

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input checked="" type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Washtenaw County - Drains Component Unit	County Washtenaw
Fiscal Year End December 31, 2007	Opinion Date March 24, 2008	Date Audit Report Submitted to State March 27, 2008	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

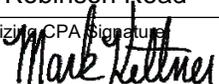
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

1.   All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2.   There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3.   The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4.   The local unit has adopted a budget for all required funds.
5.   A public hearing on the budget was held in accordance with State statute.
6.   The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7.   The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8.   The local unit only holds deposits/investments that comply with statutory requirements.
9.   The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10.   There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11.   The local unit is free of repeated comments from previous years.
12.   The audit opinion is UNQUALIFIED.
13.   The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14.   The board or council approves all invoices prior to payment as required by charter or statute.
15.   To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	(Included in County's Letter)		
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) REHMANN ROBSON		Telephone Number 517-787-6503		
Street Address 675 Robinson Road		City Jackson	State MI	Zip 49203
Authorizing CPA Signature 		Printed Name Mark T. Kettner, CPA, CGFM		License Number 11673

**WASHTENAW COUNTY  
DRAIN COMMISSIONER**

**Basic Financial Statements**

**For The Year Ended December 31, 2007**



**REHMANN ROBSON**

*Certified Public Accountants*

**WASHTENAW COUNTY  
DRAIN COMMISSIONER**

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**INDEPENDENT AUDITORS' REPORT**

March 24, 2008

To the Drain Commissioner of  
Washtenaw County  
Ann Arbor, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the ***Washtenaw County Drain Commissioner, a component unit of Washtenaw County, Michigan***, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the Washtenaw County Drain Commissioner. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Washtenaw County Drain Commissioner as of December 31, 2007, and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washtenaw County Drain Commissioner's basic financial statements. The combining fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive style with a large, prominent initial 'L'.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Office of the Drain Commissioner presents this management discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

### Using this Annual Report

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

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

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

## Financial Analysis

The net assets of the Office of the Drain Commissioner are summarized for the purpose of determining the overall fiscal position. As shown on the net asset chart below, the County Drain's assets exceeded liabilities by \$ 24,269,577 at the end of the fiscal year. This is primarily attributed to the addition of infrastructure and capital assets. The investment in capital assets provides 51% of net assets. These assets (reported net of related debt) are used to provide services to citizens and are *not* available for future spending. It should also be noted that the resources needed to repay this debt must be provided from other sources. This is because the capital assets themselves cannot be used to liquidate these liabilities.

A comparative analysis of the data is presented below:

### Washtenaw County Drain Commissioner's Net Assets

	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 15,842,536	\$ 16,611,358
Capital assets	<u>19,720,974</u>	<u>17,212,649</u>
Total assets	<u>35,563,510</u>	<u>33,824,007</u>
Long-term liabilities outstanding	7,240,247	6,975,567
Other liabilities	<u>4,053,686</u>	<u>5,471,542</u>
Total liabilities	<u>11,293,933</u>	<u>12,447,109</u>
Net assets:		
Invested in capital assets, net of related debt	12,480,727	10,237,082
Restricted	7,077,970	7,040,014
Unrestricted	<u>4,710,880</u>	<u>4,099,802</u>
<b>Total net assets</b>	<b><u>\$ 24,269,577</u></b>	<b><u>\$ 21,376,898</u></b>

When comparing this fiscal year to the previous year, net assets have increased by \$2,892,679. The major part of this 13.5% increase is comprised of the following:

- Program revenue and capital grants and contributions in excess of \$3.8 million
- A 14% increase in operating public works expenses totaling \$189,635

### Washtenaw County Drain Commissioner's Changes in Net Assets

	2007	2006
Revenue:		
Program revenue:		
Charges for services	\$ 207,424	\$ 162,086
Capital grants and contributions	3,657,407	3,537,363
General revenue -		
Unrestricted investment earnings	562,626	529,224
Total revenue	4,427,457	4,228,673
Expenses - public works	1,568,778	1,379,143
Increase in net assets	2,858,679	2,849,530
Net assets, beginning of year, as restated	21,410,898	18,561,368
<b>Net assets, end of year</b>	<b>\$ 24,269,577</b>	<b>\$ 21,410,898</b>

### Capital Assets

The Office of the Drain Commissioner had \$ 19,720,974 in capital assets at the end of the fiscal year. Capital assets are limited to infrastructure assets costing more than \$5,000 that were acquired or constructed since 1980. Major outlays for infrastructure capital assets and improvements are capitalized as projects are constructed. Infrastructure costs continue to be the largest asset class.

### Washtenaw County Drain Commissioner's Capital Assets (net of depreciation)

	2007	2006
Construction in progress	\$ 1,998,903	\$ 1,827,665
Infrastructure	17,722,071	15,384,984
Total	\$ 19,720,974	\$ 17,212,649

Additional information on the Office of the Drain Commissioner's capital assets can be found in the notes to the financial statements on page 13.

## Long-term Debt

At the end of the current fiscal year, the Office of the Drain Commissioner had total bonded debt outstanding of \$7,265,672. This entire amount comprises debt backed by the full faith and credit of Washtenaw County and/or the respective drainage districts.

### Washtenaw County Drain Commissioner's Outstanding Debt

	<u>2007</u>	<u>2006</u>
Drain improvement bonds	\$ 5,079,212	\$ 5,417,446
Drain improvement notes	<u>2,186,460</u>	<u>1,585,810</u>
Total	<u>\$ 7,265,672</u>	<u>\$ 7,003,256</u>

Additional information on the Washtenaw County Drain's long-term debt can be found in detail in the accompanying notes of this report on pages 13-16.

### Economic Factors and Next Year's Budget

It should be noted that this financial management discussion relates to the financial status of county drainage districts and county lake level districts. The Drain Commissioner's Office operating budget is provided through the County General Fund, and is discussed in the Washtenaw County Comprehensive Annual Financial Report (CAFR).

Drain maintenance expenditures are governed by the Michigan Drain Code, which limits expenditures to \$2,500 per mile of drain per year for the majority of county drains. In 2007, total maintenance expenditures were \$1,568,778. Maintenance was conducted on 94 county drains. The 2008 expenditures are anticipated to be roughly the same. Maintenance is done both proactively, and in response to service requests. It is therefore not possible to make more than a generalized prediction of what total expenditures will be.

Drain construction projects are undertaken in response to petitions from local governments or property owners. In 2007 four construction projects were financed, for a total of \$1,841,966. In 2008, it is expected that four projects will be financed and proceed to construction. Because final engineering and cost estimates are not complete for these projects, no estimate of anticipated financing can be put forward at this time.

### **Contacting the Office of the Drain Commissioner**

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

# **BASIC FINANCIAL STATEMENTS**

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Statement of Net Assets and**  
**Governmental Funds Balance Sheet**  
**December 31, 2007**

	Debt Service Funds		Capital Projects Funds		Nonmajor Governmental Funds	Total	Adjustments	Statement of Net Assets
	Oak Park Washtenaw-Heights	Michigan Ave E. Central	Mallets Creek Wetland	Michigan Ave E. Central				
<b>Assets</b>								
Cash and pooled investments	\$ 53,718	\$ -	\$ (613,881)	\$ 89,991	\$ 9,658,307	\$ 9,188,135	\$ -	\$ 9,188,135
Accounts receivable	-	-	635,044	-	910	635,954	-	635,954
Special assessments receivable:								
Due within one year	131,512	-	-	-	1,130,387	1,261,899	-	1,261,899
Due in more than one year	1,540,000	810,000	-	-	2,336,950	4,686,950	-	4,686,950
Due from other drain funds	-	-	-	-	291,941	291,941	(291,941)	-
Deferred charges	-	-	-	-	-	-	69,598	69,598
Capital assets, net:								
Infrastructure	-	-	-	-	-	-	17,722,071	17,722,071
Construction in progress	-	-	-	-	-	-	1,998,903	1,998,903
<b>Total assets</b>	<b>\$ 1,725,230</b>	<b>\$ 810,000</b>	<b>\$ 21,163</b>	<b>\$ 89,991</b>	<b>\$ 13,418,495</b>	<b>\$ 16,064,879</b>	<b>19,498,631</b>	<b>35,563,510</b>
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 9,000	\$ 356	\$ 789,331	798,687	280,500	1,079,187
Retainages payable	-	-	-	-	58,804	58,804	-	58,804
Accrued liabilities	-	-	-	-	2,067	2,067	-	2,067
Due to other governments	-	-	-	-	2,851,213	2,851,213	-	2,851,213
Accrued interest payable	-	-	-	-	-	-	62,415	62,415
Due to other drain funds	-	-	-	-	291,941	291,941	(291,941)	-
Advances from primary government	-	-	-	-	280,500	280,500	(280,500)	-
Deferred revenue	1,540,000	810,000	-	-	2,353,697	4,703,697	(4,703,697)	-
Long-term liabilities:								
Due within one year	-	-	-	-	-	-	1,109,510	1,109,510
Due in more than one year	-	-	-	-	-	-	6,130,737	6,130,737
<b>Total liabilities</b>	<b>1,540,000</b>	<b>810,000</b>	<b>9,000</b>	<b>356</b>	<b>6,627,553</b>	<b>8,986,909</b>	<b>2,307,024</b>	<b>11,293,933</b>
<b>Fund balances</b>								
Reserved for debt service	185,230	-	-	-	1,308,190	1,493,420	(1,493,420)	-
Unreserved, designated for construction	-	-	12,163	89,635	5,482,752	5,584,550	(5,584,550)	-
<b>Total fund balances</b>	<b>185,230</b>	<b>-</b>	<b>12,163</b>	<b>89,635</b>	<b>6,790,942</b>	<b>7,077,970</b>	<b>(7,077,970)</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,725,230</b>	<b>\$ 810,000</b>	<b>\$ 21,163</b>	<b>\$ 89,991</b>	<b>\$ 13,418,495</b>	<b>\$ 16,064,879</b>		
<b>Net assets</b>								
Invested in capital assets, net of related debt							12,480,727	12,480,727
Restricted for debt service							1,493,420	1,493,420
Restricted for construction							5,584,550	5,584,550
Unrestricted							4,710,880	4,710,880
<b>Total net assets</b>							<b>\$ 24,269,577</b>	<b>\$ 24,269,577</b>

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

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Statement of Activities and**  
**Governmental Fund Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	Debt Service Funds		Capital Projects Funds		Nonmajor Governmental Funds	Total	Adjustments	Statement of Activities
	Oak Park Washtenaw- Heights	Michigan Ave E. Central	Mallets Creek Wetland	Michigan Ave E. Central				
<b>Revenues</b>								
Special assessments	\$ 132,900	\$ -	\$ -	\$ -	\$ 1,356,307	\$ 1,489,207	\$ 622,437	\$ 2,111,644
Charges for services	-	-	-	-	38,954	38,954	-	38,954
Investment income	844	-	-	13,370	548,412	562,626	-	562,626
Permits	-	-	-	-	168,470	168,470	-	168,470
Intergovernmental	-	-	1,193,400	-	-	1,193,400	-	1,193,400
Other revenues	-	-	15,141	-	337,222	352,363	-	352,363
Total revenues	133,744	-	1,208,541	13,370	2,449,365	3,805,020	622,437	4,427,457
<b>Expenditures/expenses</b>								
Public works	-	-	-	-	564,430	564,430	435,719	1,000,149
Capital outlay	-	-	1,456,579	617,518	1,117,484	3,191,581	(2,944,044)	247,537
Debt service:								
Principal	50,000	775,000	-	-	754,550	1,579,550	(1,579,550)	-
Interest and fiscal charges	88,166	40,676	-	-	178,627	307,469	13,623	321,092
Total expenditures/expenses	138,166	815,676	1,456,579	617,518	2,615,091	5,643,030	(4,074,252)	1,568,778
Revenues under expenditures	(4,422)	(815,676)	(248,038)	(604,148)	(165,726)	(1,838,010)	4,696,689	2,858,679
<b>Other financing sources</b>								
Proceeds of bonds and notes	-	-	221,766	810,000	810,200	1,841,966	(1,841,966)	-
Transfers in	-	815,676	-	-	230,686	1,046,362	(1,046,362)	-
Transfers out	-	-	-	(815,676)	(230,686)	(1,046,362)	1,046,362	-
Total other sources (uses)	-	815,676	221,766	(5,676)	810,200	1,841,966	1,579,550	-
Revenues and other sources over (under) expenditures	(4,422)	-	(26,272)	(609,824)	644,474	3,956	(3,956)	-
Change in net assets	-	-	-	-	-	-	2,858,679	2,858,679
<b>Fund balances/net assets</b>								
Beginning of year, as restated	189,652	-	38,435	699,459	6,146,468	7,074,014	14,336,884	21,410,898
<b>End of year</b>	<b>\$ 185,230</b>	<b>\$ -</b>	<b>\$ 12,163</b>	<b>\$ 89,635</b>	<b>\$ 6,790,942</b>	<b>\$ 7,077,970</b>	<b>\$ 17,191,607</b>	<b>\$ 24,269,577</b>

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

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Notes To Basic Financial Statements

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – These financial statements represent the financial position and the changes in financial position of the funds of the Washtenaw County Drain Commissioner (the “Drain Commissioner”). These funds are considered to be a discretely presented component unit of Washtenaw County (the “County” or “primary government”) and are an integral part of that reporting entity.

**Component-wide and Fund Financial Statements** – As permitted by GASB Statement No. 34, the Drain Commissioner uses an alternative approach reserved for single program governments to present combined component-wide and fund financial statements by using a columnar format that reconciles individual line items of fund financial data to component-wide data in a separate column. Accordingly, this is presented in the Statement of Net Assets and Governmental Funds Balance Sheet and the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances. Major individual governmental funds are reported as separate columns in the aforementioned financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** – The component-wide financial information is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial information is reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Drain Commissioner considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Notes To Basic Financial Statements

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The Drain Commissioner reports the following major governmental funds:

Debt service funds:

Oak Park Washtenaw-Heights  
Michigan Ave. E. Central

Capital projects funds:

Mallets Creek Wetland  
Michigan Ave. E. Central

Additionally, Drain Commissioner reports the following fund types:

*Debt service funds* account for the accumulation of resources for, and the payment of, interest and principal on bonded debt.

*Capital projects funds* account for the use of resources, primarily bond proceeds, in constructing or acquiring capital assets, including buildings.

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

***Receivables and Payables*** – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

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

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Notes To Basic Financial Statements

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**Capital Assets** – Capital assets, which are limited to infrastructure assets with a cost of more than \$5,000 and an estimated useful life in excess of two years, are reported in the net assets column of the Statement of Net Assets and Governmental Funds Balance Sheet. Major outlays for infrastructure capital assets and improvements are capitalized as projects are constructed. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets, if any, are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Infrastructure is depreciated using the straight-line method over 50 years.

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

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

**Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

## 2. CASH AND POOLED INVESTMENTS

At year-end, the carrying amount of the Drain Commissioner's cash and pooled investments, which were deposited entirely in the County Treasurer's internal cash management pool, was \$9,188,135. Because it is infeasible to allocate risk to individual component units or pool participants, aggregate cash and investment categorizations are presented in the County's basic financial statements.

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Notes To Basic Financial Statements

### 3. CAPITAL ASSETS

Capital assets activity for the Drain Commissioner for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated - Construction in progress	\$ 1,827,665	\$ 2,944,044	\$ (2,772,806)	\$ 1,998,903
Capital assets, being depreciated - Infrastructure	21,786,113	2,772,806	-	24,558,919
Less accumulated depreciation - Infrastructure	(6,401,129)	(435,719)	-	(6,836,848)
Total capital assets being depreciated, net	<u>15,384,984</u>	<u>2,337,087</u>	<u>-</u>	<u>17,722,071</u>
<b>Capital assets, net</b>	<b><u>\$ 17,212,649</u></b>	<b><u>\$ 5,281,131</u></b>	<b><u>\$ (2,772,806)</u></b>	<b><u>\$ 19,720,974</u></b>

### 4. LONG-TERM DEBT

The following is a summary of the changes in long-term obligations for the year ended December 31, 2007:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 5,417,446	\$ 221,766	\$ (560,000)	\$ 5,079,212	\$ 535,000
Notes payable	1,585,810	1,620,200	(1,019,550)	2,186,460	574,510
Less deferred amounts for issuance discounts	(27,689)	-	2,264	(25,425)	-
	<b><u>\$ 6,975,567</u></b>	<b><u>\$ 1,841,966</u></b>	<b><u>\$ (1,577,286)</u></b>	<b><u>\$ 7,240,247</u></b>	<b><u>\$ 1,109,510</u></b>

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Notes To Basic Financial Statements

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Drain improvement bonds and notes are issued to finance certain drainage district construction projects. These bonds and notes are direct obligations, and pledge the full faith and credit, of the County and the respective drainage districts. Bonds and notes outstanding at December 31, 2007 are as follows:

***Bonds Payable:***

*Carpenter Road* - \$750,000 Drain Improvement Bonds outstanding due in annual installments of \$75,000 to \$100,000 through June 1, 2015; interest from 4.6% to 5.0%. The bonds redeemed on or after June 1, 2004, but prior to June 1, 2010 at option of 1.0%. The bonds redeemed on or after June 1, 2010, but prior to maturity at option of 0.5%.

*Palmer Baldwin* - \$100,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$95,000 through June 1, 2009; interest from 4.4% to 4.85%. The bonds shall not be subject to redemption prior to maturity.

*Traver Creek Drain Crossing* - \$220,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$55,000 through April 1, 2011; interest from 3.60% to 4.50%.

*West Branch of Paint Creek* - \$375,000 Drain Improvement Bonds outstanding due in annual installments of \$125,000 through June 1, 2010; interest from 4.0% to 4.5%.

*Oak Park Washtenaw-Heights* – \$1,600,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$100,000 through May 1, 2026; interest from 3.65% to 4.65%

*Mallets Creek Wetland Detention* – \$1,564,212 Drain Improvement Bonds outstanding due in annual installments of \$95,000 to \$125,000 through October 1, 2026; interest of 1.625%

*Traver Creek/Traver Knoll* – \$470,000 Drain Improvement Bonds outstanding due in annual installments of \$50,000 to \$55,000 through April 1, 2016; interest from 3.75% to 4.20%

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Notes To Basic Financial Statements

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### *Notes Payable:*

Traver Creek Drain (Misc.) - \$156,000 Drain Improvement Bonds outstanding due in annual installments of \$39,000 through June 1, 2011; interest at 2.59%.

IJ Williams - \$36,600 Note outstanding due in annual installments of \$12,200 through June 15, 2010; interest rate at 5.96%.

James Dries Street - \$28,810 Note outstanding due in annual installments of \$28,810 through June 15, 2008; interest at 5.57%.

Rhodes & Finkbeiner - \$30,000 Note outstanding due in annual installments of \$10,000 through June 15, 2010; interest at 5.96%.

Bazley Foster - \$33,750 Note outstanding due in installments of \$129,500 on May 15, 2006 and annual installments of \$6,750 from May 15, 2007 through May 15, 2012; interest set at 3.69%.

Manchester Drain - \$43,000 Note outstanding due in annual installments of \$21,500 through May 15, 2009; interest at 3.19%.

Bridgewater Village Tile - \$125,600 Note outstanding due in annual installments of \$31,400 through May 1, 2011; interest set at 4.97%.

Briar Hill Condominium Drain - \$112,500 Note outstanding due in annual installments of \$56,250 through May 1, 2009; interest set at 4.69%.

Michigan Avenue E. Central - \$810,000 Note outstanding due in one payment on November 29, 2010; interest at 3.73%.

Textile Drain - \$295,000 Note outstanding due in one payment on December 31, 2008; interest at 4.15%.

Lake Forrest Drain - \$515,200 Note outstanding due in annual installments of \$73,600 through May 1, 2014; interest at 4.15%.

**WASHTENAW COUNTY  
DRAIN COMMISSIONER**

**Notes To Basic Financial Statements**

Annual debt service requirements to maturity for all debt outstanding as of December 31, 2007, are as follows:

<b>Year</b>	<b>Bonds Payable</b>	<b>Notes Payable</b>	<b>Total Principal</b>	<b>Interest Requirements</b>	<b>Total Requirements</b>
2008	\$ 535,000	\$ 574,510	\$ 1,109,510	\$ 243,931	\$ 1,353,441
2009	545,000	250,700	795,700	183,898	979,598
2010	505,000	982,950	1,487,950	248,694	1,736,644
2011	380,000	150,750	530,750	129,018	659,768
2012	325,000	80,350	405,350	110,426	515,776
2013	330,000	73,600	403,600	95,392	498,992
2014	310,000	73,600	383,600	81,065	464,665
2015	315,000	-	315,000	67,082	382,082
2016	245,000	-	245,000	57,825	302,825
2017	195,000	-	195,000	51,333	246,333
2018	195,000	-	195,000	45,828	240,828
2019	205,000	-	205,000	40,168	245,168
2020	205,000	-	205,000	34,273	239,273
2021	210,000	-	210,000	28,217	238,217
2022	184,212	-	184,212	22,003	206,215
2023	95,000	-	95,000	16,159	111,159
2024	100,000	-	100,000	11,625	111,625
2025	100,000	-	100,000	6,975	106,975
2026	100,000	-	100,000	2,325	102,325
<b>Total</b>	<b>\$ 5,079,212</b>	<b>\$ 2,186,460</b>	<b>\$ 7,265,672</b>	<b>\$ 1,476,237</b>	<b>\$ 8,741,909</b>

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Notes To Basic Financial Statements

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### 5. ADJUSTMENTS

Following is an explanation of the adjustments between the governmental funds balance sheet and the component-wide statement of net assets, which reconciles fund balances to net assets:

<b>Fund balances</b>	\$ 7,077,970
<b>Adjustments:</b>	
Capital assets are not <i>current financial resources</i> and therefore are not reported in the governmental funds:	
Infrastructure	24,558,919
Accumulated depreciation	(6,836,848)
Construction in progress	1,998,903
Deferred charges for bond issuance costs are currently expended in the governmental funds, whereas they are capitalized and amortized for <i>net assets</i>	
	69,598
Deferred revenue is not a <i>current financial resource</i> and therefore is not reported as revenue in the governmental funds	
	4,703,697
Bonds and notes payable are not due and payable in the current period and therefore not reported in the governmental funds	
	(7,240,247)
Accrued interest payable on bonds is not recorded by governmental funds	
	(62,415)
Payables to the primary government are treated as quasi-external liabilities for purposes of <i>net assets</i> :	
Advances from primary government	280,500
Accounts payable	(280,500)
<b>Net assets</b>	<b><u>\$ 24,269,577</u></b>

# WASHTENAW COUNTY DRAIN COMMISSIONER

## Notes To Basic Financial Statements

Following is an explanation of the adjustments between the governmental funds statement of revenues, expenditures and changes in fund balances and the component-wide statement of activities, which reconciles the net change in fund balances to the change in net assets:

<b>Net change in fund balances</b>	<b>\$ 3,956</b>
<b>Adjustments:</b>	
Collection of special assessments revenues levied in prior years provide <i>current financial gains</i> in the funds, but do not affect <i>net assets</i>	622,437
Repayment of bond and note principal is an expenditure in the funds, but the repayment reduces long-term liabilities for <i>net assets</i>	1,579,550
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	2,944,044
Depreciation expense	(435,719)
The issuance of bonds and notes provides current financial resources and bond issuance costs are a use of current financial resources. These transactions do not effect <i>net assets</i> and therefore are eliminated:	
Bond and note proceeds	(1,841,966)
Accrued interest expense on bonds and the amortization of bond issuance costs and discounts are not recorded by governmental funds but are reported under interest and fiscal charges for purposes of <i>net assets</i> :	
Accrued interest expense	(5,661)
Amortization of bond issuance costs	(2,264)
Amortization of discount on bonds	(5,698)
<b>Change in net assets</b>	<b>\$ 2,858,679</b>

**WASHTENAW COUNTY  
DRAIN COMMISSIONER**

**Notes To Basic Financial Statements**

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**6. DEFICIT FUND BALANCES**

The following funds had deficit fund balances at December 31, 2007:

Chapter 4, 5 and 18 Debt Service Funds:	
James Dries	\$ (25,013)
Chapter 20 Debt Service Funds:	
Traver Creek	(2,337)
West Park/ Miller Ave.	(2,107)
Capital Projects Funds :	
Lake Levels	(4,946)

**7. RESTATEMENTS**

Beginning net assets of the Nonmajor Capital Projects Funds Chapter 4, 5 and 18 Drains were increased by \$34,000 to reflect activity that was recorded in another fund of the County in the prior year.

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# **COMBINING FINANCIAL STATEMENTS**

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**December 31, 2007**

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
<b>Assets</b>			
Cash and pooled investments	\$ 583,953	\$ 9,074,354	\$ 9,658,307
Accounts receivable	-	910	910
Special assessments receivable:			
Current	793,845	336,542	1,130,387
Deferred	2,336,950	-	2,336,950
Due from other drain funds	-	291,941	291,941
	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 3,714,748</u></b>	<b><u>\$ 9,703,747</u></b>	<b><u>\$ 13,418,495</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 789,331	\$ 789,331
Retainages payable	-	58,804	58,804
Accrued liabilities	-	2,067	2,067
Due to other governments	-	2,851,213	2,851,213
Due to other drain funds	69,608	222,333	291,941
Advances from primary government	-	280,500	280,500
Deferred revenue	2,336,950	16,747	2,353,697
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	2,406,558	4,220,995	6,627,553
 <b>Fund balances</b>			
Reserved for debt service	1,308,190	-	1,308,190
Unreserved, designated for construction	-	5,482,752	5,482,752
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	1,308,190	5,482,752	6,790,942
	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 3,714,748</u></b>	<b><u>\$ 9,703,747</u></b>	<b><u>\$ 13,418,495</u></b>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2007**

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b>Revenues</b>			
Special assessments	\$ 863,861	\$ 492,446	\$ 1,356,307
Charges for services	-	38,954	38,954
Investment income	9,271	539,141	548,412
Permits	-	168,470	168,470
Other revenues	-	337,222	337,222
	<hr/>	<hr/>	<hr/>
Total revenues	873,132	1,576,233	2,449,365
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Public works	-	564,430	564,430
Capital outlay	-	1,117,484	1,117,484
Debt service:			
Principal	754,550	-	754,550
Interest and fiscal charges	142,046	36,581	178,627
	<hr/>	<hr/>	<hr/>
Total expenditures	896,596	1,718,495	2,615,091
	<hr/>	<hr/>	<hr/>
<b>Revenues under expenditures</b>	(23,464)	(142,262)	(165,726)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses)</b>			
Proceeds of bonds and notes	-	810,200	810,200
Transfers in	95,383	135,303	230,686
Transfers out	(84,131)	(146,555)	(230,686)
	<hr/>	<hr/>	<hr/>
Total other sources (uses)	11,252	798,948	810,200
	<hr/>	<hr/>	<hr/>
<b>Revenues and other sources under expenditures and other sources (uses)</b>	(12,212)	656,686	644,474
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year, as restated	1,320,402	4,826,066	6,146,468
	<hr/>	<hr/>	<hr/>
<b>Fund balances, end of year</b>	<u>\$ 1,308,190</u>	<u>\$ 5,482,752</u>	<u>\$ 6,790,942</u>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Balance Sheet - Nonmajor Debt Service Funds**  
**December 31, 2007**

	<b>Chapter 4, 5 and 18 Drains</b>	<b>Chapter 20 Drains</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
<b>Assets</b>			
Cash and pooled investments	\$ 145,304	\$ 438,649	\$ 583,953
Special assessments receivable:			
Current	480,048	313,797	793,845
Deferred	984,950	1,352,000	2,336,950
	<u>984,950</u>	<u>1,352,000</u>	<u>2,336,950</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 1,610,302</u></b>	<b><u>\$ 2,104,446</u></b>	<b><u>\$ 3,714,748</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities</b>			
Due to other drain funds	\$ 52,145	\$ 17,463	\$ 69,608
Deferred revenue	984,950	1,352,000	2,336,950
	<u>984,950</u>	<u>1,352,000</u>	<u>2,336,950</u>
Total liabilities	1,037,095	1,369,463	2,406,558
<b>Fund balances - Reserved for debt service</b>	<u>573,207</u>	<u>734,983</u>	<u>1,308,190</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 1,610,302</u></b>	<b><u>\$ 2,104,446</u></b>	<b><u>\$ 3,714,748</u></b>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Nonmajor Debt Service Funds**  
**For the Year Ended December 31, 2007**

	<b>Chapter 4, 5 and 18 Drains</b>	<b>Chapter 20 Drains</b>	<b>Total</b>
<b>Revenues</b>			
Special assessments	\$ 441,922	\$ 421,939	\$ 863,861
Investment income	2,366	6,905	9,271
Total revenues	<u>444,288</u>	<u>428,844</u>	<u>873,132</u>
<b>Expenditures</b>			
Debt service:			
Principal	380,550	374,000	754,550
Interest and fiscal charges	43,246	98,800	142,046
Total expenditures	<u>423,796</u>	<u>472,800</u>	<u>896,596</u>
<b>Revenues under expenditures</b>	20,492	(43,956)	(23,464)
<b>Other financing sources (uses)</b>			
Transfer in	95,383	-	95,383
Transfer out	(25,752)	(58,379)	(84,131)
Total other sources (uses)	<u>69,631</u>	<u>(58,379)</u>	<u>11,252</u>
<b>Revenues over (under) expenditures and other sources (uses)</b>	90,123	(102,335)	(12,212)
Fund balances, beginning of year	<u>483,084</u>	<u>837,318</u>	<u>1,320,402</u>
<b>Fund balances, end of year</b>	<u><u>\$ 573,207</u></u>	<u><u>\$ 734,983</u></u>	<u><u>\$ 1,308,190</u></u>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Balance Sheet**  
**Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds**  
**December 31, 2007**

	<u>Bazley Foster</u>	<u>Big Swan Creek IC</u>	<u>Doty</u>	<u>IJ Williams</u>
<b><u>ASSETS</u></b>				
<b>Assets</b>				
Cash and pooled investments	\$ 12,007	\$ 7	\$ 322	\$ 12,659
Special assessments receivable:				
Current	-	-	-	2,838
Deferred	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>24,400</u>
 <b><u>TOTAL ASSETS</u></b>	 <u>\$ 39,007</u>	 <u>\$ 7</u>	 <u>\$ 322</u>	 <u>\$ 39,897</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities</b>				
Due to other drain funds	\$ -	\$ -	\$ -	\$ -
Deferred revenue	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>24,400</u>
 Total liabilities	 27,000	 -	 -	 24,400
 <b>Fund balances (deficit) - Reserved for debt service</b>	 <u>12,007</u>	 <u>7</u>	 <u>322</u>	 <u>15,497</u>
 <b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	 <u>\$ 39,007</u>	 <u>\$ 7</u>	 <u>\$ 322</u>	 <u>\$ 39,897</u>

<b>Iron Lake Level</b>	<b>Jedele</b>	<b>McCarthy</b>	<b>Miller- Marsh</b>	<b>North Branch Swan Creek P/H</b>
\$ 6	\$ -	\$ 1	\$ -	\$ -
-	937	-	-	-
-	-	-	-	-
<u>\$ 6</u>	<u>\$ 937</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 1	\$ -	\$ -	\$ -
-	-	-	-	-
-	1	-	-	-
6	936	1	-	-
<u>\$ 6</u>	<u>\$ 937</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Balance Sheet (continued)**  
**Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds**  
**December 31, 2007**

	<u>Palmer Baldwin</u>	<u>Pierce Lake</u>	<u>Potter</u>	<u>Rhodes &amp; Finkbeiner</u>
<b><u>ASSETS</u></b>				
<b>Assets</b>				
Cash and pooled investments	\$ 19,123	\$ 100	\$ -	\$ 2,844
Special assessments receivable:				
Current	75,393	10,289	-	10,028
Deferred	50,000	-	-	20,000
	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 144,516</u>	<u>\$ 10,389</u>	<u>\$ -</u>	<u>\$ 32,872</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities</b>				
Due to other funds	\$ -	\$ 3,301	\$ -	\$ -
Deferred revenue	50,000	-	-	20,000
	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total liabilities	50,000	3,301	-	20,000
<b>Fund balances (deficit) - Reserved for debt service</b>	<u>94,516</u>	<u>7,088</u>	<u>-</u>	<u>12,872</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<u>\$ 144,516</u>	<u>\$ 10,389</u>	<u>\$ -</u>	<u>\$ 32,872</u>

<u>Stierle</u>	<u>Stoney Creek IC</u>	<u>York and Augusta #2</u>	<u>West Branch Paint Creek Debt Service</u>	<u>James Dries</u>
\$ 1	\$ 110	\$ -	\$ 65,352	\$ 18
-	-	-	152,454	23,812
-	-	-	250,000	-
<u>\$ 1</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 467,806</u>	<u>\$ 23,830</u>
\$ -	\$ -	\$ -	\$ -	\$ 48,843
-	-	-	250,000	-
-	-	-	250,000	48,843
<u>1</u>	<u>110</u>	<u>-</u>	<u>217,806</u>	<u>(25,013)</u>
<u>\$ 1</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 467,806</u>	<u>\$ 23,830</u>

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**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Balance Sheet (concluded)**  
**Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds**  
**December 31, 2007**

	<u>Bridgewater #2</u>	<u>Saline River</u>	<u>Bridgewater Village Tile</u>	<u>Manchester</u>
<b><u>ASSETS</u></b>				
<b>Assets</b>				
Cash and pooled investments	\$ -	\$ 477	\$ 9,753	\$ 10,569
Special assessments receivable:				
Current	-	-	32,002	16,113
Deferred	-	-	94,200	21,500
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>TOTAL ASSETS</u></b>	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 135,955</u>	<u>\$ 48,182</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	94,200	21,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	94,200	21,500
<b>Fund balances (deficit) - Reserved for debt service</b>	<hr/>	<hr/>	<hr/>	<hr/>
	-	477	41,755	26,682
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 135,955</u>	<u>\$ 48,182</u>

<u>Shady Knolls</u>	<u>Polzin</u>	<u>Lincoln Drive</u>	<u>Briar Hill Condo #2, 3 &amp; 4</u>	<u>Lake Forrest</u>	<u>Total</u>
\$ -	\$ 11,450	\$ 1	\$ -	\$ 504	\$ 145,304
-	(2,057)	-	64,166	94,073	480,048
-	-	-	56,250	441,600	984,950
<u>\$ -</u>	<u>\$ 9,393</u>	<u>\$ 1</u>	<u>\$ 120,416</u>	<u>\$ 536,177</u>	<u>\$ 1,610,302</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,145
-	-	-	56,250	441,600	984,950
-	-	-	56,250	441,600	1,037,095
-	9,393	1	64,166	94,577	573,207
<u>\$ -</u>	<u>\$ 9,393</u>	<u>\$ 1</u>	<u>\$ 120,416</u>	<u>\$ 536,177</u>	<u>\$ 1,610,302</u>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds**  
**For the Year Ended December 31, 2007**

	<b>Bazley Foster</b>	<b>Big Swan Creek IC</b>	<b>Doty</b>	<b>IJ Williams</b>
<b>Revenues</b>				
Special assessments	\$ 7,999	\$ -	\$ -	\$ 12,969
Investment income	129	43	4	127
Total revenues	<u>8,128</u>	<u>43</u>	<u>4</u>	<u>13,096</u>
<b>Expenditures</b>				
Debt service:				
Principal	6,750	-	-	12,200
Interest and fiscal charges	1,494	-	-	2,908
Total expenditures	<u>8,244</u>	<u>-</u>	<u>-</u>	<u>15,108</u>
<b>Revenues over (under) expenditures</b>	(116)	43	4	(2,012)
<b>Other financing sources (uses)</b>				
Transfer in	-	-	-	-
Transfer out	-	(5,611)	-	-
Total other sources (uses)	<u>-</u>	<u>(5,611)</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures and other uses</b>	(116)	(5,568)	4	(2,012)
Fund balances (deficit), beginning of year	<u>12,123</u>	<u>5,575</u>	<u>318</u>	<u>17,509</u>
<b>Fund balances (deficit), end of year</b>	<u><u>\$ 12,007</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 322</u></u>	<u><u>\$ 15,497</u></u>

<b>Iron Lake Level</b>	<b>Jedele</b>	<b>McCarthy</b>	<b>Miller- Marsh</b>	<b>North Branch Swan Creek P/H</b>
\$ -	\$ -	\$ -	\$ -	\$ -
57	26	45	1	-
57	26	45	1	-
-	26,574	29,716	-	-
-	1,539	1,661	-	-
-	28,113	31,377	-	-
57	(28,087)	(31,332)	1	-
-	22,323	21,880	-	6,405
(8,165)	-	-	(281)	-
(8,165)	22,323	21,880	(281)	6,405
(8,108)	(5,764)	(9,452)	(280)	6,405
8,114	6,700	9,453	280	(6,405)
<b>\$ 6</b>	<b>\$ 936</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>

continued ...

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances (continued)**  
**Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds**  
**For the Year Ended December 31, 2007**

	<u>Palmer Baldwin</u>	<u>Pierce Lake</u>	<u>Potter</u>	<u>Rhodes &amp; Finkbeiner</u>
<b>Revenues</b>				
Special assessments	\$ 48,210	\$ -	\$ -	\$ 12,062
Investment income	413	2	1	35
Total revenues	<u>48,623</u>	<u>2</u>	<u>1</u>	<u>12,097</u>
<b>Expenditures</b>				
Debt service:				
Principal	50,000	-	-	10,000
Interest and fiscal charges	6,125	-	-	2,384
Total expenditures	<u>56,125</u>	<u>-</u>	<u>-</u>	<u>12,384</u>
<b>Revenues over (under) expenditures</b>	(7,502)	2	1	(287)
<b>Other financing sources (uses)</b>				
Operating transfer in	-	-	-	-
Operating transfer out	-	-	(162)	-
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>(162)</u>	<u>-</u>
<b>Revenues over (under) expenditures and other uses</b>	(7,502)	2	(161)	(287)
Fund balances (deficit), beginning of year	<u>102,018</u>	<u>7,086</u>	<u>161</u>	<u>13,159</u>
<b>Fund balances (deficit), end of year</b>	<u><u>\$ 94,516</u></u>	<u><u>\$ 7,088</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,872</u></u>

<u>Stierle</u>	<u>Stoney Creek IC</u>	<u>York and Augusta #2</u>	<u>West Branch Paint Creek Debt Service</u>	<u>James Dries</u>
\$ -	\$ -	\$ -	\$ 111,764	\$ 23,812
7	2	4	1,073	56
<u>7</u>	<u>2</u>	<u>4</u>	<u>112,837</u>	<u>23,868</u>
-	-	-	125,000	28,810
-	-	-	19,801	3,209
<u>-</u>	<u>-</u>	<u>-</u>	<u>144,801</u>	<u>32,019</u>
7	2	4	(31,964)	(8,151)
-	-	-	-	-
(910)	-	(559)	-	-
<u>(910)</u>	<u>-</u>	<u>(559)</u>	<u>-</u>	<u>-</u>
(903)	2	(555)	(31,964)	(8,151)
904	108	555	249,770	(16,862)
<u>\$ 1</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ 217,806</u>	<u>\$ (25,013)</u>

continued ...

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances (concluded)**  
**Nonmajor Chapter 4, 5 and 18 Drains Debt Service Funds**  
**For the Year Ended December 31, 2003**

	<u>Bridgewater #2</u>	<u>Saline River</u>	<u>Bridgewater Village Tile</u>	<u>Manchester</u>
<b>Revenues</b>				
Special assessments	\$ -	\$ -	\$ 41,285	\$ 15,775
Investment income	(13)	9	34	167
Total revenues	<u>(13)</u>	<u>9</u>	<u>41,319</u>	<u>15,942</u>
<b>Expenditures</b>				
Debt service:				
Principal	45,000	-	25,000	21,500
Interest and fiscal charges	1,269	-	798	2,058
Total expenditures	<u>46,269</u>	<u>-</u>	<u>25,798</u>	<u>23,558</u>
<b>Revenues over (under) expenditures</b>	(46,282)	9	15,521	(7,616)
<b>Other financing sources (uses)</b>				
Operating transfer in	44,775	-	-	-
Operating transfer out	-	-	-	-
Total other sources (uses)	<u>44,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures and other uses</b>	(1,507)	9	15,521	(7,616)
Fund balances (deficit), beginning of year	<u>1,507</u>	<u>468</u>	<u>26,234</u>	<u>34,298</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ -</u>	<u>\$ 477</u>	<u>\$ 41,755</u>	<u>\$ 26,682</u>

<b>Shady Knolls</b>	<b>Polzin</b>	<b>Lincoln Drive</b>	<b>Briar Hill Condo #2, 3 &amp; 4</b>	<b>Lake Forrest</b>	<b>Total</b>
\$ -	\$ 9,313	\$ -	\$ 64,165	\$ 94,568	\$ 441,922
11	116	7	1	9	2,366
11	9,429	7	64,166	94,577	444,288
-	-	-	-	-	380,550
-	-	-	-	-	43,246
-	-	-	-	-	423,796
11	9,429	7	64,166	94,577	20,492
-	-	-	-	-	95,383
(720)	(8,441)	(903)	-	-	(25,752)
(720)	(8,441)	(903)	-	-	69,631
(709)	988	(896)	64,166	94,577	90,123
709	8,405	897	-	-	483,084
<b>\$ -</b>	<b>\$ 9,393</b>	<b>\$ 1</b>	<b>\$ 64,166</b>	<b>\$ 94,577</b>	<b>\$ 573,207</b>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Balance Sheet**  
**Nonmajor Chapter 20 Drains Debt Service Funds**  
**December 31, 2007**

	<u>Jewell Road</u>	<u>Mallets Creek Pittsfield- Ann Arbor</u>	<u>Mallets Creek (Lans Basin)</u>	<u>North Branch Stoney Creek Ext.</u>	<u>Traver Creek</u>	<u>Upper Paint Creek</u>	<u>West Park Miller Ave.</u>
<b><u>ASSETS</u></b>							
<b>Assets</b>							
Cash and pooled investments	\$ 49	\$ -	\$ 1	\$ 10,088	\$ 1,319	\$ 88,874	\$ 37,140
Special assessments receivable:							
Current	-	17,463	1	-	(3,656)	-	(39,247)
Deferred	-	-	-	-	-	-	-
	<u>49</u>	<u>17,463</u>	<u>2</u>	<u>10,088</u>	<u>(2,337)</u>	<u>88,874</u>	<u>(2,107)</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 49</u></b>	<b><u>\$ 17,463</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ 10,088</u></b>	<b><u>\$ (2,337)</u></b>	<b><u>\$ 88,874</u></b>	<b><u>\$ (2,107)</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
<b>Liabilities</b>							
Due to other drain funds	\$ -	\$ 17,463	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	17,463	-	-	-	-	-
<b>Fund balances (deficit) - reserved for debt service</b>	<u>49</u>	<u>-</u>	<u>2</u>	<u>10,088</u>	<u>(2,337)</u>	<u>88,874</u>	<u>(2,107)</u>
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 49</u></b>	<b><u>\$ 17,463</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ 10,088</u></b>	<b><u>\$ (2,337)</u></b>	<b><u>\$ 88,874</u></b>	<b><u>\$ (2,107)</u></b>

<u>Traver Creek Bridge</u>	<u>Traver Creek (Misc)</u>	<u>Carpenter Road</u>	<u>Traver Creek/ Traver Knoll</u>	<u>Mallets Creek Wetland</u>	<u>Beyer Drain &amp; Branches</u>	<u>Total</u>
\$ 142,011	\$ 74,983	\$ 14,752	\$ 54,777	\$ 14,649	\$ 6	\$ 438,649
2,873	1,318	135,000	71,164	128,881	-	313,797
<u>165,000</u>	<u>117,000</u>	<u>650,000</u>	<u>420,000</u>	<u>-</u>	<u>-</u>	<u>1,352,000</u>
<b><u>\$ 309,884</u></b>	<b><u>\$ 193,301</u></b>	<b><u>\$ 799,752</u></b>	<b><u>\$ 545,941</u></b>	<b><u>\$ 143,530</u></b>	<b><u>\$ 6</u></b>	<b><u>\$ 2,104,446</u></b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,463
<u>165,000</u>	<u>117,000</u>	<u>650,000</u>	<u>420,000</u>	<u>-</u>	<u>-</u>	<u>1,352,000</u>
165,000	117,000	650,000	420,000	-	-	1,369,463
<u>144,884</u>	<u>76,301</u>	<u>149,752</u>	<u>125,941</u>	<u>143,530</u>	<u>6</u>	<u>734,983</u>
<b><u>\$ 309,884</u></b>	<b><u>\$ 193,301</u></b>	<b><u>\$ 799,752</u></b>	<b><u>\$ 545,941</u></b>	<b><u>\$ 143,530</u></b>	<b><u>\$ 6</u></b>	<b><u>\$ 2,104,446</u></b>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Chapter 20 Drains Debt Service Funds**  
**For the Year Ended December 31, 2007**

	<u>Jewell Road</u>	<u>Mallets Creek Pittsfield- Ann Arbor</u>	<u>Mallets Creek (Lans Basin)</u>	<u>North Branch Stoney Creek Ext.</u>	<u>Traver Creek</u>	<u>Upper Paint Creek</u>
<b>Revenues</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	1	-	21	142	47	1,574
Other revenue	-	-	-	-	-	-
Total revenues	<u>1</u>	<u>-</u>	<u>21</u>	<u>142</u>	<u>47</u>	<u>1,574</u>
<b>Expenditures</b>						
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	1	-	-	-	-
Total expenditures	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	1	(1)	21	142	47	1,574
<b>Other financing uses</b>						
Operating transfers out	-	(4,478)	(3,030)	-	-	(40,323)
<b>Revenues over (under) expenditures and other uses</b>	1	(4,479)	(3,009)	142	47	(38,749)
Fund balances (deficit), beginning of year	<u>48</u>	<u>4,479</u>	<u>3,011</u>	<u>9,946</u>	<u>(2,384)</u>	<u>127,623</u>
<b>Fund balances (deficit), end of year</b>	<u><u>\$ 49</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 10,088</u></u>	<u><u>\$ (2,337)</u></u>	<u><u>\$ 88,874</u></u>

<b>West Park Miller Ave.</b>	<b>Traver Creek Bridge</b>	<b>Traver Creek (Misc)</b>	<b>Carpenter Road</b>	<b>Traver Creek/ Traver Knoll</b>	<b>Mallets Creek Wetland</b>	<b>Beyer Drain &amp; Branches</b>	<b>Total</b>
\$ -	\$ 63,388	\$ 43,051	\$ 135,000	\$ 67,508	\$ 112,992	\$ -	\$ 421,939
483	1,880	999	486	682	517	73	6,905
-	-	-	-	-	-	-	-
483	65,268	44,050	135,486	68,190	113,509	73	428,844
40,000	50,000	39,000	100,000	50,000	95,000	-	374,000
1,478	10,790	5,051	40,625	19,496	21,359	-	98,800
41,478	60,790	44,051	140,625	69,496	116,359	-	472,800
(40,995)	4,478	(1)	(5,139)	(1,306)	(2,850)	73	(43,956)
-	-	-	-	-	-	(10,548)	(58,379)
(40,995)	4,478	(1)	(5,139)	(1,306)	(2,850)	(10,475)	(102,335)
38,888	140,406	76,302	154,891	127,247	146,380	10,481	837,318
<b>\$ (2,107)</b>	<b>\$ 144,884</b>	<b>\$ 76,301</b>	<b>\$ 149,752</b>	<b>\$ 125,941</b>	<b>\$ 143,530</b>	<b>\$ 6</b>	<b>\$ 734,983</b>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2007**

	<b>Chapters 4, 5 and 18 Drains</b>	<b>Chapter 20 Drains</b>	<b>Lake Levels</b>	<b>Drain and Lake Level Revolving</b>	<b>Total</b>
<b><u>ASSETS</u></b>					
<b>Assets</b>					
Cash and pooled investments	\$ 6,708,238	\$ 2,137,942	\$ 18,997	\$ 209,177	\$ 9,074,354
Accounts receivable	910	-	-	-	910
Special assessments receivable - current	308,632	3,173	24,737	-	336,542
Due from other drain funds	-	30,617	-	261,324	291,941
	<b><u>\$ 7,017,780</u></b>	<b><u>\$ 2,171,732</u></b>	<b><u>\$ 43,734</u></b>	<b><u>\$ 470,501</u></b>	<b><u>\$ 9,703,747</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>Liabilities</b>					
Accounts payable	\$ 513,066	\$ 231,198	\$ 45,067	\$ -	\$ 789,331
Retainages payable	48,804	10,000	-	-	58,804
Accrued liabilities	-	2,067	-	-	2,067
Due to other governments	2,848,991	2,222	-	-	2,851,213
Due to other drain funds	183,372	35,348	3,613	-	222,333
Advances from primary government	-	-	-	280,500	280,500
Deferred revenue	-	16,747	-	-	16,747
Total liabilities	3,594,233	297,582	48,680	280,500	4,220,995
<b>Fund balances (deficit) - Unreserved, designated for construction</b>	<b>3,423,547</b>	<b>1,874,150</b>	<b>(4,946)</b>	<b>190,001</b>	<b>5,482,752</b>
	<b><u>\$ 7,017,780</u></b>	<b><u>\$ 2,171,732</u></b>	<b><u>\$ 43,734</u></b>	<b><u>\$ 470,501</u></b>	<b><u>\$ 9,703,747</u></b>

**WASHTENAW COUNTY DRAIN COMMISSIONER**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2007**

	<b>Chapters 4, 5 and 18 Drains</b>	<b>Chapter 20 Drains</b>	<b>Lake Levels</b>	<b>Drain and Lake Level Revolving</b>	<b>Total</b>
<b>Revenues</b>					
Special assessments	\$ 375,401	\$ 98,621	\$ 18,424	\$ -	\$ 492,446
Charges for services	618	38,336	-	-	38,954
Investment income	410,390	116,318	1,516	10,917	539,141
Permits	168,470	-	-	-	168,470
Other revenues	227,094	110,128	-	-	337,222
<b>Total revenues</b>	<b>1,181,973</b>	<b>363,403</b>	<b>19,940</b>	<b>10,917</b>	<b>1,576,233</b>
<b>Expenditures</b>					
Public works	501,203	13,272	49,955	-	564,430
Capital outlay	640,189	477,295	-	-	1,117,484
Interest expense	36,581	-	-	-	36,581
<b>Total expenditures</b>	<b>1,177,973</b>	<b>490,567</b>	<b>49,955</b>	<b>-</b>	<b>1,718,495</b>
<b>Revenues over (under) expenditures</b>	<b>4,000</b>	<b>(127,164)</b>	<b>(30,015)</b>	<b>10,917</b>	<b>(142,262)</b>
<b>Other financing sources (uses)</b>					
Proceeds from bond and notes	515,200	295,000	-	-	810,200
Transfers in	37,146	89,687	8,470	-	135,303
Transfers out	(116,200)	(30,050)	(305)	-	(146,555)
<b>Total other sources (uses)</b>	<b>436,146</b>	<b>354,637</b>	<b>8,165</b>	<b>-</b>	<b>798,948</b>
<b>Revenues and other sources over (under) expenditures and other sources (uses)</b>	<b>440,146</b>	<b>227,473</b>	<b>(21,850)</b>	<b>10,917</b>	<b>656,686</b>
Fund balances, beginning of year, as restated	2,983,401	1,646,677	16,904	179,084	4,826,066
<b>Fund balances (deficit), end of year</b>	<b>\$ 3,423,547</b>	<b>\$ 1,874,150</b>	<b>\$ (4,946)</b>	<b>\$ 190,001</b>	<b>\$ 5,482,752</b>