolidated fund statements	<u>\$ 780,856</u>	<u>\$ (709,083)</u>	<u>\$ 71,773</u>

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

OTHER SUPPLEMENTARY INFORMATION - COMBINING AND INDIVIDUAL FUND STATEMENTS/SCHEDULES

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CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedules
 General Fund Combining Schedule of
 Revenue, Expenditures and Changes in Fund Balance
 For the Year Ended September 30, 2014
 (in thousands)

	General Operating		
	Final Amended Budget (Unaudited)	Actual	Variance Over (Under)
Revenues			
Taxes:			
Property	\$ 272,419	\$ 294,895	\$ 22,476
Sales	45,088	44,821	(267)
Licenses and permits	673	599	(74)
Federal grants	7,911	8,625	714
State grants and contracts	37,012	35,900	(1,112)
Local grants and contracts	1,196	1,175	(21)
Charges for services	117,804	116,075	(1,729)
Interest and rents	2,822	1,756	(1,066)
Other	16,232	21,532	5,300
Total revenues	501,157	525,378	24,221
Expenditures			
Current operations:			
Legislative	9,369	8,417	(952)
Judicial	4,432	13,836	9,404
General government	165,782	163,571	(2,211)
Public safety	138,111	152,379	14,268
Public works	503	432	(71)
Health and welfare	36,195	36,093	(102)
Recreational and cultural	4,078	3,184	(894)
Capital outlay	208	3,122	2,914
Debt service			
Principal	-	-	-
Interest - tax anticipation notes	1,183	527	(656)
Total expenditures	359,861	381,561	21,700
Revenues over (under) expenditures	141,296	143,817	2,521
Other financing sources (uses)			
Transfers in	33,340	110,283	76,943
Transfers out	(83,453)	(185,135)	(101,682)
Proceeds from sale of capital assets	-	75	75
Total other financing sources (uses)	(50,113)	(74,777)	(24,664)
Net change in fund balance	91,183	69,040	(22,143)
Fund balance (deficit) at October 1, 2013	(148,422)	(148,422)	-
Fund balance (deficit) at September 30, 2014	\$ (57,239)	\$ (79,382)	\$ (22,143)

Fiscal Stabilization Reserve			Circuit Court		
Final Amended Budget (Unaudited)	Actual	Variance Over (Under)	Final Amended Budget (Unaudited)	Actual	Variance Over (Under)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	18,238	18,283	45
-	-	-	6,352	6,396	44
-	-	-	6,995	5,927	(1,068)
-	-	-	6,552	6,276	(276)
-	-	-	-	28	28
-	-	-	609	630	21
-	-	-	38,746	37,540	(1,206)
-	-	-	-	-	-
-	-	-	120,488	116,061	(4,427)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	28	200	172
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	120,516	116,261	(4,255)
-	-	-	(81,770)	(78,721)	3,049
16,000	16,000	-	82,542	82,542	-
(16,000)	(16,000)	-	(1,272)	(1,272)	-
-	-	-	-	-	-
-	-	-	81,270	81,270	-
-	-	-	(500)	2,549	3,049
-	-	-	2,855	2,855	-
\$ -	\$ -	\$ -	\$ 2,355	\$ 5,404	\$ 3,049

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CHARTER COUNTY OF WAYNE, MICHIGAN

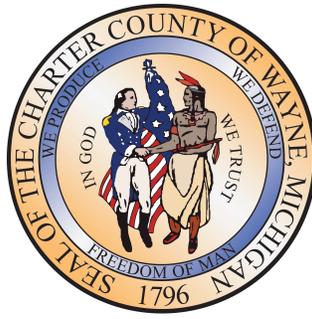
Budgetary Comparison Schedules
 General Fund Combining Schedule of
 Revenue, Expenditures and Changes in Fund Balance
 For the Year Ended September 30, 2014
 (in thousands)

	Probate Court		
	Final Amended Budget (Unaudited)	Actual	Variance Over (Under)
Revenues			
Taxes:			
Property	\$ -	\$ -	\$ -
Sales	-	-	-
Licenses and permits	-	-	-
Federal grants	-	-	-
State grants and contracts	1,192	1,192	-
Local grants and contracts	-	-	-
Charges for services	1,007	970	(37)
Interest and rents	-	-	-
Other	7	6	(1)
Total revenues	2,206	2,168	(38)
Expenditures			
Current operations:			
Legislative	-	-	-
Judicial	9,075	8,837	(238)
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreational and cultural	-	-	-
Capital outlay	-	17	17
Debt service			
Principal	-	-	-
Interest - tax anticipation notes	-	-	-
Total expenditures	9,075	8,854	(221)
Revenues over (under) expenditures	(6,869)	(6,686)	183
Other financing sources (uses)			
Transfers in	6,870	6,870	-
Transfers out	-	-	-
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	6,870	6,870	-
Net change in fund balance	1	184	183
Fund balance (deficit) at October 1, 2013	1	1	-
Fund balance (deficit) at September 30, 2014	\$ 2	\$ 185	\$ 183

Eliminations			General Fund (combined totals)		
Final Amended Budget (Unaudited)	Actual	Variance Over (Under)	Final Amended Budget (Unaudited)	Actual	Variance Over (Under)
\$ -	\$ -	\$ -	\$ 272,419	\$ 294,895	\$ 22,476
-	-	-	45,088	44,821	(267)
-	-	-	673	599	(74)
-	-	-	26,149	26,908	759
-	-	-	44,556	43,488	(1,068)
-	-	-	8,191	7,102	(1,089)
-	-	-	125,363	123,321	(2,042)
-	-	-	2,822	1,784	(1,038)
-	-	-	16,848	22,168	5,320
-	-	-	542,109	565,086	22,977
-	-	-	9,369	8,417	(952)
-	-	-	133,995	138,734	4,739
-	-	-	165,782	163,571	(2,211)
-	-	-	138,111	152,379	14,268
-	-	-	503	432	(71)
-	-	-	36,195	36,093	(102)
-	-	-	4,078	3,184	(894)
-	-	-	236	3,339	3,103
-	-	-	-	-	-
-	-	-	1,183	527	(656)
-	-	-	489,452	506,676	17,224
-	-	-	52,657	58,410	5,753
(105,384)	(119,644)	(14,260)	33,368	96,051	62,683
105,384	119,644	14,260	4,659	(82,763)	(87,422)
-	-	-	-	75	75
-	-	-	38,027	13,363	(24,664)
-	-	-	90,684	71,773	(18,911)
-	-	-	(145,566)	(145,566)	-
\$ -	\$ -	\$ -	\$ (54,882)	\$ (73,793)	\$ (18,911)

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE SOURCES THAT ARE RESTRICTED OR COMMITTED TO EXPENDITURE FOR SPECIFIED PURPOSES OTHER THAN DEBT SERVICE OR CAPITAL PROJECTS.

DEBT SERVICE FUNDS ARE USED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES AND THE PAYMENT OF GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST FROM GOVERNMENTAL RESOURCES AND FOR SPECIAL ASSESSMENT BOND PRINCIPAL AND INTEREST FROM SPECIAL ASSESSMENT LEVIES WHEN THE COUNTY IS OBLIGATED IN SOME MANNER FOR THE PAYMENT.

CAPITAL PROJECTS FUNDS ARE USED TO ACCOUNT FOR THE ACQUISITION AND CONSTRUCTION OF MAJOR CAPITAL FACILITIES OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS AND TRUST FUNDS.

SPECIAL REVENUE FUNDS

Parks – This fund is used to account for the operation and maintenance of the Warren Valley and Inkster Valley Golf Courses and the preservation, protection, maintenance and management of Wayne County park grounds and facilities. The fund also includes all marina-related activities, including transient slip, launching, and fishing at Elizabeth Park.

Rouge Demonstration Project – This fund accounts for the activities of the Rouge River National Wet Weather Demonstration Project. This project is funded by federal grants and related local municipalities.

Law Enforcement – This fund accounts for several law enforcement grant activities, such as safety belt enforcement and criminal law review.

Community Development Block Grants – This fund is used to account for the County's community development activities with participating communities to create economic and community development projects. The projects are funded by federal block grant money.

Drug Enforcement – This fund accounts for operations of the Drug Enforcement Unit which, through covert operations, enforces State of Michigan drug laws throughout the County and acts in concert with federal law enforcement agencies.

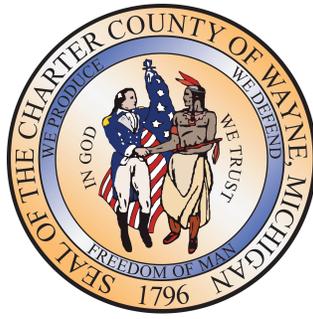
Nutrition – This fund is used to account for nutritional services provided to home bound senior citizens in western Wayne County and downriver areas.

Veteran's Trust – This fund accounts for emergency funding for indigent veterans provided by the State of Michigan.

Community Corrections – This fund accounts for activities of grant funded alternative programs for offenders.

Victim Witness – This fund accounts for counseling services, community referrals, public information and prevention, notification of court date, and court support offered to victims of crime.

Soldiers' Relief – This fund accounts for emergency funding for indigent veterans and their families, and for burial relief for eligible veterans.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE SOURCES THAT ARE RESTRICTED OR COMMITTED TO EXPENDITURE FOR SPECIFIED PURPOSES OTHER THAN DEBT SERVICE OR CAPITAL PROJECTS.

DEBT SERVICE FUNDS ARE USED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES AND THE PAYMENT OF GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST FROM GOVERNMENTAL RESOURCES AND FOR SPECIAL ASSESSMENT BOND PRINCIPAL AND INTEREST FROM SPECIAL ASSESSMENT LEVIES WHEN THE COUNTY IS OBLIGATED IN SOME MANNER FOR THE PAYMENT.

CAPITAL PROJECTS FUNDS ARE USED TO ACCOUNT FOR THE ACQUISITION AND CONSTRUCTION OF MAJOR CAPITAL FACILITIES OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS AND TRUST FUNDS.

SPECIAL REVENUE FUNDS, *continued*

Youth Services – This fund accounts for deterrent programs and other youth services.

Community and Economic Development – These funds are used to account for the activities of the County's Economic Development Growth Engine.

Wayne County Building Authority – This fund accounts for the operation and maintenance activities of the Building Authority.

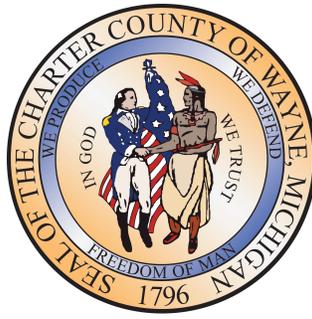
Detroit-Wayne County Stadium Authority (Stadium Authority) – This authority was incorporated by the County in August 1996 under the provisions of Act 31 for the purpose of acquiring, building, furnishing, equipping, owning, improving, enlarging, operating and/or maintaining one or more stadia. The Stadium Authority's Articles of Incorporation provide for a six-member board (the Commission). Each member of the Commission is appointed by the Wayne County Executive. This fund is used to account for specific revenues used to cover specific costs as allowed by the Tourist Tax ordinance incurred by the Stadium Authority.

Economic Development Corporation of Wayne County (EDC) – This separate legal entity was established pursuant to Michigan Public Act 338 of 1974. Its 11-member board is appointed by the Wayne County Executive. The EDC acts on behalf of and at the direction of Wayne County. Services include financial packaging, site location services, and low-cost financing to businesses locating or expanding in the County. The EDC's primary fiscal activity is to provide administration of federal grants on behalf and for the benefit of Wayne County.

Stadium and Land Development – This fund is used to account for the collection of excise taxes on hotel accommodations and car rentals used for stadium and land development.

Environmental Programs – This fund accounts for the activities of the air quality management and land resource management programs.

Health and Family Services – This fund accounts for Head Start program services.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE SOURCES THAT ARE RESTRICTED OR COMMITTED TO EXPENDITURE FOR SPECIFIED PURPOSES OTHER THAN DEBT SERVICE OR CAPITAL PROJECTS.

DEBT SERVICE FUNDS ARE USED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES AND THE PAYMENT OF GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST FROM GOVERNMENTAL RESOURCES AND FOR SPECIAL ASSESSMENT BOND PRINCIPAL AND INTEREST FROM SPECIAL ASSESSMENT LEVIES WHEN THE COUNTY IS OBLIGATED IN SOME MANNER FOR THE PAYMENT.

CAPITAL PROJECTS FUNDS ARE USED TO ACCOUNT FOR THE ACQUISITION AND CONSTRUCTION OF MAJOR CAPITAL FACILITIES OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS AND TRUST FUNDS.

DEBT SERVICE FUNDS

General Debt Service – This fund is used to account for the payment of interest and principal on the County's long-term debt other than that payable from special assessments and debt issued for and serviced primarily by an enterprise fund.

Roads – This fund is used to account for the debt service associated with the various County Road operations.

Wayne County Building Authority – This fund is used to account for the debt associated with the County's refunding Bonds for the jails and its capital improvement bonds for various County facilities.

Detroit-Wayne County Stadium Authority (Stadium Authority) Debt Service Fund – This fund is used to account for servicing of general long-term obligations associated with bonds issued for the purpose of acquiring, building, furnishing, equipping, owning, improving, enlarging, operating and/or maintaining one or more stadia.

CAPITAL PROJECTS FUNDS

Wayne County Construction – This fund is used to account for costs associated with structural repairs of various County facilities and renovations to the Wayne County Prosecutor's offices.

Other Capital Projects – This fund is used to account for miscellaneous capital projects for which a separate fund has not been specifically designated.

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CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014
(in thousands)

	Special Revenue Funds				
	Parks	Rouge Demonstration Project	Law Enforcement	Community Development Block Grants	Drug Enforcement
Assets					
Equity in pooled cash and investments	\$ 14,461	\$ 263	\$ 4,365	\$ 1,143	\$ 604
Other cash and investments	3	1	-	-	50
Due from other funds	-	-	-	-	-
Receivables:					
Accounts	36	3	314	-	10
Due from other governmental units	-	32	-	1,501	1
Less allowance for uncollectible accounts	-	-	-	-	(1)
Supplies inventory, at cost	-	-	-	-	-
Prepayments and deposits	-	-	-	-	-
Long-term receivables	-	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-	-
Restricted assets:					
Equity in pooled cash and investments	-	-	-	-	-
Total assets	\$ 14,500	\$ 299	\$ 4,679	\$ 2,644	\$ 664
Liabilities					
Accounts and contracts payable	\$ 123	\$ 12	\$ 55	\$ 500	\$ 7
Due to other funds	-	-	-	-	-
Due to component units	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Accrued wages and benefits	179	46	73	10	16
Other liabilities	247	1	89	805	91
Unearned revenue	-	-	21	132	71
Total liabilities	549	59	238	1,447	185
Deferred inflows of resources					
Unavailable revenues - grants	-	-	-	35	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted for programs	-	240	2,057	1,162	-
Restricted for debt service	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Assigned	13,951	-	2,384	-	479
Unassigned deficit	-	-	-	-	-
Total fund balances (deficits)	13,951	240	4,441	1,162	479
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 14,500	\$ 299	\$ 4,679	\$ 2,644	\$ 664

Special Revenue Funds

Nutrition	Veteran's Trust	Community Corrections	Victim Witness	Soldiers' Relief	Youth Services	Community & Economic Development	Building Authority
\$ -	\$ 210	\$ -	\$ 75	\$ 2,870	\$ 92	\$ -	\$ 123
-	-	1	-	-	-	1	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	81	-
352	-	465	223	-	-	819	98
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	726	-
-	-	-	-	-	-	(589)	-
-	-	-	-	-	-	-	1,059
<u>\$ 352</u>	<u>\$ 210</u>	<u>\$ 466</u>	<u>\$ 298</u>	<u>\$ 2,870</u>	<u>\$ 92</u>	<u>\$ 1,038</u>	<u>\$ 1,280</u>
\$ 495	\$ 12	\$ 119	\$ 2	\$ 137	\$ -	\$ 315	\$ 24
2,747	-	305	77	-	-	1,622	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	656	-
52	-	3	57	20	-	35	-
270	-	-	-	80	92	547	1
-	-	-	-	-	-	5	-
<u>3,564</u>	<u>12</u>	<u>427</u>	<u>136</u>	<u>237</u>	<u>92</u>	<u>3,180</u>	<u>25</u>
-	-	-	168	-	-	-	-
-	-	-	-	-	-	-	-
-	198	39	-	2,633	-	137	1,059
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	196
<u>(3,212)</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>(2,279)</u>	<u>-</u>
<u>(3,212)</u>	<u>198</u>	<u>39</u>	<u>(6)</u>	<u>2,633</u>	<u>-</u>	<u>(2,142)</u>	<u>1,255</u>
<u>\$ 352</u>	<u>\$ 210</u>	<u>\$ 466</u>	<u>\$ 298</u>	<u>\$ 2,870</u>	<u>\$ 92</u>	<u>\$ 1,038</u>	<u>\$ 1,280</u>

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014
(in thousands)

	Special Revenue Funds				
	Stadium Authority	Economic Development Corporation	Stadium and Land Development	Environmental Programs	Health and Family Services
Assets					
Equity in pooled cash and investments	\$ -	\$ 82	\$ 94	\$ 5,230	\$ -
Other cash and investments	-	5,008	-	-	-
Due from other funds	-	-	-	-	-
Receivables:					
Accounts	-	281	864	530	5,675
Due from other governmental units	-	-	-	-	283
Less allowance for uncollectible accounts	-	-	-	-	-
Supplies inventory, at cost	-	9	-	-	-
Prepayments and deposits	-	57	-	-	-
Long-term receivables	-	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-	-
Restricted assets:					
Equity in pooled cash and investments	583	-	-	-	-
Total assets	\$ 583	\$ 5,437	\$ 958	\$ 5,760	\$ 5,958
Liabilities					
Accounts and contracts payable	\$ -	\$ 346	\$ 3	\$ 10	\$ 33
Due to other funds	-	4,537	955	-	2,444
Due to component units	-	159	-	-	-
Due to other governmental units	-	-	-	-	-
Accrued wages and benefits	-	-	-	43	23
Other liabilities	-	8	-	-	2,725
Unearned revenue	-	191	-	-	-
Total liabilities	-	5,241	958	53	5,225
Deferred inflows of resources					
Unavailable revenues - grants	-	-	-	-	181
Fund balances					
Nonspendable	-	66	-	-	-
Restricted for programs	583	-	-	5,707	-
Restricted for debt service	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Assigned	-	130	-	-	552
Unassigned deficit	-	-	-	-	-
Total fund balances (deficits)	583	196	-	5,707	552
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 583	\$ 5,437	\$ 958	\$ 5,760	\$ 5,958

Debt Service Funds				Capital Projects Funds			
General Debt Service	Roads	Building Authority	Stadium Authority	Wayne County Construction	Other Capital Projects	Totals	
\$ 1,974	\$ 13	\$ 5,667	\$ 6,997	\$ -	\$ 99	\$ 44,362	
-	-	-	-	-	-	5,064	
-	-	-	864	-	691	1,555	
-	-	-	-	-	-	7,794	
-	-	2,683	-	-	-	6,457	
-	-	-	-	-	-	(1)	
-	-	-	-	-	-	9	
-	-	-	-	-	-	57	
-	-	-	-	-	-	726	
-	-	-	-	-	-	(589)	
-	-	-	-	380	6,779	8,801	
<u>\$ 1,974</u>	<u>\$ 13</u>	<u>\$ 8,350</u>	<u>\$ 7,861</u>	<u>\$ 380</u>	<u>\$ 7,569</u>	<u>\$ 74,235</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 539	\$ 2,732	
-	-	-	2	-	18	12,707	
-	-	-	-	-	-	159	
-	-	-	-	-	-	656	
-	-	-	-	-	-	557	
-	-	-	-	-	347	5,303	
-	-	-	-	-	-	420	
-	-	-	2	-	904	22,534	
-	-	-	-	-	-	384	
-	-	-	-	-	-	66	
-	-	-	-	-	-	13,815	
-	13	8,350	7,859	-	-	16,222	
-	-	-	-	380	6,665	7,045	
1,974	-	-	-	-	-	19,666	
-	-	-	-	-	-	(5,497)	
<u>1,974</u>	<u>13</u>	<u>8,350</u>	<u>7,859</u>	<u>380</u>	<u>6,665</u>	<u>51,317</u>	
<u>\$ 1,974</u>	<u>\$ 13</u>	<u>\$ 8,350</u>	<u>\$ 7,861</u>	<u>\$ 380</u>	<u>\$ 7,569</u>	<u>\$ 74,235</u>	

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Special Revenue Funds				
	Parks	Rouge Demonstration Project	Law Enforcement	Community Development Block Grant	Drug Enforcement
Revenue					
Taxes:					
Property taxes	\$ 9,246	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	-	-	-
Licenses and permits	106	-	-	-	-
Federal grants	-	2,060	1,580	13,083	429
State grants and contracts	88	-	147	-	-
Local grants and contracts	-	1,433	-	-	1,463
Charges for services	1,594	1,835	2,716	101	169
Interest and rents	58	-	-	-	12
Other	290	-	-	-	-
Total revenue	11,382	5,328	4,443	13,184	2,073
Expenditures					
Current operations:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	4,045	-	178
Highways, streets and bridges	-	-	-	-	-
Health and welfare	-	5,315	-	-	-
Recreational and cultural	12,682	-	-	-	-
Economic development	-	-	-	12,921	-
Capital outlay	2,013	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	14,695	5,315	4,045	12,921	178
Revenues over (under) expenditures	(3,313)	13	398	263	1,895
Other financing sources (uses)					
Transfers in	2,100	-	-	191	-
Transfers out	-	-	-	(296)	-
Proceeds from sale of capital assets	38	-	-	-	-
Total other financing sources (uses)	2,138	-	-	(105)	-
Net change in fund balances	(1,175)	13	398	158	1,895
Fund balance (deficit) at October 1, 2013	15,126	227	4,043	1,004	(1,416)
Fund balances (deficits) at September 30, 2014	\$ 13,951	\$ 240	\$ 4,441	\$ 1,162	\$ 479

Special Revenue Funds

Nutrition	Veteran's Trust	Community Corrections	Victim Witness	Soldiers' Relief	Youth Services	Community & Economic Development	Building Authority
\$ -	\$ -	\$ -	\$ -	\$ 1,401	\$ 3,515	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,493	-	88	761	-	-	5,320	-
824	339	2,390	589	-	-	-	-
-	-	-	-	-	-	-	-
383	-	91	-	-	-	213	-
-	-	-	-	4	-	-	1,180
42	-	-	-	-	-	-	15
3,742	339	2,569	1,350	1,405	3,515	5,533	1,195
-	-	-	2,268	-	-	-	-
-	340	-	-	2,422	-	-	274
-	-	2,538	-	-	-	-	-
-	-	-	-	-	-	-	-
5,255	-	-	-	-	231	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,604	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,255	340	2,538	2,268	2,422	231	6,604	274
(1,513)	(1)	31	(918)	(1,017)	3,284	(1,071)	921
1,123	-	-	802	-	-	1,407	-
-	-	-	-	(327)	(4,494)	-	(878)
-	-	-	-	-	-	-	-
1,123	-	-	802	(327)	(4,494)	1,407	(878)
(390)	(1)	31	(116)	(1,344)	(1,210)	336	43
(2,822)	199	8	110	3,977	1,210	(2,478)	1,212
\$ (3,212)	\$ 198	\$ 39	\$ (6)	\$ 2,633	\$ -	\$ (2,142)	\$ 1,255

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CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Special Revenue Funds				
	Stadium Authority	Economic Development Corporation	Stadium and Land Development	Environmental Programs	Health and Family Services
Revenue					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Excise taxes	-	-	8,607	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	25,317
State grants and contracts	-	-	-	-	-
Local grants and contracts	-	-	-	-	-
Charges for services	-	514	-	2,184	-
Interest and rents	-	-	-	12	-
Other	-	-	-	-	-
Total revenue	-	514	8,607	2,196	25,317
Expenditures					
Current operations:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways, Streets and Bridges	-	-	-	-	-
Health and welfare	-	-	-	1,937	24,813
Recreational and cultural	2	-	8,607	-	-
Economic Development	-	513	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	2	513	8,607	1,937	24,813
Revenues over (under) expenditures	(2)	1	-	259	504
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(2)	1	-	259	504
Fund balance (deficit) at October 1, 2013	585	195	-	5,448	48
Fund balances (deficits) at September 30, 2014	\$ 583	\$ 196	\$ -	\$ 5,707	\$ 552

Debt Service Funds				Capital Projects Funds		Totals
General Debt Service	Roads	Building Authority	Stadium Authority	Wayne County Construction	Other Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,162
-	-	-	-	-	-	8,607
-	-	-	-	-	-	106
-	-	-	-	-	-	51,131
-	-	-	-	-	-	4,377
-	-	-	-	-	-	2,896
-	-	-	8,371	-	2,374	20,545
4,986	-	21,044	-	-	-	27,296
-	-	-	-	-	-	347
<u>4,986</u>	<u>-</u>	<u>21,044</u>	<u>8,371</u>	<u>-</u>	<u>2,374</u>	<u>129,467</u>
-	-	-	-	-	42	2,310
-	-	46	3,277	4	-	6,363
-	-	-	-	-	-	6,761
-	3	-	-	-	-	3
-	-	-	-	-	-	37,551
-	-	-	-	-	-	21,291
-	-	-	-	-	2,629	22,667
-	-	-	-	42	5,650	7,705
9,077	2,775	6,030	3,280	-	-	21,162
5,936	74	21,440	2,796	-	-	30,246
<u>15,013</u>	<u>2,852</u>	<u>27,516</u>	<u>9,353</u>	<u>46</u>	<u>8,321</u>	<u>156,059</u>
<u>(10,027)</u>	<u>(2,852)</u>	<u>(6,472)</u>	<u>(982)</u>	<u>(46)</u>	<u>(5,947)</u>	<u>(26,592)</u>
10,027	2,849	6,184	-	-	-	24,683
(870)	-	-	-	-	-	(6,865)
-	-	-	-	-	-	38
<u>9,157</u>	<u>2,849</u>	<u>6,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,856</u>
(870)	(3)	(288)	(982)	(46)	(5,947)	(8,736)
2,844	16	8,638	8,841	426	12,612	60,053
<u>\$ 1,974</u>	<u>\$ 13</u>	<u>\$ 8,350</u>	<u>\$ 7,859</u>	<u>\$ 380</u>	<u>\$ 6,665</u>	<u>\$ 51,317</u>

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Parks Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ 9,067	\$ 9,067	\$ 9,246	\$ 179
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	95	95	106	11
Federal grants	-	-	-	-
State grants and contracts	-	-	88	88
Local grants and contracts	-	-	-	-
Charges for services	1,330	1,330	1,594	264
Interest and rents	44	44	58	14
Other	290	290	290	-
Total revenue	10,826	10,826	11,382	556
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	14,323	19,453	12,682	(6,771)
Economic development	-	-	-	-
Capital outlay	1,128	4,409	2,013	(2,396)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	15,451	23,862	14,695	(9,167)
Excess (deficiency) of revenues over (under) expenditures	(4,625)	(13,036)	(3,313)	9,723
Other financing sources (uses)				
Transfers in	2,100	2,100	2,100	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	38	38
Total other financing sources (uses)	2,100	2,100	2,138	38
Net change in fund balances	(2,525)	(10,936)	(1,175)	9,761
Fund balance at October 1, 2013	15,126	15,126	15,126	-
Fund balance at September 30, 2014	\$ 12,601	\$ 4,190	\$ 13,951	\$ 9,761

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Rouge Demonstration Project Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,547	2,547	2,060	(487)
State grants and contracts	-	-	-	-
Local grants and contracts	1,921	1,921	1,433	(488)
Charges for services	1,898	1,898	1,835	(63)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	6,366	6,366	5,328	(1,038)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	6,366	6,366	5,315	(1,051)
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,366	6,366	5,315	(1,051)
Excess (deficiency) of revenues over (under) expenditures	-	-	13	13
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	13	13
Fund balance at October 1, 2013	227	227	227	-
Fund balance at September 30, 2014	\$ 227	\$ 227	\$ 240	\$ 13

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Law Enforcement Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	3	1,556	1,580	24
State grants and contracts	222	222	147	(75)
Local grants and contracts	-	-	-	-
Charges for services	2,522	2,649	2,716	67
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	2,747	4,427	4,443	16
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	7,959	9,665	4,045	(5,620)
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	20	20	-	(20)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	7,979	9,685	4,045	(5,640)
Excess (deficiency) of revenues over (under) expenditures	(5,232)	(5,258)	398	5,656
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(5,232)	(5,258)	398	5,656
Fund balance at October 1, 2013	5,232	5,258	4,043	(1,215)
Fund balance at September 30, 2014	\$ -	\$ -	\$ 4,441	\$ 4,441

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Community Development Block Grant Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	21,456	20,211	13,083	(7,128)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	97	97	101	4
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	21,553	20,308	13,184	(7,124)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	21,681	20,160	12,921	(7,239)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	21,681	20,160	12,921	(7,239)
Excess (deficiency) of revenues over (under) expenditures	(128)	148	263	115
Other financing sources (uses)				
Transfers in	127	127	191	64
Transfers out	-	(275)	(296)	(21)
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	127	(148)	(105)	43
Net change in fund balances	(1)	-	158	158
Fund balance at October 1, 2013	1,004	1,004	1,004	-
Fund balance at September 30, 2014	\$ 1,003	\$ 1,004	\$ 1,162	\$ 158

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Drug Enforcement Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	429	429	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	1,463	1,463
Charges for services	-	142	169	27
Interest and rents	-	-	12	12
Other	-	-	-	-
Total revenue	-	571	2,073	1,502
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	214	178	(36)
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	214	178	(36)
Excess (deficiency) of revenues over (under) expenditures	-	357	1,895	1,538
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	357	1,895	1,538
Fund balance (deficit) at October 1, 2013	(1,416)	(1,416)	(1,416)	-
Fund balance (deficit) at September 30, 2014	\$ (1,416)	\$ (1,059)	\$ 479	\$ 1,538

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Nutrition Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,361	2,487	2,493	6
State grants and contracts	791	824	824	-
Local grants and contracts	-	-	-	-
Charges for services	600	600	383	(217)
Interest and rents	-	-	-	-
Other	20	20	42	22
Total revenue	3,772	3,931	3,742	(189)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	4,672	5,106	5,255	149
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,672	5,106	5,255	149
Excess (deficiency) of revenues over (under) expenditures	(900)	(1,175)	(1,513)	(338)
Other financing sources (uses)				
Transfers in	1,000	1,275	1,123	(152)
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,000	1,275	1,123	(152)
Net change in fund balances	100	100	(390)	(490)
Fund balance (deficit) at October 1, 2013	(2,822)	(2,822)	(2,822)	-
Fund balance (deficit) at September 30, 2014	\$ (2,722)	\$ (2,722)	\$ (3,212)	\$ (490)

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Veteran's Trust Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	250	357	339	(18)
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	250	357	339	(18)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	250	357	340	(17)
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	250	357	340	(17)
Excess (deficiency) of revenues over (under) expenditures	-	-	(1)	(1)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(1)	(1)
Fund balance at October 1, 2013	199	199	199	-
Fund balance at September 30, 2014	\$ 199	\$ 199	\$ 198	\$ (1)

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Community Corrections Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	60	88	28
State grants and contracts	2,523	2,523	2,390	(133)
Local grants and contracts	-	-	-	-
Charges for services	131	131	91	(40)
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	2,654	2,714	2,569	(145)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	2,653	2,713	2,538	(175)
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	1	1	-	(1)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,654	2,714	2,538	(176)
Excess (deficiency) of revenues over (under) expenditures	-	-	31	31
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	31	31
Fund balance at October 1, 2013	8	8	8	-
Fund balance at September 30, 2014	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 39</u>	<u>\$ 31</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Victim Witness Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	863	863	761	(102)
State grants and contracts	750	750	589	(161)
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	1,613	1,613	1,350	(263)
Expenditures				
Current operations:				
Judicial	2,415	2,415	2,268	(147)
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,415	2,415	2,268	(147)
Excess (deficiency) of revenues over (under) expenditures	(802)	(802)	(918)	(116)
Other financing sources (uses)				
Transfers in	802	802	802	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	802	802	802	-
Net change in fund balances	-	-	(116)	(116)
Fund balance (deficit) at October 1, 2013	110	110	110	-
Fund balance (deficit) at September 30, 2014	\$ 110	\$ 110	\$ (6)	\$ (116)

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Soldiers' Relief Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ 1,370	\$ 1,370	\$ 1,401	\$ 31
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	4	4
Other	-	-	-	-
Total revenue	1,370	1,370	1,405	35
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	1,765	2,711	2,422	(289)
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	5	5	-	(5)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,770	2,716	2,422	(294)
Excess (deficiency) of revenues over (under) expenditures	(400)	(1,346)	(1,017)	329
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(500)	(500)	(327)	173
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(500)	(500)	(327)	173
Net change in fund balances	(900)	(1,846)	(1,344)	502
Fund balance at October 1, 2013	3,977	3,977	3,977	-
Fund balance at September 30, 2014	\$ 3,077	\$ 2,131	\$ 2,633	\$ 502

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Youth Services Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ 3,580	\$ 3,580	\$ 3,515	\$ (65)
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	3,580	3,580	3,515	(65)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	248	248	231	(17)
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	248	248	231	(17)
Excess (deficiency) of revenues over (under) expenditures	3,332	3,332	3,284	(48)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(4,632)	(4,632)	(4,494)	138
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(4,632)	(4,632)	(4,494)	138
Net change in fund balances	(1,300)	(1,300)	(1,210)	90
Fund balance at October 1, 2013	1,210	1,210	1,210	-
Fund balance at September 30, 2014	\$ (90)	\$ (90)	\$ -	\$ 90

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Community & Economic Development
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	11,425	11,471	5,320	(6,151)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	200	200	213	13
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	11,625	11,671	5,533	(6,138)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	12,854	12,901	6,604	(6,297)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	12,854	12,901	6,604	(6,297)
Excess (deficiency) of revenues over (under) expenditures	(1,229)	(1,230)	(1,071)	159
Other financing sources (uses)				
Transfers in	1,471	1,471	1,407	(64)
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,471	1,471	1,407	(64)
Net change in fund balances	242	241	336	95
Fund balance (deficit) at October 1, 2013	(2,478)	(2,478)	(2,478)	-
Fund balance (deficit) at September 30, 2014	\$ (2,236)	\$ (2,237)	\$ (2,142)	\$ 95

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Building Authority Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	1,180	1,180
Other	-	-	15	15
Total revenue	-	-	1,195	1,195
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	274	274
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	274	274
Excess (deficiency) of revenues over (under) expenditures	-	-	921	921
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(878)	(878)
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	(878)	(878)
Net change in fund balances	-	-	43	43
Fund balance at October 1, 2013	1,212	1,212	1,212	-
Fund balance at September 30, 2014	<u>\$ 1,212</u>	<u>\$ 1,212</u>	<u>\$ 1,255</u>	<u>\$ 43</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Stadium Authority Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	-	-
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	5	5	2	(3)
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5	5	2	(3)
Excess (deficiency) of revenues over (under) expenditures	(5)	(5)	(2)	3
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(5)	(5)	(2)	3
Fund balance at October 1, 2013	585	585	585	-
Fund balance at September 30, 2014	\$ 580	\$ 580	\$ 583	\$ 3

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Economic Development Corporation Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	514	514
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	-	-	514	514
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	-	-	-	-
Economic development	-	-	513	513
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	513	513
Excess (deficiency) of revenues over (under) expenditures	-	-	1	1
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	1	1
Fund balance at October 1, 2013	195	195	195	-
Fund balance at September 30, 2014	<u>\$ 195</u>	<u>\$ 195</u>	<u>\$ 196</u>	<u>\$ 1</u>

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Stadium and Land Development Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	7,300	7,300	8,607	1,307
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	7,300	7,300	8,607	1,307
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	-	-	-	-
Recreational and cultural	7,300	7,300	8,607	1,307
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	7,300	7,300	8,607	1,307
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance at October 1, 2013	-	-	-	-
Fund balance at September 30, 2014	\$ -	\$ -	\$ -	\$ -

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Environmental Programs Fund
 For the Year Ended September 30, 2014
 (in thousands)

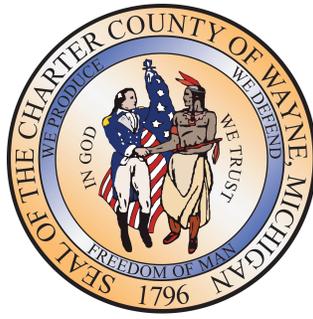
	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	2,235	2,235	2,184	(51)
Interest and rents	10	10	12	2
Other	-	-	-	-
Total revenue	2,245	2,245	2,196	(49)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	2,471	2,471	1,937	(534)
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,471	2,471	1,937	(534)
Excess (deficiency) of revenues over (under) expenditures	(226)	(226)	259	485
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(226)	(226)	259	485
Fund balance at October 1, 2013	5,448	5,448	5,448	-
Fund balance at September 30, 2014	\$ 5,222	\$ 5,222	\$ 5,707	\$ 485

CHARTER COUNTY OF WAYNE, MICHIGAN

Budgetary Comparison Schedule
 Nonmajor Governmental Funds
 Health and Family Services Fund
 For the Year Ended September 30, 2014
 (in thousands)

	Original Budget (unaudited)	Final Amended Budget (unaudited)	Actual	Variance Over (Under)
Revenue				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Excise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	29,847	29,847	25,317	(4,530)
State grants and contracts	-	-	-	-
Local grants and contracts	-	-	-	-
Charges for services	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	29,847	29,847	25,317	(4,530)
Expenditures				
Current operations:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Highways, streets and bridges	-	-	-	-
Health and welfare	29,847	29,847	24,813	(5,034)
Recreational and cultural	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	29,847	29,847	24,813	(5,034)
Excess (deficiency) of revenues over (under) expenditures	-	-	504	504
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	504	504
Fund balance at October 1, 2013	48	48	48	-
Fund balance (deficit) at September 30, 2014	\$ 48	\$ 48	\$ 552	\$ 504

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COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2014

NON-MAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS ARE USED TO ACCOUNT FOR OPERATIONS THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE BUSINESS ENTERPRISES - WHERE THE COSTS OF PROVIDING GOODS OR SERVICES TO THE GENERAL PUBLIC ON A CONTINUING BASIS ARE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES OR WHERE PERIODIC DETERMINATION OF NET INCOME IS APPROPRIATE FOR ACCOUNTABILITY PURPOSES.

Northeast Sewage Disposal System – This fund records the fiscal activities associated with operation and maintenance of the sewage treatment facilities. Costs are recovered through development of usage rates which are billed to the local communities served.

CSO Basins – This fund is used to account for activities related to the construction of combined sewer overflow (CSO) basins in the cities of River Rouge, Inkster, Redford and Dearborn Heights to reduce wet weather overflow to the rivers and increase the flow to the sewage treatment plants.

Jail Commissary – This fund is used to account for the revenues and expenditures associated with the operation of the commissary at the County's jails.

Parking Lots – This fund is used to account for activities related to County employee subsidized parking.

Wetlands Mitigation – This fund is used to account for the marketing of environmental credits earned by the conversion of County owned land.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position Nonmajor Enterprise Funds September 30, 2014 (in thousands)

	Northeast Sewage Disposal System	CSO Basins	Jail Commissary	Parking Lots	Wetlands Mitigation	Totals
Assets						
Current assets:						
Equity in pooled cash and investments	\$ -	\$ 1,007	\$ 1,190	\$ 660	\$ -	\$ 2,857
Other cash and investments	-	-	45	-	-	45
Receivables:						
Accounts	3,134	-	273	-	-	3,407
Due from other governmental units	2,089	1,211	-	-	-	3,300
Total current assets	5,223	2,218	1,508	660	-	9,609
Restricted assets:						
Equity in pooled cash and investments	1,889	3,684	-	-	-	5,573
Accounts receivable	-	1,662	-	-	-	1,662
Bond principal due from municipalities	-	8,602	-	-	-	8,602
Total restricted assets	1,889	13,948	-	-	-	15,837
Noncurrent assets:						
Capital assets not being depreciated	8,999	433	-	-	155	9,587
Capital assets being depreciated, net	2,614	-	-	-	-	2,614
Total noncurrent assets	11,613	433	-	-	155	12,201
Total assets	18,725	16,599	1,508	660	155	37,647
Deferred outflows of resources						
Deferred charge on refunding	-	293	-	-	-	293
Liabilities						
Current liabilities:						
Accounts and contracts payable	826	7	80	-	-	913
Accrued wages and benefits	-	-	3	-	-	3
Due to other funds	77	-	-	-	1	78
Compensated absences, current	-	-	11	-	-	11
Other liabilities	4,007	32	108	-	-	4,147
Total current liabilities	4,910	39	202	-	1	5,152
Payable from restricted assets:						
Accounts payable	190	3,477	-	-	-	3,667
Accrued interest	4	173	-	-	-	177
Bonds payable due in less than one year	-	3,716	-	-	-	3,716
Bonds payable due in more than one year	1,695	6,582	-	-	-	8,277
Total liabilities payable from restricted assets	1,889	13,948	-	-	-	15,837
Noncurrent liabilities:						
Bonds and notes payable due in more than one year	5,997	528	-	-	-	6,525
Total liabilities	12,796	14,515	202	-	1	27,514
Net position						
Net investment in capital assets	3,921	433	-	-	155	4,509
Unrestricted (deficit)	2,008	1,944	1,306	660	(1)	5,917
Total net position	\$ 5,929	\$ 2,377	\$ 1,306	\$ 660	\$ 154	\$ 10,426

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Northeast Sewage Disposal System	CSO Basins	Jail Commissary	Parking Lots	Wetlands Mitigation	Totals
Operating revenue						
Sewage disposal charges	\$ 22,851	\$ 275	\$ -	\$ -	\$ -	\$ 23,126
Other charges for services	-	1,728	3,443	65	-	5,236
Total operating revenue	22,851	2,003	3,443	65	-	28,362
Operating expenses						
Personnel	-	-	3	-	-	3
Fringe benefits	-	-	11	-	-	11
Materials and supplies	17	84	600	-	-	701
Contractual services	21,271	1,535	923	8	-	23,737
Travel	-	-	-	4	-	4
Miscellaneous operating	424	309	3	-	-	736
Rentals	323	54	-	-	-	377
Other charges	-	-	586	-	1	587
Depreciation and amortization	356	-	-	4	-	360
Total operating expenses	22,391	1,982	2,126	16	1	26,516
Operating income	460	21	1,317	49	(1)	1,846
Nonoperating revenues (expenses)						
Investment earnings	15	150	2	-	-	167
Collections from participating local units	17	573	-	-	-	590
Gain on sale of fixed assets	-	-	-	2,145	-	2,145
Interest expense	(80)	(706)	-	-	-	(786)
Total nonoperating revenues (expenses)	(48)	17	2	2,145	-	2,116
Net income (loss) before transfers	412	38	1,319	2,194	(1)	3,962
Transfers in	-	748	-	-	-	748
Transfers out	-	-	(1,059)	(3,147)	-	(4,206)
Change in net position	412	786	260	(953)	(1)	504
Net position at October 1, 2013, as restated (Note 17)	5,517	1,591	1,046	1,613	155	9,922
Net position (deficit) at September 30, 2014	\$ 5,929	\$ 2,377	\$ 1,306	\$ 660	\$ 154	\$ 10,426

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Northeast Sewage Disposal System	CSO Basins	Jail Commissary	Parking Lots	Wetlands Mitigation	Totals
Cash flows from operating activities						
Receipts from customers	\$ 19,117	\$ 2,576	\$ 3,288	\$ 72	\$ -	\$ 25,053
Payments to suppliers	(22,447)	(973)	(2,097)	(12)	(1)	(25,530)
Payments to employees	-	-	(11)	-	-	(11)
Receipts from/(payments to) other funds	77	(758)	-	-	1	(680)
Net cash provided by (used in) operating activities	(3,253)	845	1,180	60	-	(1,168)
Cash flows from non-capital financing activities						
Transfers from other funds	-	748	-	-	-	748
Transfers out to other funds	-	-	(1,059)	(3,147)	-	(4,206)
Net cash provided by (used in) non-capital and related financing activities	-	748	(1,059)	(3,147)	-	(3,458)
Cash flows from capital and related financing activities						
Repayment of long-term debt	(575)	(3,530)	-	-	-	(4,105)
Proceeds from issuance of long-term debt	6,542	-	-	-	-	6,542
Bond principal received from municipalities	561	1,483	-	-	-	2,044
Interest received from participating local units	17	573	-	-	-	590
Acquisition of capital assets	(7,828)	(462)	-	-	-	(8,290)
Disposition of capital assets	-	1,035	-	3,619	-	4,654
Interest paid	(68)	(609)	-	-	-	(677)
Net cash provided by (used in) capital and related financing activities	(1,351)	(1,510)	-	3,619	-	758
Cash flows from investing activities:						
Investment earnings (loss)	15	150	2	-	-	167
Change in cash and cash equivalents	(4,589)	233	123	532	-	(3,701)
Cash and cash equivalents at October 1, 2013	6,478	4,458	1,112	128	-	12,176
Cash and cash equivalents at September 30, 2014	\$ 1,889	\$ 4,691	\$ 1,235	\$ 660	\$ -	\$ 8,475
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 460	\$ 21	\$ 1,317	\$ 49	\$ (1)	\$ 1,846
Adjustments to reconcile operating income (loss) to net cash used by operating activities:						
Depreciation and amortization	356	-	-	4	-	360
Decreases (increases) in current assets:						
Accounts receivable	(3,134)	480	(155)	7	-	(2,802)
Due from other governmental units	(600)	93	-	-	-	(507)
Increases (decreases) in current liabilities:						
Accounts and contracts payable	780	983	(29)	-	-	1,734
Accrued wages	-	-	3	-	-	3
Due to other funds	77	(758)	-	-	1	(680)
Other liabilities	(1,192)	26	44	-	-	(1,122)
Net cash provided by (used in) operating activities	\$ (3,253)	\$ 845	\$ 1,180	\$ 60	\$ -	\$ (1,168)
Cash and cash equivalents at September 30, 2014 consist of the following:						
Equity in pooled cash and investments	\$ -	\$ 1,007	\$ 1,190	\$ 660	\$ -	\$ 2,857
Other cash and investments	-	-	45	-	-	45
Restricted assets -						
Equity in pooled cash and equivalents	1,889	3,684	-	-	-	5,573
Total cash and investments	\$ 1,889	\$ 4,691	\$ 1,235	\$ 660	\$ -	\$ 8,475

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS ARE USED TO ACCOUNT FOR THE FINANCING OF GOODS OR SERVICES PROVIDED BY ONE DEPARTMENT OR AGENCY TO OTHER DEPARTMENTS OR AGENCIES OF THE COUNTY AND TO OTHER GOVERNMENTAL UNITS, ON A COST-REIMBURSEMENT BASIS.

Central Services – This fund is used to distribute the County's costs of internal services provided by the Department of Technology and the Building and Grounds Division of the Department of Public Services.

Environment – This fund is used to distribute costs to the various sewage districts, drains, and other Department of Public Services - Environment activities.

Long-Term Disability – This fund is used to accumulate and disburse monies related to long-term disability claims.

General Health – This fund is used to accumulate and disburse monies related to employee health benefits.

Workers' Compensation Self Insurance – This fund is used to accumulate and disburse monies related to worker's compensation claims.

General Liability – This fund is used to accumulate and disburse monies related to property insurance costs.

Building and Grounds Maintenance – This fund is used to account for the maintenance of all County General Fund buildings.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position Internal Service Funds September 30, 2014 (in thousands)

	Central Services	Environment	Long-term Disability	General Health
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 3,493	\$ 1,009	\$ 482	\$ 13,724
Other cash and investments	1	1	-	-
Due from other governmental units	95	-	-	-
Prepayments and deposits	-	-	-	-
Total current assets	3,589	1,010	482	13,724
Noncurrent assets:				
Capital assets not being depreciated	-	24	-	-
Capital assets being depreciated, net	570	289	-	-
Total noncurrent assets	570	313	-	-
Total assets	4,159	1,323	482	13,724
Liabilities				
Current liabilities:				
Accounts and contracts payable	882	48	-	11,922
Accrued wages and benefits	111	81	48	4
Current portion of long-term obligations	299	231	-	-
Other liabilities	193	19	331	1,794
Total current liabilities	1,485	379	379	13,720
Noncurrent liabilities:				
Other postemployment benefits	787	535	-	-
Other noncurrent liabilities	-	-	-	-
Total noncurrent liabilities	787	535	-	-
Total liabilities	2,272	914	379	13,720
Net position				
Net investment in capital assets	570	313	-	-
Unrestricted (deficit)	1,317	96	103	4
Total net position	\$ 1,887	\$ 409	\$ 103	\$ 4

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position Internal Service Funds September 30, 2014 (in thousands)

	Workers' Compensation Self Insurance	General Liability	Building and Grounds Maintenance	Totals
Assets				
Current assets:				
Equity in pooled cash and investments	\$ 11,635	\$ 2,453	\$ 2,420	\$ 35,216
Other cash and investments	-	-	1	3
Due from other governmental units	-	-	-	95
Prepayments and deposits	-	1,153	-	1,153
Total current assets	11,635	3,606	2,421	36,467
Noncurrent assets:				
Capital assets not being depreciated	-	-	-	24
Capital assets being depreciated, net	-	-	1,732	2,591
Total noncurrent assets	-	-	1,732	2,615
Total assets	11,635	3,606	4,153	39,082
Liabilities				
Current liabilities:				
Accounts and contracts payable	324	58	106	13,340
Accrued wages and benefits	-	-	222	466
Current portion of long-term obligations	-	-	572	1,102
Other liabilities	1,423	94	456	4,310
Total current liabilities	1,747	152	1,356	19,218
Noncurrent liabilities:				
Other postemployment benefits	3	-	1,346	2,671
Other noncurrent liabilities	3,850	-	-	3,850
Total noncurrent liabilities	3,853	-	1,346	6,521
Total liabilities	5,600	152	2,702	25,739
Net position				
Net investment in capital assets	-	-	1,732	2,615
Unrestricted (deficit)	6,035	3,454	(281)	10,728
Total net position	\$ 6,035	\$ 3,454	\$ 1,451	\$ 13,343

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended September 30, 2014 (in thousands)

	Central Services	Environment	Long-term Disability	General Health
Operating revenue				
Charges for services	\$ 15,172	\$ 3,707	\$ 627	\$ 92,531
Rentals and expense recoveries	-	116	-	-
Other charges for services	-	1	-	-
Total operating revenue	15,172	3,824	627	92,531
Operating expenses				
Personnel	2,218	1,396	-	1
Fringe benefits	1,225	804	-	-
Pension	378	529	-	-
Materials and supplies	7	47	-	-
Contractual services	6,230	846	13	416
Travel	18	11	-	-
Miscellaneous operating	534	52	827	93,892
Rentals	1,036	71	-	-
Other charges	-	-	-	19
Depreciation and amortization	298	54	-	-
Total operating expenses	11,944	3,810	840	94,328
Operating income (loss)	3,228	14	(213)	(1,797)
Non-operating revenues (expenses)				
Investment earnings (loss)	-	-	-	-
Operating income (loss) before transfers	3,228	14	(213)	(1,797)
Transfers in	-	-	-	-
Transfers out	(2,580)	-	-	-
Change in net position	648	14	(213)	(1,797)
Net position (deficit) at October 1, 2013	1,239	395	316	1,801
Net position (deficit) at September 30, 2014	<u>\$ 1,887</u>	<u>\$ 409</u>	<u>\$ 103</u>	<u>\$ 4</u>

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended September 30, 2014 (in thousands)

	Workers' Compensation Self Insurance	General Liability	Building and Grounds Maintenance	Totals
Operating revenue				
Charges for services	\$ 3,748	\$ 4,199	\$ 12,822	\$ 132,806
Rentals and expense recoveries	-	-	736	852
Other charges for services	-	-	2	3
Total operating revenue	3,748	4,199	13,560	133,661
Operating expenses				
Personnel	2	-	3,545	7,162
Fringe benefits	1	-	2,061	4,091
Pension	1	-	1,423	2,331
Materials and supplies	-	-	694	748
Contractual services	264	427	1,673	9,869
Travel	-	-	53	82
Miscellaneous operating	1,613	2,355	4,701	103,974
Rentals	-	-	210	1,317
Other charges	-	-	20	39
Depreciation and amortization	-	-	156	508
Total operating expenses	1,881	2,782	14,536	130,121
Operating income (loss)	1,867	1,417	(976)	3,540
Non-operating revenues (expenses)				
Investment earnings (loss)	-	-	(14)	(14)
Operating income (loss) before transfers	1,867	1,417	(990)	3,526
Transfers in	-	-	1,000	1,000
Transfers out	-	-	-	(2,580)
Change in net position	1,867	1,417	10	1,946
Net position (deficit) at October 1, 2013	4,168	2,037	1,441	11,397
Net position (deficit) at September 30, 2014	\$ 6,035	\$ 3,454	\$ 1,451	\$ 13,343

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2014
(in thousands)

	Central Services	Environment	Long-term Disability	General Health
Cash flows from operating activities				
Receipts for interfund services provided	\$ 15,172	\$ 3,824	\$ 627	\$ 92,531
Receipts from interfund loans	2,204	729	705	3,799
Payments to employees	(2,229)	(1,401)	(10)	(1)
Payments for benefits	(1,293)	(1,148)	-	2
Payments to suppliers	(7,789)	(972)	(840)	(82,607)
Receipts from component units	7	-	-	-
Net cash provided by (used in) operating activities	6,072	1,032	482	13,724
Cash flows from noncapital financing activities				
Transfers (to) from other funds	(2,580)	-	-	-
Cash flows from capital and related financing activities				
Acquisition of capital assets	1	(23)	-	-
Cash flows from investing activities				
Investment earnings (loss)	-	-	-	-
Change in cash and cash equivalents	3,493	1,009	482	13,724
Cash and cash equivalents at October 1, 2013	1	1	-	-
Cash and cash equivalents at September 30, 2014	\$ 3,494	\$ 1,010	\$ 482	\$ 13,724
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 3,228	\$ 14	\$ (213)	\$ (1,797)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	298	54	-	-
(Increases) decreases in current assets:				
Due from other funds	2,204	729	705	3,799
Due from component units	7	-	-	-
Other assets	-	-	-	-
Increases (decreases) in current liabilities:				
Accounts and contracts payable	(34)	42	-	11,825
Accrued wages	(11)	(5)	(10)	-
Accrued benefits	(3)	-	-	2
Other liabilities	70	14	-	(105)
Compensated absences payable	(20)	(29)	-	-
Increase in noncurrent other liabilities	333	213	-	-
Net cash provided by (used in) operating activities	\$ 6,072	\$ 1,032	\$ 482	\$ 13,724
Cash and cash equivalents at September 30, 2014 consist of the following:				
Equity in pooled cash and investments	\$ 3,493	\$ 1,009	\$ 482	\$ 13,724
Other cash and investments	1	1	-	-
Total cash and investments	\$ 3,494	\$ 1,010	\$ 482	\$ 13,724

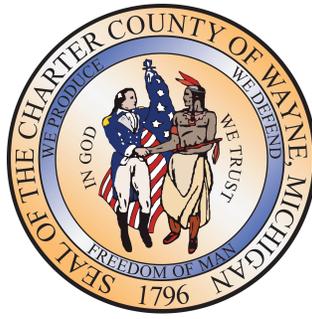
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CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Cash Flows Internal Service Funds For the Year Ended September 30, 2014 (in thousands)

	Workers' Compensation Self Insurance	General Liability	Building and Grounds Maintenance	Totals
Cash flows from operating activities				
Receipts for interfund services provided	\$ 3,748	\$ 4,199	\$ 13,560	\$ 133,661
Receipts from interfund loans	10,094	857	1,900	20,288
Payments to employees	(4)	-	(3,569)	(7,214)
Payments for benefits	1	-	(2,982)	(5,420)
Payments to suppliers	(2,204)	(2,603)	(7,450)	(104,465)
Receipts from component units	-	-	-	7
Net cash provided by (used in) operating activities	11,635	2,453	1,459	36,857
Cash flows from noncapital financing activities				
Transfers (to) from other funds	-	-	1,000	(1,580)
Cash flows from capital and related financing activities				
Acquisition of capital assets	-	-	(28)	(50)
Cash flows from investing activities				
Investment earnings (loss)	-	-	(14)	(14)
Change in cash and cash equivalents	11,635	2,453	2,417	35,213
Cash and cash equivalents at October 1, 2013	-	-	4	6
Cash and cash equivalents at September 30, 2014	\$ 11,635	\$ 2,453	\$ 2,421	\$ 35,219
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 1,867	\$ 1,417	\$ (976)	\$ 3,540
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	156	508
(Increases) decreases in current assets:				
Due from other funds	10,094	857	1,900	20,288
Due from component units	-	-	-	7
Other assets	-	87	-	87
Increases (decreases) in current liabilities:				
Accounts and contracts payable	287	22	(161)	11,981
Accrued wages	(2)	-	(24)	(52)
Accrued benefits	-	-	(2)	(3)
Other liabilities	(614)	70	62	(503)
Compensated absences payable	-	-	(27)	(76)
Increase in noncurrent other liabilities	3	-	531	1,080
Net cash provided by (used in) operating activities	\$ 11,635	\$ 2,453	\$ 1,459	\$ 36,857
Cash and cash equivalents at September 30, 2014 consist of the following:				
Equity in pooled cash and investments	\$ 11,635	\$ 2,453	\$ 2,420	\$ 35,216
Other cash and investments	-	-	1	3
Total cash and investments	\$ 11,635	\$ 2,453	\$ 2,421	\$ 35,219

concluded.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

FIDUCIARY FUNDS

FIDUCIARY FUNDS ARE COMPRISED OF PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS AND AGENCY FUNDS. PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY THE COUNTY IN A TRUSTEE CAPACITY. AGENCY FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY THE COUNTY AS AN AGENT FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, OTHER GOVERNMENTS AND/OR OTHER FUNDS.

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

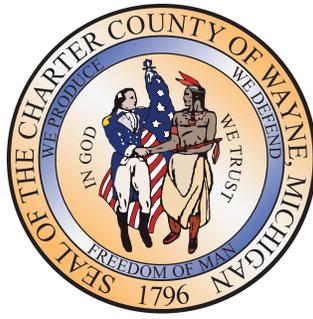
Employees Retirement System – This fund accounts for the monies accumulated under the employee defined benefit pension plan.

Circuit Court Commissioners Bailiffs' Retirement System – This fund accounts for monies accumulated under the Circuit Court Bailiffs' retirement system.

Defined Contribution Plan – This fund accounts for monies accumulated under the employee defined contribution retirement plan.

Other Post-Employment Benefits (OPEB) – This fund accounts for the monies accumulated for post retirement benefits other than pensions.

Qualified Excess Benefit Arrangement (QEBA) – This fund accounts for benefits paid to retirees in accordance with Internal Revenue Code Section 415(b) limits.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

FIDUCIARY FUNDS *(CONTINUED)*

FIDUCIARY FUNDS ARE COMPRISED OF PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS AND AGENCY FUNDS. PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY THE COUNTY IN A TRUSTEE CAPACITY. AGENCY FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY THE COUNTY AS AN AGENT FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, OTHER GOVERNMENTS AND/OR OTHER FUNDS.

AGENCY FUNDS

Trust and Agency – This fund is used to account for miscellaneous trust and agency fund activity not specifically earmarked for another fund.

Undistributed Tax – This fund is used to account for current tax collections and their subsequent disbursement to other governmental units.

Library Penal Fines – This fund is used to account for monies received by District Courts from court fines and disbursed to public libraries.

Office of the County Clerk – This fund is used to account for monies received by the County Clerk including bonds and various fees. Disbursements include attorney fees, restitution payments, garnishments, and jury fees.

Retainages – This fund is used to account for monies retained from contractors involved with County projects. Disbursements are made to the contractor upon successful completion of the project.

Imprest Payroll – This fund is used to account for employee payroll withholdings and their subsequent disbursement.

Imprest Retirement Payroll – This fund is used to account for monthly benefit payments to retirees.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefits Trust Funds
September 30, 2014
(in thousands)

	Employees' Retirement System	Circuit Court Commissioners Bailiffs'	Defined Contribution Plan	Other Post- employment Benefits	Qualified Excess Benefit Arrangement	Total
Assets						
Equity in pooled cash and investments	\$ 6,857	\$ 4	\$ 420	\$ -	\$ 42	\$ 7,323
Receivables:						
Accounts	1,288	30	-	-	-	1,318
Accrued interest	921	-	-	-	-	921
Due from component units	-	-	13	-	-	13
Total receivables	2,209	30	13	-	-	2,252
Investments:						
Equity securities	502,965	5,709	256,186	-	-	764,860
Debt securities	89,916	7	110,012	-	-	199,935
Money market funds	36,067	-	-	-	-	36,067
Other investments	179,360	4	25,498	9,106	-	213,968
Total investments	808,308	5,720	391,696	9,106	-	1,214,830
Prepayments and deposits	26	-	-	-	-	26
Depreciable capital assets, net	3	-	-	-	-	3
Total assets	817,403	5,754	392,129	9,106	42	1,224,434
Liabilities						
Accounts and contracts payable	817	19	-	-	-	836
Accrued wages and benefits	81	-	-	-	7	88
Other liabilities	601	-	-	-	-	601
Due to broker for securities	1,285	-	-	-	-	1,285
Total liabilities	2,784	19	-	-	7	2,810
Net position						
Restricted for pension and other employee benefits	\$ 814,619	\$ 5,735	\$ 392,129	\$ 9,106	\$ 35	\$ 1,221,624

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefits Trust Funds
For the Year Ended September 30, 2014
(in thousands)

	Employees' Retirement System	Circuit Court Commissioners Bailiffs'	Defined Contribution Plan	Other Post- employment Benefits	Qualified Excess Benefit Arrangement	Total
Additions						
Investment income:						
Net appreciation in fair market value	\$ 58,380	\$ 463	\$ 22,079	\$ -	\$ -	\$ 80,922
Interest and dividends	22,517	42	4,886	-	-	27,445
Other investment income	3,009	-	505	-	-	3,514
Investment expenses	(3,707)	-	-	-	-	(3,707)
Net investment income	80,199	505	27,470	-	-	108,174
Contributions:						
Employer	80,181	37	15,218	35,901	573	131,910
Employee	8,522	8	5,617	-	-	14,147
Total contributions	88,703	45	20,835	35,901	573	146,057
Total additions	168,902	550	48,305	35,901	573	254,231
Deductions						
Participant benefits	133,395	124	27,189	35,901	513	197,122
Administrative expenses:						
Personnel	1,220	-	-	-	-	1,220
Fringe benefits	282	-	-	-	-	282
Pension	535	-	-	-	-	535
Materials and supplies	66	-	-	-	-	66
Contractual services	627	60	515	-	6	1,208
Travel	49	-	-	-	-	49
Rentals	197	-	-	-	-	197
Depreciation and amortization	2	-	-	-	-	2
Transfers in	-	-	-	-	-	-
Other charges	35	19	-	-	-	54
Administrative expenses	3,013	79	515	-	6	3,613
Total deductions	136,408	203	27,704	35,901	519	200,735
Change in net position	32,494	347	20,601	-	54	53,496
Net position at October 1, 2013	782,125	5,388	371,528	9,106	(19)	1,168,128
Net position at September 30, 2014	\$ 814,619	\$ 5,735	\$ 392,129	\$ 9,106	\$ 35	\$ 1,221,624

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Fiduciary Net Position
 Agency Funds
 As of September 30, 2014
 (in thousands)

	Trust and Agency	Undistrib- uted Tax	Library Penal Fines	Office of the County Clerk	Retain- ages	Imprest Payroll	Imprest Retirement Payroll	Total Agency Funds
Assets								
Equity in pooled cash and investments	\$ 51,374	\$ 140,644	\$ 652	\$ 11,134	\$ 1,163	\$ 1,252	\$ 820	\$ 207,039
Other cash and investments	1,174	-	-	-	1,255	-	-	2,429
Total assets	\$ 52,548	\$ 140,644	\$ 652	\$ 11,134	\$ 2,418	\$ 1,252	\$ 820	\$ 209,468
Liabilities								
Undistributed receipts	\$ 17,519	\$ 5,182	\$ -	\$ 249	\$ 2,418	\$ 101	\$ 820	\$ 26,289
Due to other governmental units	26	-	-	-	-	1,151	-	1,177
Undistributed taxes	-	135,462	-	-	-	-	-	135,462
Other liabilities	35,003	-	652	10,885	-	-	-	46,540
Total liabilities	\$ 52,548	\$ 140,644	\$ 652	\$ 11,134	\$ 2,418	\$ 1,252	\$ 820	\$ 209,468

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Trust and Agency				
Assets				
Equity in pooled cash and investments	\$ 15,859	\$ 1,306,948	\$ 1,271,433	\$ 51,374
Other cash and investments	1,169	637	632	1,174
Due from other governmental units	-	1,568,529	1,568,529	-
Total assets	\$ 17,028	\$ 2,876,114	\$ 2,840,594	\$ 52,548
Liabilities				
Undistributed receipts	\$ 4,913	\$ 3,238,362	\$ 3,225,756	\$ 17,519
Due to other governmental units	104	37,995	38,073	26
Other liabilities	12,011	38,325	15,333	35,003
Total liabilities	\$ 17,028	\$ 3,314,682	\$ 3,279,162	\$ 52,548
Undistributed Tax				
Assets				
Equity in pooled cash and investments	\$ 144,103	\$ 1,229,890	\$ 1,233,349	\$ 140,644
Due from other governmental units	62	691,454	691,516	-
Total assets	\$ 144,165	\$ 1,921,344	\$ 1,924,865	\$ 140,644
Liabilities				
Undistributed receipts	\$ 693	\$ 244,079	\$ 239,590	\$ 5,182
Undistributed taxes	143,472	1,025,026	1,033,036	135,462
Total liabilities	\$ 144,165	\$ 1,269,105	\$ 1,272,626	\$ 140,644
Library Penal Fines				
Assets				
Equity in pooled cash and investments	\$ 676	\$ 1,875	\$ 1,899	\$ 652
Liabilities				
Other liabilities	\$ 676	\$ 3,710	\$ 3,734	\$ 652

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Office of the County Clerk				
Assets				
Equity in pooled cash and investments	\$ 11,109	\$ 39,551	\$ 39,526	\$ 11,134
Liabilities				
Undistributed receipts	\$ 550	\$ 11,442	11,743	\$ 249
Other liabilities	10,559	20,423	20,097	10,885
Total liabilities	\$ 11,109	\$ 31,865	\$ 31,840	\$ 11,134
Retainages				
Assets				
Equity in pooled cash and investments	\$ 1,330	\$ 558	725	\$ 1,163
Other cash and investments	967	1,034	746	1,255
Due from other governmental units	-	1,184	1,184	-
Total assets	\$ 2,297	\$ 2,776	\$ 2,655	\$ 2,418
Liabilities				
Undistributed receipts	\$ 2,297	\$ 2,415	\$ 2,294	\$ 2,418
Imprest Payroll				
Assets				
Equity in pooled cash and investments	\$ 1,499	\$ 269,020	269,267	\$ 1,252
Due from other governmental units	-	235,087	235,087	-
Total assets	\$ 1,499	\$ 504,107	\$ 504,354	\$ 1,252
Liabilities				
Undistributed receipts	188	\$ 481,981	482,068	101
Due to other governmental units	1,155	67,700	67,704	1,151
Other liabilities	156	20,920	21,076	-
Total liabilities	\$ 1,499	\$ 570,601	\$ 570,848	\$ 1,252

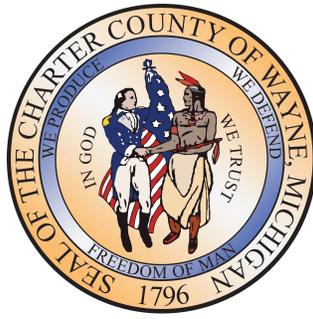
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CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended September 30, 2014
 (in thousands)

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Imprest Retirement Payroll				
Assets				
Equity in pooled cash and investments	\$ 4,326	\$ 217,215	\$ 220,721	\$ 820
Liabilities				
Undistributed receipts	\$ 2,769	352,206	354,155	\$ 820
Due to other governmental units	1,557	20,447	22,004	-
Total liabilities	\$ 4,326	\$ 372,653	\$ 376,159	\$ 820
Totals - all agency funds				
Assets				
Equity in pooled cash and investments	\$ 178,902	\$ 3,065,057	\$ 3,036,920	\$ 207,039
Other cash and investments	2,136	1,671	1,378	2,429
Due from other governmental units	62	2,496,254	2,496,316	-
Total assets	\$ 181,100	\$ 5,562,982	\$ 5,534,614	\$ 209,468
Liabilities				
Undistributed receipts	\$ 11,410	\$ 4,330,485	\$ 4,315,606	\$ 26,289
Due to other governmental units	2,816	126,142	127,781	1,177
Undistributed taxes	143,472	1,025,026	1,033,036	135,462
Other liabilities	23,402	83,378	60,240	46,540
Total liabilities	\$ 181,100	\$ 5,565,031	\$ 5,536,663	\$ 209,468

concluded.



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2014

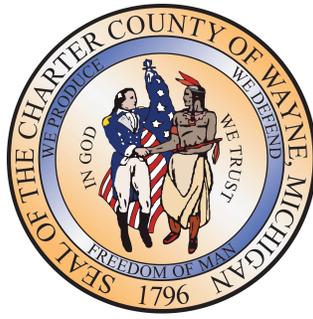
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS

DISCRETELY PRESENTED COMPONENT UNITS ARE ENTITIES THAT ARE LEGALLY SEPARATE FROM THE COUNTY BUT FOR WHICH THE COUNTY IS FINANCIALLY ACCOUNTABLE, OR THEIR RELATIONSHIPS WITH THE COUNTY ARE SUCH THAT EXCLUSION WOULD CAUSE THE COUNTY'S FINANCIAL STATEMENTS TO BE MISLEADING OR INCOMPLETE. DISCRETELY PRESENTED COMPONENT UNITS ARE REPORTED IN A SEPARATE COLUMN TO EMPHASIZE THAT THEY ARE LEGALLY SEPARATE FROM THE COUNTY.

Drainage Districts (Chapter 8, 20 and 21) – Each of the drainage districts is a separate legal entity, with the power to contract, to sue and to be sued, and to hold, manage, and dispose of real and personal property. Drainage districts are established to provide for the construction, maintenance and funding of drains, sewers and equipment used in water management and flood control. Drainage districts are governed by Act No. 40 of the Public Acts of 1956. The full faith and credit of the County is generally given for the long-term debt of the drainage districts.

Wayne County-Detroit CDE, Inc. (CDE) – The CDE is an IRS Section 501(c) (3) Michigan corporation and a qualified community development entity that was granted new market tax credits (NMTC) allocation authority from the U.S. Treasury's Community Development Financial Institutions Fund (CDFI Fund). CDE, Inc. must comply with various rules and regulations of the CDFI Fund and Section 45D of the IRS Code, and must ensure that the NMTC's are used for investment in low-income communities in Wayne County. The County Executive has appointed six of the eleven board members.

Greater Wayne County Economic Development Corporation (GWEDC) – The GWEDC was created as a separate legal entity in November 2004 through an inter-local agreement between the EDC of Wayne County, the EDC of the City of Taylor and the EDC of the City of Detroit. The purpose of the GWEDC is to administer economic development programs and functions in Michigan, such as the One-Stop Center. The GWEDC is governed by an Executive Committee and a Board of Directors. The County Executive appoints the members of the Executive Committee and six of the ten board members. The entity is primarily funded by contributions from the County.



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2014

NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNITS ARE ENTITIES THAT ARE LEGALLY SEPARATE FROM THE COUNTY BUT FOR WHICH THE COUNTY IS FINANCIALLY ACCOUNTABLE, OR THEIR RELATIONSHIPS WITH THE COUNTY ARE SUCH THAT EXCLUSION WOULD CAUSE THE COUNTY'S FINANCIAL STATEMENTS TO BE MISLEADING OR INCOMPLETE. DISCRETELY PRESENTED COMPONENT UNITS ARE REPORTED IN A SEPARATE COLUMN TO EMPHASIZE THAT THEY ARE LEGALLY SEPARATE FROM THE COUNTY.

Brownfield Redevelopment Authority (BRA) – The BRA was established by State enabling legislation. The BRA will assist the Wayne County Department of Public Services - Environment and the various Wayne County communities involved with the Urban Recovery Partnership to facilitate the redevelopment of unproductive, contaminated and/or blighted property by providing tax incentives.

HealthChoice of Michigan (HealthChoice) – HealthChoice was established under the Municipal Health Corporations Act of 1987 to manage a health care program benefiting employees of County businesses that are unable to provide health benefits to their employees. HealthChoice administers the program in conjunction with a non-profit corporation; a third-party administrator; and Patient Care Management System, a unit of the County. HealthChoice Board members are County elected or County appointed officials.

Wayne Regional Jobs and Economic Growth Foundation (WRJEGF) – The Foundation is an IRS Section 501(c)(3) Michigan organization formed to raise funds to support and encourage job and economic development opportunities, projects, and initiatives; and corporations, charities and other organizations that promote the growth of businesses in Wayne County.

Wayne County Land Bank Corporation (Land Bank) – The Land Bank was established by State enabling legislation and was incorporated through an intergovernmental agreement between the Michigan Land Bank Fast Track Authority and the Wayne County Treasurer. Its purpose is to acquire, assemble, manage and/or dispose of real property, or rights and interests in real (such as tax reverted) property to develop/rehabilitate that property and promote economic growth; to quiet title to property; to issue bonds; and provide for financing acquisition, assembly, disposition and quieting of title to property.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position
 Nonmajor Discretely Presented Component Units
 September 30, 2014
 (in thousands)

	Drains	CDE	GWEDC	BRA
Assets				
Equity in pooled cash and investments	\$ 13,378	\$ -	\$ 576	\$ 1,773
Other cash and investments	-	2,010	24	-
Receivables:				
Due in one year	1,739	630	-	359
Due in more than year	12,088	-	-	-
Due from primary government	31	159	-	-
Other assets	-	1	8	-
Capital assets not being depreciated	2,486	-	-	-
Capital assets being depreciated, net	32,099	-	-	-
Total assets	61,821	2,800	608	2,132
Liabilities				
Accounts payable and accrued expenses	779	110	15	829
Accrued interest payable	96	-	-	-
Unearned revenue	-	-	-	1,029
Long-term liabilities:				
Due in one year	1,030	-	-	-
Due in more than year	12,090	-	-	-
Other noncurrent liabilities - net pension and other postemployment benefits	100	-	-	-
Total liabilities	14,095	110	15	1,858
Net position				
Net investment in capital assets	21,484	-	-	-
Restricted for:				
Economic development	-	-	493	-
Unrestricted	26,242	2,690	100	274
Total net position	\$ 47,726	\$ 2,690	\$ 593	\$ 274

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Net Position
 Nonmajor Discretely Presented Component Units
 September 30, 2014
 (in thousands)

	Health Choice	RJEGF	Land Bank	Total
Assets				
Equity in pooled cash and investments	\$ -	\$ -	\$ 1,878	\$ 17,605
Other cash and investments	6,101	23	6	8,164
Receivables:				
Due in one year	-	-	114	2,842
Due in more than year	-	-	-	12,088
Due from primary government	-	-	-	190
Other assets	15	-	-	24
Capital assets not being depreciated	-	-	-	2,486
Capital assets being depreciated, net	4	-	-	32,103
Total assets	6,120	23	1,998	75,502
Liabilities				
Accounts payable and accrued expenses	3,736	24	1,363	6,856
Accrued interest payable	-	-	-	96
Unearned revenue	1,744	-	-	2,773
Long-term liabilities:				
Due in one year	-	-	10	1,040
Due in more than year	-	-	-	12,090
Other noncurrent liabilities - net pension and other postemployment benefits	-	-	93	193
Total liabilities	5,480	24	1,466	23,048
Net position				
Net investment in capital assets	4	-	-	21,488
Restricted for:				
Economic development	-	-	-	493
Unrestricted	636	(1)	532	30,473
Total net position	\$ 640	\$ (1)	\$ 532	\$ 52,454

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Activities
 Nonmajor Discretely Presented Component Units
 For the Year Ended September 30, 2014
 (in thousands)

	Drains	CDE	GWEDC	BRA
Expenses	\$ 9,257	\$ 203	\$ 25	\$ 1,245
Program revenues				
Charges for services	5,527	-	-	-
Operating grants and contributions	3,904	-	-	1,256
Total program revenues	9,431	-	-	1,256
Net (expense) / program revenue	174	(203)	(25)	11
General revenues				
Property taxes	5,946	-	-	-
Investment earnings	43	-	-	-
Other revenue	5,079	318	-	-
Total general revenues	11,068	318	-	-
Change in net position	11,242	115	(25)	11
Net position at October 1, 2013, as restated (Note 17)	36,484	2,575	618	263
Net position (deficit) at September 30, 2014	\$ 47,726	\$ 2,690	\$ 593	\$ 274

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Combining Statement of Activities
 Nonmajor Discretely Presented Component Units
 For the Year Ended September 30, 2014
 (in thousands)

	Health Choice	RJEGF	Land Bank	Total
Expenses	\$ 22,476	\$ 3	\$ 353	\$ 33,562
Program revenues				
Charges for services	21,627	-	400	27,554
Operating grants and contributions	-	-	-	5,160
Total program revenues	21,627	-	400	32,714
Net (expense) / program revenue	(849)	(3)	47	(848)
General revenues				
Property taxes	-	-	-	5,946
Investment earnings	-	-	2	45
Other revenue	-	-	-	5,397
Total general revenues	-	-	2	11,388
Change in net position	(849)	(3)	49	10,540
Net position at October 1, 2013, as restated (Note 17)	1,489	2	483	41,914
Net position (deficit) at September 30, 2014	\$ 640	\$ (1)	\$ 532	\$ 52,454

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Drains Component Unit Statement of Net Position and Governmental Funds Balance Sheet September 30, 2014 (in thousands)

	Chapter 8	Chapter 20	Chapter 21
Assets			
Equity in pooled cash and investments	\$ 1,914	\$ 8,892	\$ 2,572
Receivables:			
Due in one year	732	456	87
Due in more than year	5,485	7,067	-
Due from primary government	-	31	-
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	-	-	-
	<u>\$ 8,131</u>	<u>\$ 16,446</u>	<u>\$ 2,659</u>
Total assets	<u>\$ 8,131</u>	<u>\$ 16,446</u>	<u>\$ 2,659</u>
Liabilities			
Accounts payable and accrued expenses	\$ 126	\$ 620	\$ 130
Accrued interest payable	-	-	-
Long-term liabilities:			
Due in one year	-	-	-
Due in more than year	-	-	-
Other noncurrent liabilities - net pension and other postemployment benefits	-	-	-
	<u>126</u>	<u>620</u>	<u>130</u>
Total liabilities	126	620	130
Deferred inflow of resources			
Unavailable - Property taxes special assessment	6,032	7,068	-
Fund balances			
Unassigned	<u>1,973</u>	<u>8,758</u>	<u>2,529</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 8,131</u>	<u>\$ 16,446</u>	<u>\$ 2,659</u>
Net position			
Net investment in capital assets			
Unrestricted			
Total net position			

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Drains Component Unit Statement of Net Position and Governmental Funds Balance Sheet September 30, 2014 (in thousands)

	Total	Adjustments	Statement of Net Position
Assets			
Equity in pooled cash and investments	\$ 13,378	\$ -	\$ 13,378
Receivables:	-		-
Due in one year	1,275	464	1,739
Due in more than year	12,552	(464)	12,088
Due from primary government	31	-	31
Capital assets not being depreciated	-	2,486	2,486
Capital assets being depreciated, net	-	32,099	32,099
	<u>\$ 27,236</u>	<u>34,585</u>	<u>61,821</u>
Total assets	<u>\$ 27,236</u>	<u>34,585</u>	<u>61,821</u>
Liabilities			
Accounts payable and accrued expenses	\$ 876	(96)	779
Accrued interest payable	-	96	96
Long-term liabilities:			
Due in one year	-	1,030	1,030
Due in more than year	-	12,090	12,090
Other noncurrent liabilities - net pension and other postemployment benefits	-	100	100
	<u>876</u>	<u>13,220</u>	<u>14,095</u>
Total liabilities	<u>876</u>	<u>13,220</u>	<u>14,095</u>
Deferred inflow of resources			
Unavailable - Property taxes special assessment	13,100	(13,100)	-
Fund balances			
Unassigned	<u>13,260</u>		
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 27,236</u>		
Net position			
Net investment in capital assets		21,484	21,484
Unrestricted		<u>26,242</u>	<u>26,242</u>
Total net position		<u>\$ 47,726</u>	<u>\$ 47,726</u>

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

Drains Component Unit

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

For the Year Ended September 30, 2014

(in thousands)

	Chapter 8	Chapter 20	Chapter 21
Revenues			
Property taxes	\$ 1,496	\$ 2,101	\$ 2,349
State grants and contracts	-	-	108
Local grants and contracts	-	745	600
Charges for services	218	71	79
Operating grants and contributions	-	-	-
Investment earnings	2	10	31
Other revenue	-	129	-
	<u>1,716</u>	<u>3,056</u>	<u>3,167</u>
Expenditures / expenses			
Public works	1,816	1,847	2,459
Capital Outlay	-	1,935	11
Debt service:			
Principal	545	229	-
Interest and fiscal charges	317	165	-
	<u>2,678</u>	<u>4,176</u>	<u>2,470</u>
Total expenditures / expenses	<u>2,678</u>	<u>4,176</u>	<u>2,470</u>
Revenues over (under) expenditures	(962)	(1,120)	697
Other financing sources			
Proceeds from bond issuance	-	2,681	-
	<u>-</u>	<u>2,681</u>	<u>-</u>
Change in net position / fund balances	(962)	1,561	697
Net position / fund balances at October 1, 2013 as restated (Note 17)	<u>2,935</u>	<u>7,197</u>	<u>1,832</u>
Net position / fund balances at September 30, 2014	<u>\$ 1,973</u>	<u>\$ 8,758</u>	<u>\$ 2,529</u>

continued...

CHARTER COUNTY OF WAYNE, MICHIGAN

Drains Component Unit

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

For the Year Ended September 30, 2014

(in thousands)

	Total	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 5,946	\$ -	\$ 5,946
State grants and contracts	108	-	108
Local grants and contracts	1,345	-	1,345
Charges for services	368	5,159	5,527
Operating grants and contributions	-	2,451	2,451
Investment earnings	43	-	43
Other revenue	129	4,950	5,079
	<u>7,939</u>	<u>12,560</u>	<u>20,499</u>
Expenditures / expenses			
Public works	6,122	2,653	8,775
Capital Outlay	1,946	(1,946)	-
Debt service:			
Principal	774	(774)	-
Interest and fiscal charges	482	-	482
	<u>9,324</u>	<u>(67)</u>	<u>9,257</u>
Total expenditures / expenses	<u>9,324</u>	<u>(67)</u>	<u>9,257</u>
Revenues over (under) expenditures	(1,385)	12,627	11,242
Other financing sources			
Proceeds from bond issuance	2,681	(2,681)	-
	<u>2,681</u>	<u>(2,681)</u>	<u>-</u>
Change in net position / fund balances	1,296	9,946	11,242
Net position / fund balances at October 1, 2013 as restated (Note 17)	<u>11,964</u>	<u>24,520</u>	<u>36,484</u>
Net position / fund balances at September 30, 2014	<u>\$ 13,260</u>	<u>\$ 34,466</u>	<u>\$ 47,726</u>

concluded.

CHARTER COUNTY OF WAYNE, MICHIGAN

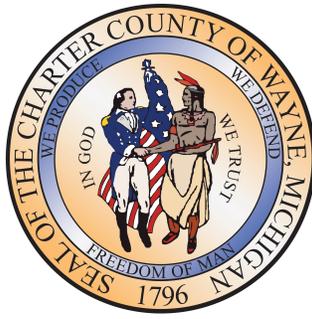
Brownfield Redevelopment Authority Statement of Net Position and Governmental Fund Balance Sheet September 30, 2014 (in thousands)

	BRA	Adjustments	Statement of Net Position
Assets			
Equity in pooled cash and investments	\$ 1,773	\$ -	\$ 1,773
Receivables	359	-	359
Total assets	\$ 2,132	-	2,132
Liabilities			
Accounts payable and accrued expenses	829	-	829
Unearned revenue	1,029	-	1,029
Total liabilities	1,858	-	1,858
Deferred inflows of resources			
Unavailable revenues - grants	11	(11)	-
Fund balance			
Unassigned	263	(263)	-
Total liabilities, deferred inflows of resources and fund balance	\$ 2,132		
Net position			
Unrestricted		\$ 274	\$ 274

CHARTER COUNTY OF WAYNE, MICHIGAN

Brownfield Redevelopment Authority Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance For the Year Ended September 30, 2014 (in thousands)

	BRA	Adjustments	Statement of Activities
Revenues			
Federal grants	\$ 246	\$ -	\$ 246
Local grants and contracts	999	-	999
Operating grants and contributions	-	11	11
Total revenues	1,245	11	1,256
Expenditures / expenses			
Community development	1,245	-	1,245
Change in net position / fund balance	-	11	11
Net position / fund balance at October 1, 2013	263	-	263
Net position / fund balance at September 30, 2014	\$ 263	\$ 11	\$ 274



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

STATISTICAL

THIS PART OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT PRESENTS DETAILED INFORMATION AS A CONTEXT FOR UNDERSTANDING WHAT THE INFORMATION IN THE FINANCIAL STATEMENTS, NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY INFORMATION SAYS ABOUT THE COUNTY'S OVERALL FINANCIAL HEALTH.

CONTENTS

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt, and the County's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

FINANCIAL TRENDS

CHARTER COUNTY OF WAYNE, MICHIGAN

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2014 [1]	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$ 921,798	\$ 908,967	\$ 908,967	\$ 929,079	\$ 950,521	\$ 974,539	\$ 982,356	\$ 1,039,751	\$ 1,073,350	\$ 1,120,350
Restricted	154,895	243,298	243,298	331,022	257,459	192,002	193,203	125,823	86,318	78,499
Unrestricted (deficit)	(373,082)	(223,423)	(223,423)	(278,629)	(149,046)	(99,313)	(14,199)	82,709	66,706	31,745
Total	\$ 703,611	\$ 928,842	\$ 928,842	\$ 981,472	\$ 1,058,934	\$ 1,067,228	\$ 1,161,360	\$ 1,248,283	\$ 1,226,374	\$ 1,230,594
Business-type activities										
Net investment in capital assets	\$ 173,826	\$ 172,080	\$ 172,080	\$ 168,370	\$ 167,770	\$ 159,735	\$ 159,655	\$ 160,424	\$ 180,638	\$ 215,294
Restricted	-	137,351	137,351	152,559	172,408	185,445	200,105	211,789	188,935	27,757
Unrestricted	127,099	14,956	14,956	11,036	6,509	7,274	15,761	22,295	22,332	226,294
Total	\$ 300,925	\$ 324,387	\$ 324,387	\$ 331,965	\$ 346,687	\$ 352,454	\$ 375,521	\$ 394,508	\$ 391,905	\$ 469,345
Primary government										
Net investment in capital assets	\$ 1,095,624	\$ 1,081,047	\$ 1,081,047	\$ 1,097,449	\$ 1,118,291	\$ 1,134,274	\$ 1,142,011	\$ 1,200,175	\$ 1,253,988	\$ 1,335,644
Restricted	154,895	380,649	380,649	483,581	429,867	377,447	393,308	337,612	275,253	106,256
Unrestricted (deficit)	(245,983)	(208,467)	(208,467)	(267,593)	(142,537)	(92,039)	1,562	105,004	89,038	258,039
Total	\$ 1,004,536	\$ 1,253,229	\$ 1,253,229	\$ 1,313,437	\$ 1,405,621	\$ 1,419,682	\$ 1,536,881	\$ 1,642,791	\$ 1,618,279	\$ 1,699,939

Source: Statement of Net Position

[1] During fiscal year 2014, the County implemented GASB 65. Prior year balances have not been restated for the changes. See footnote 17.

CHARTER COUNTY OF WAYNE, MICHIGAN

Changes in Net Position
Last ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Primary government expenses										
Governmental activities:										
Legislative	\$ 8,352	\$ 8,618	\$ 8,627	\$ 9,707	\$ 9,736	\$ 10,697	\$ 11,873	\$ 9,871	\$ 8,972	\$ 9,189
Judicial	145,953	145,929	120,446	123,555	126,507	109,282	119,539	98,345	96,897	97,825
General government	219,643	167,181	161,836	168,753	133,484	150,409	131,833	174,234	151,149	145,811
Public safety	165,098	174,936	167,463	171,762	165,646	165,074	177,999	177,762	166,593	155,603
Public works	394	5,825	5,830	5,896	6,021	7,353	7,290	7,510	6,992	7,214
Highways, streets and bridges	119,945	110,561	109,914	115,882	129,005	136,775	142,452	140,230	164,345	153,093
Health and welfare	259,610	916,074	939,228	930,262	944,892	935,874	979,211	950,270	944,029	901,419
Recreation and cultural	28,703	24,791	19,631	21,198	23,005	27,006	30,925	27,310	32,173	29,385
Community and economic development	19,844	18,375	27,899	25,578	27,105	20,338	20,780	17,763	17,966	-
Non-departmental *	-	-	-	-	-	-	-	-	16,057	26,348
Interest on long-term debt	40,045	40,446	46,268	40,864	21,610	17,880	21,111	18,465	27,412	24,700
Total governmental activities, net expenses	1,007,587	1,612,736	1,607,142	1,613,457	1,587,011	1,580,688	1,643,013	1,621,760	1,632,585	1,550,587
Business-type activities:										
Sewage Disposal Systems	116,346	109,790	108,973	106,191	93,217	100,010	96,723	92,064	157,499	93,033
Jail Commissary	2,127	2,710	2,783	2,510	2,224	2,230	2,545	2,149	1,648	1,187
Parking Lots	15	9	13	15	71	143	143	107	114	204
Wetlands Mitigation	1	-	-	-	-	3	-	1	1	5
Copy Center	-	178	-	(20)	660	762	722	320	23	-
Total business-type activities expenses	118,489	112,687	111,769	108,696	96,172	103,148	100,133	94,641	159,285	94,429
Total primary government expenses	1,126,076	1,725,423	1,718,911	1,722,153	1,683,183	1,683,836	1,743,146	1,716,401	1,791,870	1,645,016
Program revenues										
Governmental activities:										
Charges for services:										
Legislative	2,046	2,021	2,243	2,243	2,251	2,232	1,612	-	-	-
Judicial	7,727	8,716	20,350	20,350	19,250	20,028	19,460	22	2	-
General government	128,426	97,331	128,693	128,693	93,650	88,063	78,978	82,763	111,035	110,026
Public safety	34,293	39,416	36,136	36,136	34,554	38,496	42,122	30,437	26,020	27,283
Public works	-	5,487	5,190	5,190	5,234	6,240	6,324	6,609	5,973	6,030
Highways, streets and bridges	5,534	3,512	5,278	5,278	900	1,859	10,966	8,078	6,649	6,441
Health and welfare	19,826	28,199	33,781	33,781	33,543	15,179	14,555	14,518	24,881	30,723
Recreation and cultural	10,666	10,002	2,672	2,672	1,344	3,397	2,605	2,631	5,713	3,681
Community and economic development	828	1,796	465	465	582	607	862	758	1,321	-
Non-departmental *	-	-	-	-	-	-	-	-	-	1,367
Operating grants and contributions	328,505	979,813	934,242	934,242	926,294	873,408	880,502	869,537	878,985	872,743
Capital grants and contributions	18,982	17,242	20,935	20,935	20,762	17,232	24,411	15,347	12,681	10,281
Total governmental activities program revenues	556,833	1,193,535	1,189,985	1,189,985	1,138,364	1,066,741	1,082,397	1,030,700	1,073,260	1,068,575

* - The non-departmental function has been reclassified to more specific line items.

Source: Statement of Activities

CHARTER COUNTY OF WAYNE, MICHIGAN

Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)
(in thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Business-type activities:										
Charges for services:										
Sewage Disposal Systems	\$ 99,000	\$ 96,218	\$ 93,846	\$ 85,276	\$ 74,171	\$ 70,745	\$ 70,645	\$ 68,162	\$ 67,553	\$ 68,001
Jail Commissary	3,443	3,013	3,007	2,806	2,392	1,641	2,745	2,405	1,314	1,314
Parking Lots	65	63	66	25	64	143	142	226	197	174
Copy Center	-	-	-	1	219	540	329	540	247	-
Operating grants and contributions	2,732	4,670	8,934	5,330	13,154	6,569	5,486	6,161	7,071	7,121
Capital grants and contributions	-	-	-	-	-	58	640	17,467	3,317	335
Total business-type activities program revenues	105,240	103,964	105,853	93,438	90,000	79,382	80,198	94,750	79,699	76,945
Total primary government revenues	662,073	1,297,499	1,295,838	1,283,423	1,228,364	1,146,123	1,162,595	1,125,450	1,152,959	1,145,520
Net revenue (expense)	(450,754)	(419,201)	(459,942)	(423,472)	(448,647)	(513,947)	(559,325)	(482,012)	(537,611)	(453,255)
Governmental activities	(13,249)	(8,723)	(7,971)	(15,259)	(6,172)	(15,259)	(79,087)	321	(16,669)	(13,608)
Business-type activities	(464,003)	(427,924)	(467,913)	(438,730)	(454,819)	(529,206)	(638,412)	(481,691)	(554,280)	(466,863)
Total primary government net revenue (expense)										
General revenues and other changes in net position										
Governmental activities:										
Taxes	302,278	285,192	296,441	323,986	349,385	381,351	401,764	485,554	484,636	465,466
Investment earnings	30,421	29,128	27,670	21,175	20,875	21,525	28,390	37,697	33,317	29,597
State sales tax	44,821	43,120	42,877	55,052	43,966	5,455	21,701	21,985	-	-
Airport parking taxes	14,775	5,800	13,085	9,203	9,333	12,553	15,276	13,866	12,696	10,170
Other revenue	23,592	17,959	19,989	13,036	9,969	12,378	25,517	47,658	24,456	20,845
Excise tax	8,607	7,745	7,449	7,112	6,522	6,454	8,408	7,403	-	-
Contributed assets	-	-	-	-	-	-	(27,004)	-	-	-
Gain on reduction in note payable	-	-	-	-	(100)	52,716	-	-	-	-
Transfers	4,206	(564)	(199)	-	(87)	(87)	(359)	(1,195)	-	-
Chargeback recovery	-	-	-	5,387	-	-	-	-	-	-
Special item	(69,898)	(88,087)	-	(65,326)	-	-	-	-	-	-
Total governmental activities	358,802	300,293	407,312	369,625	439,950	492,345	473,693	612,968	555,105	526,078
Business-type activities:										
Investment earnings	359	217	195	428	305	612	661	2,417	2,148	1,156
Other revenue	2	-	-	-	-	-	-	-	-	175
Transfers of capital assets	-	-	(1)	-	-	-	-	(1,118)	-	-
Contributed assets	-	-	-	-	-	-	(71)	-	-	-
Gain on sale of capital assets	2,145	-	-	-	-	-	-	-	-	-
Transfers in (out)	(4,206)	564	199	108	100	87	359	1,195	-	-
Chargeback recovery	-	-	-	108	-	-	-	-	-	-
Total business-type activities	(1,700)	781	393	536	405	699	949	2,494	2,148	1,331
Total primary government	357,102	301,074	407,705	370,161	440,355	493,044	474,642	615,462	557,253	527,409
Change in net position	(91,952)	(118,908)	(56,174)	(53,847)	(8,697)	(21,602)	(85,632)	130,956	17,494	72,823
Governmental activities	(14,949)	(7,942)	(5,722)	(14,722)	(5,767)	(14,560)	(78,138)	2,815	(14,521)	(12,277)
Business-type activities	(76,903)	(110,966)	(50,452)	(39,125)	(3,930)	(7,042)	(7,500)	128,141	31,915	85,099
Total primary government	(106,901)	(126,850)	(61,896)	(68,569)	(14,464)	(36,162)	(163,770)	133,771	2,973	60,546

Source: Statement of Activities

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CHARTER COUNTY OF WAYNE, MICHIGAN

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

(in thousands)

	2014	2013	2012	2011 (a)	2010	2009	2008	2007	2006	2005
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 89,513	\$ 75,813	\$ 36,106	\$ 4,230	\$ 7,857	\$ 5,558
Nonspendable	1,687	1,734	1,732	33,184	-	-	-	-	-	-
Restricted	7,324	9,183	9,160	9,888	-	-	-	-	-	-
Committed	-	-	3,000	3,000	-	-	-	-	-	-
Unassigned (deficit)	(82,804)	(156,483)	(148,925)	(127,953)	-	-	-	-	-	-
Unreserved (deficit)	-	-	-	-	(116,029)	(68,949)	(10,606)	21,148	15,842	18,079
Total general fund	\$ (73,793)	\$ (145,566)	\$ (135,033)	\$ (81,881)	\$ (26,516)	\$ 6,864	\$ 25,500	\$ 25,378	\$ 23,699	\$ 23,637
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 93,540	\$ 72,964	\$ 109,062	\$ 121,622	\$ 116,089	\$ 53,910
Nonspendable	8,491	37,500	34,883	33,045	-	-	-	-	-	-
Restricted	98,223	161,435	220,292	294,318	-	-	-	-	-	-
Committed	-	-	-	6,232	-	-	-	-	-	-
Assigned	51,328	51,100	51,010	21,062	-	-	-	-	-	-
Unassigned	(10,755)	(17,886)	(16,616)	(18,722)	-	-	-	-	-	-
Unreserved, reported in: Special revenue funds	-	-	-	-	14,000	(289)	(6,507)	33,025	22,448	81,510
Total all other governmental funds	\$ 147,287	\$ 232,149	\$ 289,569	\$ 335,935	\$ 107,540	\$ 72,675	\$ 102,555	\$ 154,647	\$ 138,537	\$ 135,420

(a) - In fiscal year 2011, the County adopted GASB 54 which changed the fund balance classification. Prior balances have not been restated to reflect GASB 54.

Source: Balance Sheet - Governmental Funds

CHARTER COUNTY OF WAYNE, MICHIGAN
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)
(in thousands)

Table 4

	2014	2013	2012	2011	2010
Revenues					
Taxes	\$ 362,485	\$ 335,922	\$ 351,205	\$ 380,326	\$ 403,582
Licenses and permits	705	758	657	602	587
Federal grants	93,005	94,137	85,549	107,288	90,395
State grants and contracts	209,844	833,150	817,220	822,212	819,310
Local grants and contracts	27,466	36,895	21,422	16,336	14,634
Charges for services	169,449	164,955	164,108	155,087	115,724
Investment earnings	29,723	28,526	27,079	20,540	19,754
Other	22,584	16,928	18,923	8,665	8,870
Total revenues	<u>915,261</u>	<u>1,511,271</u>	<u>1,486,163</u>	<u>1,511,056</u>	<u>1,472,856</u>
Expenditures					
Legislative	8,417	8,768	8,792	8,805	8,865
Judicial	141,044	140,274	99,522	102,776	107,464
General government	169,934	139,384	132,803	137,061	114,967
Public safety	159,140	167,986	158,761	142,316	145,476
Public works	432	379	660	708	786
Highways, streets and bridges	82,409	71,895	68,575	64,029	73,583
Health and welfare	263,463	931,114	944,966	937,002	946,259
Recreation and cultural	24,475	24,268	25,994	22,336	23,907
Non-departmental *	-	-	-	-	-
Community and economic development	32,616	21,748	29,354	3,384	5,856
Capital outlay	22,218	69,507	67,091	44,233	54,267
Debt service:					
Principal	22,437	28,430	24,770	21,305	19,208
Interest	30,933	28,058	28,058	21,564	13,365
Other	-	-	-	959	494
Total expenditures	<u>957,518</u>	<u>1,631,811</u>	<u>1,589,346</u>	<u>1,506,478</u>	<u>1,514,497</u>
Revenues over (under) expenditures	<u>(42,257)</u>	<u>(120,540)</u>	<u>(103,183)</u>	<u>8,103</u>	<u>(41,641)</u>
Other financing sources (uses)					
Transfers in	76,996	183,583	150,718	145,088	141,747
Transfers out	20,521	(133,187)	(132,779)	(130,428)	(138,747)
Chargeback recovery	-	-	-	4,783	-
Payment to refunded bond escrow agent	-	-	-	-	-
Bond issuance	-	-	16,036	210,026	39,840
Bond premium	-	-	55	-	46
Bond discount	-	-	-	-	(187)
Proceeds from sale of capital assets	380	1	80	2,132	25
Total other financing sources (uses)	<u>97,897</u>	<u>50,397</u>	<u>34,110</u>	<u>231,601</u>	<u>42,724</u>
Net change before special item	55,640	(70,143)	(69,073)	239,704	1,083
Special item	<u>(68,729)</u>	<u>-</u>	<u>(30,444)</u>	<u>(43,057)</u>	<u>-</u>
Net change in fund balances	<u>\$ (13,089)</u>	<u>\$ (70,143)</u>	<u>\$ (99,517)</u>	<u>\$ 196,647</u>	<u>\$ 1,083</u>
Debt service as a percentage of noncapital expenditures	<u>5.7%</u>	<u>3.6%</u>	<u>3.5%</u>	<u>2.9%</u>	<u>2.2%</u>

continued...

* - The non-departmental function has been reclassified to more specific line items.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances

CHARTER COUNTY OF WAYNE, MICHIGAN

Table 4

Changes in Fund Balance, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

(in thousands)

	2009	2008	2007	2006	2005
Revenues					
Taxes	\$ 395,446	\$ 432,714	\$ 498,060	\$ 472,551	\$ 444,819
Licenses and permits	480	274	431	295	362
Federal grants	72,988	81,062	72,779	74,348	86,857
State grants and contracts	792,731	793,348	795,048	772,603	762,754
Local grants and contracts	15,141	17,306	19,008	23,279	25,186
Charges for services	94,594	100,410	98,636	115,191	133,187
Investment earnings	19,873	25,285	33,371	29,924	27,193
Other	24,333	24,917	32,382	22,402	17,909
Total revenues	1,415,586	1,475,316	1,549,715	1,510,593	1,498,267
Expenditures					
Legislative	10,697	11,629	11,807	10,992	11,024
Judicial	89,615	100,370	98,130	96,628	97,596
General government	127,117	124,885	134,865	124,876	109,079
Public safety	156,011	167,469	161,972	151,343	150,354
Public works	1,217	1,098	1,051	1,164	1,318
Highways, streets and bridges	83,631	89,833	87,022	94,821	102,428
Health and welfare	938,830	985,003	955,338	948,725	901,866
Recreation and cultural	28,268	29,821	20,921	25,100	28,149
Non-departmental *	-	-	-	17,666	26,348
Community and economic development	5,407	12,802	1,800	-	-
Capital outlay	23,553	47,688	12,954	11,846	13,412
Debt service:					
	20,519	27,756	20,293	19,959	19,949
	8,568	9,671	17,912	18,305	18,568
	915	2,159	578	9	17
Total expenditures	1,494,348	1,610,184	1,524,643	1,521,434	1,480,108
Revenues over (under) expenditures	(78,762)	(134,868)	25,072	(10,841)	18,159
Other financing sources (uses)					
Transfers in	209,589	249,506	318,947	295,941	329,148
Transfers out	(211,838)	(231,988)	(304,769)	(282,441)	(308,148)
Chargeback recovery	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(90,278)	-	-
Bond issuance	31,944	64,045	66,395	-	-
Bond premium	462	1,158	1,583	-	-
Bond discount	-	-	-	-	-
Proceeds from sale of capital assets	89	176	839	520	526
Total other financing sources (uses)	30,246	82,897	(7,283)	14,020	21,526
Net change before special item	(48,516)	(51,971)	17,789	3,179	39,685
Special item	-	-	-	-	-
Net change in fund balances	\$ (48,516)	\$ (51,971)	\$ 17,789	\$ 3,179	\$ 39,685
Debt service as a percentage of noncapital expenditures	2.0%	2.4%	2.5%	2.5%	2.6%

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

REVENUE CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN
 Taxable Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (Unaudited)

(4) For Tax Levy	Taxable Value										(1) (2) Total Taxable Value	General Operating Direct Tax Rate	(3) Estimated Actual Value	Taxable Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property	Industrial Property	Developmental Property	Agricultural Property	Personal Property								
July 1, 2005	\$ 31,508,172,159	\$ 6,775,008,713	\$ 3,936,157,162	\$ 26,933,363	\$ 24,849,832	\$ 6,037,978,810	\$ 48,309,100,039	1.8828	\$ 125,359,817,812	38.54%				
December 1, 2005	31,508,172,159	6,775,008,713	3,936,157,162	26,933,363	24,849,832	6,037,978,810	48,309,100,039	5.9392	125,359,817,812	38.54%				
July 1, 2006	33,607,446,027	7,105,243,493	3,963,530,779	28,056,401	15,819,058	5,852,263,246	50,572,359,004	3.7655	128,803,281,446	39.26%				
December 1, 2006	33,607,446,027	7,105,243,493	3,963,530,779	28,056,401	15,819,058	5,852,263,246	50,572,359,004	4.0565	128,803,281,446	39.26%				
July 1, 2007	35,348,119,661	7,711,741,307	4,071,361,238	54,478,431	17,351,454	5,793,352,706	52,996,404,797	5.6483	132,254,579,368	40.07%				
December 1, 2007	35,348,119,661	7,711,741,307	4,071,361,238	54,478,431	17,351,454	5,793,352,706	52,996,404,797	2.1737	132,254,579,368	40.07%				
July 1, 2008	35,071,782,855	8,123,588,100	4,089,688,255	54,599,620	17,185,476	5,562,061,827	52,918,906,133	5.6483	127,441,315,314	41.52%				
December 1, 2008	35,071,782,855	8,123,588,100	4,089,688,255	54,599,620	17,185,476	5,562,061,827	52,918,906,133	2.1737	127,441,315,314	41.52%				
July 1, 2009	32,889,053,263	8,276,471,682	4,092,418,840	54,757,162	18,233,322	5,658,628,433	50,989,562,702	5.6483	114,693,804,624	44.46%				
December 1, 2009	32,889,053,263	8,276,471,682	4,092,418,840	54,757,162	18,233,322	5,658,628,433	50,989,562,702	5.6483	114,693,804,624	44.46%				
July 1, 2010	29,572,602,004	7,895,948,318	3,826,614,479	8,416,870	17,491,534	5,261,408,874	46,582,482,079	2.1737	101,296,707,068	45.99%				
December 1, 2010	29,572,602,004	7,895,948,318	3,826,614,479	8,416,870	17,491,534	5,261,408,874	46,582,482,079	2.1737	101,296,707,068	45.99%				
July 1, 2011	27,509,235,231	7,811,532,677	3,392,393,971	6,768,953	17,926,585	4,867,569,724	43,605,427,141	5.6483	92,828,383,320	46.97%				
December 1, 2011	27,509,235,231	7,811,532,677	3,392,393,971	6,768,953	17,926,585	4,867,569,724	43,605,427,141	2.1737	92,828,383,320	46.97%				
July 1, 2012	25,916,204,229	7,419,783,282	2,981,495,811	18,770,783	19,878,809	5,067,481,829	41,423,614,743	5.6483	87,115,013,336	47.55%				
December 1, 2012	25,916,204,229	7,419,783,282	2,981,495,811	18,770,783	19,878,809	5,067,481,829	41,423,614,743	2.1737	87,115,013,336	47.55%				
July 1, 2013	25,509,633,413	7,084,252,055	2,869,040,877	18,426,262	19,669,958	5,438,055,570	40,939,078,135	5.6483	85,751,843,028	47.74%				
December 1, 2013	25,509,633,413	7,084,252,055	2,869,040,877	18,426,262	19,669,958	5,438,055,570	40,939,078,135	2.1737	85,751,843,028	47.74%				
July 1, 2014	24,981,471,204	6,975,057,439	2,776,390,599	10,451,319	18,746,129	5,281,572,162	40,043,688,852	5.6483	85,003,495,792	47.11%				
December 1, 2014	24,981,471,204	6,975,057,439	2,776,390,599	10,451,319	18,746,129	5,281,572,162	40,043,688,852	2.1737	85,003,495,792	47.11%				

- (1) The Taxable Valuation against which the tax levy is applied to is determined as of the December 31 prior to the July 1 or December 1 on which the taxes are levied. Taxable value is a result of a ballot proposal passed by the electorate in the state of Michigan in 1994. Taxable value increases are limited to (following adjustment for additions or losses) the rate of inflation or 5% whichever is less. The taxable value limit does not apply to a property in the year following a transfer of ownership (sale).
- (2) Beginning in fiscal year 1996, the ad valorem millage is based on the Taxable Value rather than the State Equalized Valuation. "SEV" represents 50% of the true cash value, in accordance with Michigan Public Act 409 of 1965, and Article IX, Section 3 of the Michigan Constitution.
- (3) The County assesses property annually. Estimated actual value is the State Equalized Valuation multiplied by two.
- (4) The County's general operating millage was gradually shifted from a December 1 levy to a July 1 levy during fiscal years 2005, 2006, and 2007. In 2008 and each year thereafter, 100% of the County's charter millage will be levied on July 1.

Source: Wayne County Assessment and Equalization Division

CHARTER COUNTY OF WAYNE, MICHIGAN
Direct and Overlapping Property Tax Rates
Last Ten Years
(Unaudited)

Table 6

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
County direct rates										
General	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012	6.6012
Soldiers Relief	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368	0.0368
Parks	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459	0.2459
Jail	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381	0.9381
Total direct rate [a]	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220	7.8220
Overlapping rates										
Huron-Clinton Metro Authority	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Wayne County Transit Authority	1.0000	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5980
^ Wayne County Zoological Authority	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	-	-	-
& Cities (34)										
Low	13.0780	13.0780	13.9613	12.1537	11.4365	11.4353	11.4351	11.5149	11.5683	11.3865
High	53.1063	49.2758	50.1355	48.7258	42.9414	38.9496	35.4641	34.2434	35.9706	36.3511
& Village (0)	-	-	-	-	-	-	14.3000	14.3000	14.2996	14.3000
& Townships (9)										
Low	4.0000	4.0000	2.3660	4.0000	2.3660	2.3660	0.5908	0.5943	0.5943	0.5961
High	24.4058	24.8019	17.3979	17.7079	16.9349	14.0429	13.6179	13.6179	13.4306	13.2917
School Districts (39)										
Low	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000	18.0000
High	36.0000	34.1645	36.8556	33.5000	33.5000	33.5000	33.5000	33.5000	33.5000	30.6236
Intermediate School Districts (4)										
Monroe	4.7541	3.7675	3.7675	3.7675	4.7541	4.7541	4.7541	4.7541	4.7541	4.4644
Oakland	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690
Washtenaw	3.9745	3.9745	3.9745	3.9745	3.9745	3.9745	3.9745	3.9745	3.9745	3.9970
Wayne	3.4643	2.3465	3.4643	3.4643	3.4643	3.4643	3.4643	3.4643	3.4643	3.3678
Community Colleges (3)										
Henry Ford	4.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Schoolcraft	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967
Wayne County	3.2408	3.2408	2.2408	2.2408	2.4769	2.4769	2.4769	2.4769	2.4769	2.4769
DDAs (4)										
Detroit	0.9887	0.9887	0.9887	0.9887	0.9887	0.9887	0.9887	0.9887	0.9887	0.9887
* Hamtramck	1.8251	1.8251	1.8251	1.8251	1.8251	1.8251	1.8251	1.8380	2.0000	-
Northville	1.8255	1.8255	1.8255	1.8255	1.8360	1.8360	1.8360	1.8406	1.8617	1.9365
Livonia(Plymouth Road)	2.0000	-	-	-	-	-	-	-	-	-
** Wyandotte	-	-	-	-	-	-	-	-	-	-
Library (7)										
Bacon Memorial (Wyandotte)	1.5362	1.5362	1.5362	1.5362	1.5362	1.5362	1.5362	1.5362	1.5362	1.5466
Belleville	0.7000	0.7000	0.7000	0.7000	0.7000	-	-	-	-	-
Canton	1.5437	1.5437	1.5437	1.5437	1.5437	1.4980	1.4980	1.5437	1.5437	1.5554
Grosse PTE	2.0512	2.0412	2.0012	1.5412	1.5412	1.5412	1.5412	1.5412	1.5413	1.5000
Inkster	2.0000	2.0000	-	-	-	-	-	-	-	-
Northville	1.1556	1.1573	1.1573	1.1573	1.1573	0.9573	0.9573	0.9573	0.9573	0.9573
Plymouth	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656	1.4656
Redford	2.3233	0.9233	0.9233	0.9233	0.9233	0.9233	0.9233	0.9233	0.9233	0.9314

Source: Wayne County Assessment and Equalization Division

* Abolished in tax year 2002 - 2005 and re-established in tax year 2006.

^ The Wayne County Zoological Authority was established pursuant to Public Act 49 of 2008, and formed to allow for continuing zoological services for the students, residents and visitors of the County of Wayne.

& Grosse Pointe Township was a civil township that included the Village of Grosse Pointe Shores. On February 24, 2009, the residents of the Village of Grosse Pointe Shores voted to incorporate as a city.

Millage is rate per \$1,000 of taxable value

CHARTER COUNTY OF WAYNE, MICHIGAN

Principal Property Taxpayers

Fiscal Year 2014 and Nine Years Ago
(Unaudited)

Company	Line of Business	2014			2005		
		(2) Total Taxable values	Rank	Percentage of Taxable Value	(2) Total Taxable Values	Rank	Percentage of Taxable Value
DTE Energy	Utility	\$ 1,067,420,629	1	2.51%	\$ 1,312,587,598	1	2.72%
Ford Motor Company	Automotive	940,599,030	2	2.21%	1,628,125,446	2	3.37%
Marathon Oil Company	Petroleum	556,278,968	3	1.31%			
Vanguard health systems-Hospitals	Health	252,875,558	4	0.59%			
MGM Grand Detroit LLC	Casino	205,437,933	5	0.48%			
Michigan Consolidated Gas	Utility	157,344,061	6	0.37%			
ITC (International Transmission)	Automotive	137,000,171	7	0.32%			
Riverfront Holdings Inc	Real Estate	106,198,974	8	0.25%	121,819,245	3	0.25%
Severstal Steel Company	Steel	328,255,000	9	0.77%			
United States Steel	Steel	98,557,100	10	0.23%			
Daimler Chrysler Corporation	Automotive				871,426,826	4	1.80%
General Motors Corporation	Automotive				323,931,135	5	0.67%
Visteon	Automotive				169,103,506	6	0.35%
Rouge Steel Company	Steel				144,403,309	7	0.30%
National Steel Corporation	Steel				144,391,050	8	0.30%
Auto Alliance Int'l Inc.	Automotive				126,726,800	9	0.26%
Mirant Corporation	Utility marketing				100,392,700	10	0.21%
Total		\$ 3,849,967,424		9.06%	\$ 4,942,907,615		10.23%
Total taxable value		\$ 42,501,747,896 (1)			\$ 48,309,100,039 (1)		

(1) The Taxable Value for the County's fiscal year 2014, which commenced on October 1, 2013 was determined as of December 31, 2012. Taxable for fiscal year 2005 was determined as of December 31, 2003.

(2) Total assessments do not include abated properties.

Source: Wayne County Assessment and Equalization Division.

CHARTER COUNTY OF WAYNE, MICHIGAN
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

For Tax Levy	Fiscal Year	Total Tax Levy	Current Tax Collection	Percent of Tax Levy Collected		Reimbursed From Delinquent Tax Fund	Total Tax Collection	Ratio of Total Collection to Levy	Delinquent Personal Taxes
				Before Delinquent	Delinquent				
December 1, 2004	2005	\$ 328,113,000	\$ 296,814,625	90.46		\$ 24,205,435	\$ 321,020,060	97.84	\$ 7,092,940
July 1, 2005 (1)	2005	92,643,222	83,447,086	90.07		7,474,124	90,921,210	98.14	1,722,012
December 1, 2005	2006	250,479,822	225,616,195	90.07		20,207,818	245,824,013	98.14	4,655,809
July 1, 2006 (2)	2006	187,524,292	171,249,952	91.32		15,076,602	186,326,554	99.36	1,197,738
December 1, 2006	2007	173,099,347	158,076,878	91.32		13,916,863	171,993,741	99.36	1,105,606
July 1, 2007 (3)	2007	270,595,792	246,986,570	91.28		22,354,091	269,340,661	99.54	1,255,131
December 1, 2007	2008	105,231,697	96,050,333	91.28		8,693,258	104,743,591	99.54	488,106
July 7, 2008	2008	269,898,620	243,448,556	90.20		24,209,879	267,658,435	99.17	2,240,185
December 1, 2008	2009	104,960,575	94,569,478	90.10		9,925,198	104,494,676	99.56	465,899
July 1, 2009 (4)	2009	259,894,498	233,419,680	89.81		19,677,427	253,097,107	97.38	1,358,327
December 1, 2009	2010	101,070,158	90,774,320	89.81		7,652,333	98,426,653	97.38	528,238
July 1, 2010	2010	237,876,581	210,510,671	88.50		23,279,790	233,790,461	98.28	2,126,196
December 1, 2010	2011	92,507,559	81,865,261	88.50		9,053,252	90,918,513	98.28	826,854
July 1, 2011	2011	222,489,499	197,291,187	88.67		20,488,043	217,779,230	97.88	1,206,591
December 1, 2011	2012	86,523,694	76,724,350	88.67		7,967,572	84,691,923	97.88	469,230
July 1, 2012	2012	217,294,580	196,741,008	90.54		19,648,053	216,389,061	99.58	1,069,458
December 1, 2012	2013	74,477,817	67,340,882	90.42		6,903,370	74,244,252	99.69	415,900
July 1, 2013	2013	215,215,916	194,504,589	90.38		18,141,014	212,645,603	98.81	1,014,788
December 1, 2013	2014	73,592,367	66,014,554	89.70		6,619,745	72,634,299	98.70	392,595
July 1, 2014	2014	210,508,718	174,591,076	82.94		N/A	N/A	82.94	N/A
December 1, 2014	2015	72,159,579	11,669,272	16.17		N/A	N/A	16.17	N/A

Source: Wayne County Treasurer's Office

- (1) 2005 Tax Year is 1/3 tax rate shift of county charter rate from December 1 to July 1
(2) 2006 Tax Year is 2/3 tax rate shift of county charter rate from December 1 to July 1
(3) 2007 Tax Year is full tax rate shift of county charter rate from December 1 to July 1
(4) Beginning with the 2009 tax year and forward, "Reimbursement from Delinquent Tax Fund" includes same tax year recoveries.

Note: The July 1, 2014 levy becomes delinquent on March 1, 2015. Collections reported above on this levy are from the levy date through November 30, 2014.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

DEBT CAPACITY

CHARTER COUNTY OF WAYNE, MICHIGAN

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

(in thousands)

Fiscal year	Governmental Activities				Business-Type Activities				Total Primary Government	Total Personal Income	Percentage of Personal Income	Total Debt Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Sewer Bonds	Revenue Bonds	Total	Personal Income				
2005	\$ 165,505	\$ 3,007	\$ 142,400	\$ 14,055	\$ 221,841	\$ 4,511	\$ 551,319	\$ 60,106,108	0.92%	\$ 270.79		
2006	146,836	2,702	139,800	12,809	209,452	4,066	515,665	62,456,166	0.83%	254.78		
2007	132,949	-	180,000	11,639	211,233	3,605	539,426	61,793,069	0.87%	268.50		
2008	170,973	-	319,000	10,540	196,193	7,429	704,135	62,865,991	1.12%	355.26		
2009	183,450	-	376,560	-	178,844	26,479	765,333	62,581,021	1.22%	392.48		
2010	199,188	-	131,060	6,098	161,783	33,714	531,843	73,675,241	0.72%	276.14		
2011	389,924	-	355,355	3,545	152,302	35,229	936,355	40,280,421	2.32%	514.20		
2012	367,675	14,983	315,802	5,156	137,727	40,060	881,403	39,559,500	2.23%	492.95		
2013	346,055	72,965	255,287	3,328	108,173	55,916	841,724	39,606,938	2.13%	472.01		
2014 *	329,833	74,187	302,713	2,253	90,333	62,825	862,144	39,265,092	2.20%	489.82		

Source: Wayne County Department of Management and Budget.

For population and per capita person income data see Table 14, Demographic and Economic Statistics.

* In FYE 9/30/2014, the County implemented GASB Statement No 65, where deferred loss on refunding is reported as deferred outflow and no longer reported as part of long-term debt.

CHARTER COUNTY OF WAYNE, MICHIGAN

Ratio of Net General Bonded Debt to Taxable Value and
 Net Bonded Debt Per Capita
 Last Ten Fiscal years
 (Unaudited)

Fiscal Year	Population	Taxable Value To Fund Operations in Fiscal Year	Net Bonded Debt	Net Bonded Debt as a Percentage of Taxable Value	
				Net Bonded Debt	Net Bonded Debt Per Capita
2005	2,024,183	\$ 45,917,929,737	\$ 757,276,595	1.65	\$ 374.11
2006	2,009,204	48,309,100,039	717,144,569	1.48	356.93
2007	1,981,654	50,572,359,004	737,510,822	1.46	372.17
2008	1,949,929	52,996,404,797	204,087,542	0.39	104.66
2009	1,938,141	52,918,906,133	1,022,477,000	1.93	527.56
2010	1,897,499	50,989,562,702	718,669,000	1.41	378.75
2011	1,797,901	46,582,482,079	1,118,181,000	2.40	621.94
2012	1,787,920	43,605,427,141	1,136,560,000	2.61	635.69
2013	1,783,293	41,423,614,743	1,004,645,000	2.43	563.37
2014	1,760,135	40,939,078,345	995,725,000	2.43	565.71

Source: SEMCOG and Wayne County Department of Management and Budget.

* Taxable value is as of December valuation for that fiscal year. For example, fiscal year 2014 taxable value shown above is as of December 31, 2013.

CHARTER COUNTY OF WAYNE, MICHIGAN
Direct and Overlapping Governmental Activities Debt
September 30, 2014
(Unaudited)
(in thousands)

Table 11

		<u>Gross Debt Outstanding</u>	<u>Self-Supporting or Paid by Benefited Entity</u>	<u>Net Debt Outstanding</u>
Direct debt				
Debt carrying the County's limited tax general obligation:				
Building Authority Bonds	(1)	\$ 222,795	\$ -	\$ 222,795
Capital Improvement Bonds		103,505	-	103,505
Tax Anticipation Notes		41,267	-	41,267
Installment Purchase Agreements		2,002	-	2,002
Stadium Authority Bonds	(4)	54,880	(54,880)	-
Drainage District Bonds and Notes	(5)	12,752	(12,752)	-
Delinquent Tax Notes	(7)	302,313	(302,313)	-
Airport Hotel Revenue Bonds	(9)	103,815	(103,815)	-
Sewage Disposal Bonds	(8)	152,396	(152,396)	-
Total debt carrying County's limited tax pledge		<u>995,725</u>	<u>(626,156)</u>	<u>369,569</u>
Other debt:				
Building Authority Local Projects Revenue Bonds	(2)	14,675	(14,675)	-
Brownfield Revolving Loan Fund Note	(6)	400	(400)	-
Capital Lease Obligations	(6)	2,253	(2,253)	-
Metro Airport Revenue Bonds	(3)	2,116,145	(2,116,145)	-
Willow Run Notes	(3)	102	(102)	-
Airport Installment Purchase Agreement	(3)	4,455	(4,455)	-
Total Revenue bonds		<u>2,138,030</u>	<u>(2,138,030)</u>	<u>-</u>
Total direct debt		<u>\$ 3,133,755</u>	<u>\$ (2,764,186)</u>	<u>369,569</u>
Overlapping debt				
Cities and townships		\$ 3,293,475	99.96%	3,292,214
School districts		3,426,102	94.38%	3,233,514
Community colleges		17,030	92.68%	15,783
Libraries		19,860	98.95%	19,651
Total overlapping debt		<u>\$ 6,756,467</u>		<u>6,561,162</u>
Total direct and overlapping debt				<u>\$ 6,930,731</u>

Overlapping Debt - The issuer's proportionate share of the debt of other local governmental units that overlap with it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is generally apportioned based upon relative assessed values of property.

CHARTER COUNTY OF WAYNE, MICHIGAN
Direct and Overlapping Governmental Activities Debt
September 30, 2014
(Unaudited)
(in thousands)

Table 11

The assessed values are the appraised worth of properties as set by a taxing authority for purposes of ad valorem taxation. The method of establishing assessed valuation varies from state to state. For example, in certain jurisdictions the assessed valuation is equal to the full or market value of the properties; in other jurisdictions the assessed valuation is equal to a set percentage of full or market value, which is the case for Michigan.

- (1) Payable from lease rentals which constitute full faith and credit obligations of the County.
- (2) Payable solely from Michigan DHS rent payments.
- (3) Payable solely from airport revenues, passenger facility charges, or direct airline pledges.
- (4) Motor vehicle rental and hotel tax revenues are projected to be sufficient to cover debt service.
- (5) Payments from benefited local communities or properties are projected to be sufficient to cover debt service, based on experience.
- (6) Revenues from the State of Michigan Transportation Fund are projected to be sufficient to cover debt service, based on experience.
- (7) Delinquent tax revenues are projected to be sufficient to cover debt service, based on experience.
- (8) User fees or payments from benefited local communities are projected to be sufficient to cover debt service, based on experience.
- (9) Payable primarily from Airport Hotel revenues.

Source: Wayne County Department of Management and Budget, Accounting Division and Municipal Advisory Council of Michigan

CHARTER COUNTY OF WAYNE, MICHIGAN
 Legal Debt Margin Information
 September 30, 2014
 (Unaudited)

Tax Year	State Equalized Valuation (SEV)	General Purpose		Tax-Supported		Legal Debt Margin	Percent of Debt Outstanding to SEV
		Debt Limit (10% of SEV)	Debt Limit	Debt Outstanding	Debt Outstanding		
2005	\$ 62,679,908,906	\$ 6,267,990,891	\$ 757,018,978	\$ 5,510,971,913		1.21%	
2006	64,401,640,723	6,440,164,072	717,144,569	5,723,019,503		1.11%	
2007	66,127,289,684	6,612,728,968	737,510,822	5,875,218,146		1.12%	
2008	63,720,657,657	6,372,065,766	897,026,602	5,475,039,164		1.41%	
2009	57,346,902,312	5,734,690,231	1,022,477,000	4,712,213,231		1.78%	
2010	50,648,353,534	5,064,835,353	718,669,000	4,346,166,353		1.42%	
2011	46,414,191,660	4,641,419,166	1,118,181,000	3,523,238,166		2.41%	
2012	43,557,506,668	4,355,750,667	1,136,559,130	3,219,191,537		2.61%	
2013	42,875,921,514	4,287,592,151	1,004,645,000	3,282,947,151		2.34%	
2014	42,501,747,896	4,250,174,790	995,725,000	3,254,449,790		2.34%	

Source: Wayne County Department of Management and Budget.

CHARTER COUNTY OF WAYNE, MICHIGAN

Pledged-Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

(in thousands)

Fiscal year	Water and Sewer Revenue Bonds				Special Assessment Bonds				
	[1] Gross Revenues	[2] Operating Expenses	Net Revenue	Debt service Principal Interest	Coverage	Special Assessment	Debt Service Principal Interest	Coverage	
2005	\$ 14,552	\$ 15,374	\$ (822)	\$ 455	\$ 139	\$ 2,036	\$ 1,655	\$ 381	1.00
2006	15,895	15,325	570	460	128	2,038	1,700	338	1.00
2007	15,659	15,408	251	475	116	2,042	1,750	292	1.00
2008	38,354	34,513	3,841	490	269	2,050	1,805	242	1.00
2009	39,603	36,138	3,465	630	458	2,045	1,850	195	1.00
2010	34,945	32,115	2,830	1,000	864	2,049	1,905	144	1.00
2011	84,903	82,681	2,222	1,925	1,090	2,325	2,100	225	1.00
2012	95,815	85,877	9,939	1,960	1,210	2,292	2,120	172	1.00
2013	94,426	83,695	10,731	2,485	1,845	298	180	118	1.00
2014	96,999	92,085	4,914	2,905	1,486	1,256	774	482	1.00

[1] Gross revenues are calculated based on total operating revenues.

[2] Operating expenses are calculated based on total operating expenses less non-cash items (i.e. depreciation).

Source: Department of Public Services - Environmental Services Group



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

DEMOGRAPHIC AND ECONOMIC INFORMATION

CHARTER COUNTY OF WAYNE, MICHIGAN
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Year	Population			Change			Per Capita Personal Income			Wayne County Average Unemployment Rate	
	Michigan	Wayne County	Wayne County	From Prior Period	From Prior Period	From Prior Period	U.S.	Michigan	Wayne County		Michigan Median Age
2004	10,055,315	1,983,830	1,983,830	0.14%	-1.11%	-1.11%	\$ 33,909	\$ 31,768	\$ 28,930	35.1	8.6
2005	10,051,137	1,960,263	1,960,263	-0.04%	-1.19%	-1.19%	35,452	32,409	29,442	35.1	8.7
2006	10,036,081	1,932,490	1,932,490	-0.15%	-1.42%	-1.42%	37,725	33,365	30,166	36.8	8.4
2007	10,001,284	1,900,992	1,900,992	-0.35%	-1.63%	-1.63%	39,506	34,419	31,332	37.2	8.6
2008	9,946,889	1,865,058	1,865,058	-0.55%	-1.89%	-1.89%	40,947	38,288	33,258	38.0	9.9
2009	9,901,591	1,837,536	1,837,536	-0.46%	-1.48%	-1.48%	38,637	33,221	31,633	38.5	16.1
2010	9,883,640	1,820,584	1,820,584	-0.18%	-0.92%	-0.92%	39,791	34,326	32,617	38.9	14.8
2011	9,876,801	1,802,096	1,802,096	-0.07%	-1.02%	-1.02%	41,560	36,264	34,012	38.9	12.6
2012	9,883,360	1,792,365	1,792,365	0.07%	-0.54%	-0.54%	42,693	38,585	35,718	38.8	11.7
2013	9,895,622	1,775,273	1,775,273	0.12%	-0.95%	-0.95%	44,765	39,055	36,021	38.8	10.5

Source: U.S. Census Bureau, SEMCOG and Michigan Department of Labor and Economic Growth-Bureau of Labor Market Information & Strategic Initiatives

Fiscal year 2014 statistics are not available

CHARTER COUNTY OF WAYNE, MICHIGAN

Principal Employers
Current Year and Nine Years Ago
(Unaudited)
2013 **

2004

	2013 **			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Ford Motor Company	39,053	1	5.33%	47,136	1	5.65%
Henry Ford Health System	11,632	2	1.59%	8,425	9	1.01%
Detroit Medical Center	11,497	3	1.57%	11,627	5	1.39%
City of Detroit	9,591	4	1.31%	19,833	3	2.38%
Quicken Loans/Rock Financial	9,192	5	1.25%			
U.S. Government	8,189	6	1.12%	14,712	4	1.76%
Detroit Public Schools	6,586	7	0.90%	22,899	2	2.75%
Chrysler Group LLC	6,539	8	0.89%	10,172	6	1.22%
Oakwood Healthcare Inc.	6,172	9	0.84%	7,441	10	0.89%
Wayne State University	6,023	10	0.82%			
General Motors Corporation				10,133	7	1.22%
U.S. Postal Service				8,765	8	1.05%
Total	114,474		15.62%	161,143		19.33%
Total for county	732,812			833,808		

** The information for 2014 will not be available until 2015. As such, the information in this table will be reported on a one year lag.

Source: Michigan Labor Market Information: Labor & Economic Growth , Crain's Detroit Business: Book of Lists January 2004 and December 2013 Edition (Employee totals are based on full-time equivalents.)



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

OPERATING INFORMATION

CHARTER COUNTY OF WAYNE, MICHIGAN
Full-time County Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Wayne County Employees ⁽⁴⁾									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Legislative										
Board of Commissioners	36	36	36	36	42	42	48	29	83	89
Auditor General's Office	11	11	11	12	15	15	18	16	15	14
Judicial										
All court and court related actives	725	732	689	696	650	687	712	751	750	737
General government										
Treasurer's Office (5)	68	72	68	72	69	34	39	80	81	89
Tax Assessment	3	7	23	32	37	44	47	45	49	46
Tax Billings/collections (5)	14	12	4	4	5	35	40	7	7	8
Budgeting	4	3	6	10	9	9	11	18	16	9
Purchasing	11	13	14	15	18	21	22	23	26	29
Central Accounting	21	27	25	29	36	36	40	44	42	44
Central Administration	57	68	41	55	52	66	66	63	57	59
Other Financial Administration	57	55	77	85	94	119	114	103	115	121
Data Processing	27	26	29	32	34	48	35	49	49	52
Building Maintenance	53	70	78	88	87	107	120	122	130	135
County Clerk	266	240	247	256	264	251	262	276	293	285
Register of Deeds	21	60	55	65	78	85	91	90	89	100
Prosecuting Attorney	62	281	291	284	244	268	292	295	308	300
Corporation Counsel	260	48	51	53	68	84	89	90	93	88
Public safety	45									
Homeland Security (6)	1	4	4	5	5	10	10	10	-	-
Sheriff's Department										
Arresting Powers (2)	250	206	229	235	194	286	330	1149	409	386
Civilian	37	56	60	58	50	64	75	123	126	139
Jails & Detention Facilities (2), (3)	664	961	932	962	1057	1098	1250	20	744	744
Firefighters	0	0	0	0	0	0	0	0	0	0
Public works										
Public works	42	78	92	107	80	82	88	108	132	162
Sewage Disposal	84	59	59	66	70	73	79	114	105	107
Airport (1)	0	0	0	0	0	0	0	0	0	0
Highways, streets and bridges										
Administration	15	14	15	20	16	15	16	14	20	40
Engineering	72	79	80	87	91	121	126	130	141	145
Maintenance	325	327	322	329	351	371	414	447	508	582
Health and welfare (3)	382	276	283	358	462	471	474	623	623	776
Recreation and cultural										
Parks	60	60	61	60	65	70	66	76	82	78
Libraries	20	20	20	24	33	37	37	38	42	77
Community and economic development	214	65	69	75	33	37	40	35		
Other (6)	-	-	-	-	-	-	-	202	261	296
Total	3,907	3,966	3,971	4,210	4,309	4,686	5,051	5,190	5,396	5,737

- (1) Wayne County operated the Airports until August 9, 2002. Pursuant to Public Act 90 (the Authority Act), the Michigan Public Acts of 2002 (effective March 26, 2002), the Airport Authority (a component unit of the County) has operational jurisdiction of the Airports, with the exclusive right, responsibility, and authority to occupy, operate, control and use them.
- (2) In 2007, all Sheriff's Deputies (including those who worked in corrections facilities) were reported in Arresting Powers only, in error. For 2008, and future years deputies working in corrections have been accumulated in Jails & Detention Facilities.
- (3) In 2007 and prior years, all Juvenile Detention Facility employees were included in Health and Welfare. In 2008, and future years they are reported in Jails & Detention Facilities.
- (4) Number of full-time active employees as of March 2014. Excludes Probate and Third Circuit Court Judges, as they are considered employees of the State of Michigan.
- (5) Prior to 2008, the tax billing and collections division of the Treasurer's Office were included in the Treasurer's office line.
- (6) Prior to 2007, the community and economic development and homeland security functions were included in "Other".

Source: Wayne County Department of Management & Budget

CHARTER COUNTY OF WAYNE, MICHIGAN
 Operating Indicators by Function
 Last Ten Fiscal Years
 (Unaudited)

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police										
Physical Arrests	1,327	2,062	2,696	1,415	961	662	1,869	2,219	1,820	1,972
Bookings	1,327	2,062	2,696	1,415	961	662	535	692	1,820	1,972
Parking Violations	44	50	146	193	147	51	51	23	110	132
Traffic Violations	22,203	18,487	33,103	23,083	23,730	20,908	22,926	18,930	23,469	24,359
Incidents	1,842	3,054	2,652	4,337	4,443	3,282	7,089	6,987	15,923	16,767
Crash Reports	126	141	70	62	60	57	95	331	276	291
Culture and recreation (1)										
Rounds of Golf - Warren Valley	35,997	40,469	37,409	31,658	44,463	55,220	61,479	42,154	47,482	60,486
Picnic Permits	949	899	909	944	952	940	986	1,019	1,004	1,042
Aquatic Center Attendance	20,366	18,525	21,465	40,502	56,516	42,107	48,588	45,879	43,278	54,583
Nankin Mills Center - (program attendance)	9,154	9,384	8,628	8,502	12,760	14,503	13,207	13,239	17,524	19,509
Crosswinds Marsh (program attendance)	3,997	1,832	3,053	2,819	4,559	5,437	3,951	3,518	3,647	3,172
Highways, streets and bridges										
Street resurfacing asphalt (tons)	84,600	11,287	84,235	48,305	11,942	1,852	26,202	44,658	76,420	42,143
Street resurfacing (miles)	20	12	9	29	26	19	17	16	14	7
Snow removing salt (tons)	109,766	68,139	39,997	94,966	52,570	74,131	191,748	98,243	120,000	93,886
Ditching program (Linear feet)	24,787	46,972	44,175	21,163	48,291	46,653	53,402	55,433	86,620	121,385
Ditching program (miles)	5	9	8	4	9	9	10	11	16	23
Emergency road repairs (tons)	8,283	4,153	3,506	4,389	3,155	4,111	4,345	3,122	2,670	4,808
Forestry Section										
Tree removal	1,788	6,439	9,528	6,745	9,389	6,839	5,497	1,947	2,900	2,869
Tree planting & trimming	647	2,635	2,745	1,881	2,093	1,746	2,133	1,183	875	1,956

(1) Statistics prior to 2008 are based on a calendar year. Statistics accumulated for 2008 and subsequent years are based on the fiscal year, with the exception of the Aquatic Center that is based on fiscal year in all ten years presented.

Source: Various county departments

CHARTER COUNTY OF WAYNE, MICHIGAN
Capital Asset Statistics by Function
Last Ten Fiscal years
(Unaudited)

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public safety										
Stations - Road Patrol	1	1	1	1	1	1	1	1	1	1
Police Services Automobiles	44	44	44	44	50	48	53	59	62	62
Marine Safety (Boats and Vans)	16	18	18	20	20	22	15	14	13	13
Jail Automobiles	18	20	18	23	23	23	26	12	21	21
Motorcycles (1)	11	11	11	11	5	5	3	25	25	33
Culture and recreation										
Pavilions	22	22	22	20	16	14	14	14	14	14
Golf Courses	2	2	2	2	2	2	2	2	2	2
Playscapes	20	20	20	19	16	14	14	13	13	13
Soccer Fields	20	20	17	23	25	25	25	25	25	25
Picnic Areas	4	4	4	5	7	9	9	9	9	9
Baseball Diamonds	22	23	-	25	26	26	26	26	26	26
Highways, streets and bridges										
Traffic signal (maintained)	120	76	114	130	90	138	141	97	48	40
Traffic signs (installed)	2,625	2,653	1,979	2,028	2,244	2,818	2,824	2,708	2,500	4,435

(1) Secondary Roads decreased the number of Motorcycles leased after 2007. In the past the County leased these items for one year terms.

Source: Various County departments

CHARTER COUNTY OF WAYNE, MICHIGAN
Revenues by Source and Expenses by Type - Pension Trust Fund
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Table 19

Fiscal Year Ended 9/30	Revenues by Source				Expenses by Type		
	Contributions		Investment	Total	Benefits	Admini- stration	Total
	Employee	Employer	Income				
Wayne County Employee's Retirement System							
2005	\$ 4,159	\$ 11,106	\$ 138,194	\$ 153,459	\$ 111,284	\$ 6,739	\$ 118,023
2006	7,590	12,663	93,135	113,388	110,872	6,548	117,420
2007	7,834	15,398	144,677	167,909	110,419	6,928	117,347
2008	70,096	18,420	(148,973)	(60,457)	111,048	6,945	117,993
2009	74,414	32,559	(14,882)	92,091	120,962	7,228	128,190
2010	29,499	35,401	59,173	124,073	131,743	7,157	138,900
2011	15,874	13,428	(2,195)	27,107	132,438	7,824	140,262
2012	24,308	47,676	100,985	172,969	134,184	6,146	140,330
2013	17,922	68,889	105,997	192,808	132,804	5,965	138,769
2014	8,522	80,181	80,199	168,902	133,395	3,013	136,408
Wayne County Circuit Court Commissioners Bailiff's Retirement System							
2005	\$ 26	\$ 29	\$ 522	\$ 577	\$ 124	\$ 11	\$ 135
2006	25	50	587	662	123	12	135
2007	34	38	1,467	1,539	123	13	136
2008	31	36	(1,869)	(1,802)	144	27	171
2009	28	38	(268)	(202)	145	40	185
2010	21	38	233	292	151	45	196
2011	15	29	(412)	(368)	165	50	215
2012	16	37	993	1,046	164	45	209
2013	15	34	780	829	388	52	440
2014	8	37	505	550	124	79	203

Ten year historical trend is required supplementary information.

Note: Effective December 1, 1997, the Wayne County Common Pleas Bailiff's Retirement System was merged with the Wayne County Employee's Retirement System.

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CHARTER COUNTY OF WAYNE, MICHIGAN
Analysis of Funding Progress-Pension Trust Funds
Last Ten Fiscal Years
(Unaudited)
(in thousands)

Table 20

Fiscal Year Ended 9/30	Net Position Available for Benefit as Used by the Actuaries	Pension Benefit Obligation	Percentage Funded	Unfunded (Excess) Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
------------------------------	---	----------------------------------	----------------------	--	------------------------------	--

Wayne County Employee's Retirement System

2004	\$ 910	\$ 960	95%	\$ 50	\$ 343	14%
2005	891	969	92%	78	299	26%
2006	895	1,000	90%	105	320	33%
2007	948	1,170	81%	222	325	68%
2008	985	1,339	74%	354	330	107%
2009	971	1,444	67%	473	298	159%
2010	901	1,502	60%	601	277	217%
2011	795	1,595	50%	800	272	294%
2012	746	1,624	46%	878	269	326%
2013	749	1,659	45%	910	270	337%

Wayne County Circuit Court Commissioners Bailiff's Retirement System

2004	\$ 4,437	\$ 3,584	124%	\$ (853)	\$ 714	-120%
2005	4,661	3,314	141%	(1,347)	600	-225%
2006	5,056	3,278	154%	(1,778)	600	-296%
2007	5,626	3,614	156%	(2,012)	700	-287%
2008	5,859	3,367	174%	(2,492)	651	-383%
2009	5,795	3,287	176%	(2,508)	547	-459%
2010	5,569	2,499	223%	(3,070)	312	-984%
2011	4,843	2,454	197%	(2,389)	319	-749%
2012	4,734	2,390	198%	(2,344)	320	-733%
2013	4,688	2,150	218%	(2,538)	294	-863%

Analysis of the dollar amounts of net position available for benefits, pension benefit obligations, and unfunded pension benefits in isolation can be misleading. Expressing the net position available for benefits as a percentage of the pension benefit obligation provides one indication of the plan's funding status on a going-concern basis. Analysis of the percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

Note: The Wayne County Common Pleas Court Bailiff's Retirement System was merged with the Wayne County Employee's Retirement System, effective December 1, 1997.

Note: Fiscal 2004 through 2013 data is shown to coincide with related available actuarial valuation reports.



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