

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### DEFINITION OF THE REPORTING ENTITY

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

#### Blended Component Unit

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

#### Discretely Presented Component Units

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

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

The *Washtenaw County Hazardous Material Response Team Authority (WCHMRTA)* is managed by an eleven-member board composed of a representative from each of the five enabling jurisdictions (Washtenaw County, City of Ann Arbor, City of Ypsilanti, Pittsfield Township and Ypsilanti Township) appointed by their governing bodies, three representatives appointed by the Mutual Aid Association, and one member each from the Criminal Justice Association, Washtenaw County Public Health Department, and Huron Valley Ambulance. A Technical Advisory Committee supports the Board. The WCHMRTA was formed to develop and manage a county wide hazardous material response team. The Washtenaw County Board of Commissioners approves the operating budget and the Authority has delegated fiscal powers to the County.

The *Washtenaw County Brownfield Redevelopment Authority (WCBRA)* is governed by a nine-member board appointed by the Washtenaw County Board of Commissioners. Its purpose is to encourage and support the redevelopment of under-utilized and environmentally contaminated properties in partnership with member communities in Washtenaw County. The County Board of Commissioners approves WCBRA’s operating budget; WCBRA has delegated fiscal powers to the County.

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

### **Funds With Another Year End**

The Community Support & Treatment Services Fund and Public Health Fund (special revenue funds of the County) are reported on a September 30 year end in order to enhance the value of this document to certain readers and users.

## **GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

## **MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

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

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

The county follows the Uniform Chart of Accounts for Counties, with a summary of each fund type and its intended use as outlined below:

**General Fund** **#1010**  
 To be used to account for all financial resources of the local unit of government except those required to be accounted for in another fund.

**Special Revenue Fund Type** **#2010 - 2999**  
 To be used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

**Debt Service Fund Type** **#3010 – 3999 and 8010-8999**  
 To account for the payment of interest and principal on long-term debt. These funds are required if they are legally mandated and/or if financial resources are being accumulated for principal and interest payments maturing in future years. Each bond and note issue of a local unit must be accounted for separately. This can be done through the use of separate funds for each debt or one fund with subsidiary accounts for each debt.

**Capital Fund Type** **#4010 – 4999**  
 To account for the acquisition or construction of major capital facilities by a government unit that are not accounted for by proprietary funds and trust funds. Each capital project funded in whole or part by bond or note issuance must be accounted for separately. This can be done through the use of separate funds for each project or one fund with subsidiary accounts for each project.

**Enterprise Fund Type** **#5010 – 5999**  
 To report any activity for which a fee is charged to external users for good or services.

**Internal Service Fund Type** **#6010 – 6999**  
 May be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units, or to other governments, on a cost reimbursement basis.

**Fiduciary and Agency Fund Type** **#7010 – 7999**  
 Fiduciary reporting focuses on net assets and changes in net assets. Should be used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government’s own programs. Agency funds should be used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

All significant funds for each fund type are provided in the Budget Resolution which is the official adoption of the county budget (see page A-2 and A-3). The County reports the following major governmental funds:

The *general fund* is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *community support and treatment services fund* accounts for the activities of delivering an array of mental health services to residents.

The *parks and recreation fund* accounts for the operations of the County-owned parks and recreational facilities and to account for the millage approved by County voters for the purchase of natural areas within the County.

The *revenue sharing reserve fund* is mandated by the State of Michigan and accounts for property tax collections to serve as a substitute to state revenue sharing payments. This substitute funding mechanism involves a gradual shift of County property tax millage from a winter tax levy to a summer tax levy.

The *building authority capital projects fund* accounts for the construction or purchase of major capital facilities.

The *county capital projects fund* accounts for renovation/small construction projects performed on County facilities and the purchase of capital equipment.

The government reports the following major proprietary funds:

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

The *property foreclosure fund* accounts for the expenses incurred under Michigan Public Act 123 for the notification, forfeiture, foreclosure, and sale of properties with delinquent property taxes. It also accounts for revenues from fees charged to the properties and for the proceeds from the sale of the properties.

The *brownfield revolving loan fund* accounts for the issuance of loans to provide a mechanism for cleanup of contaminated sites to assist with redevelopment of previous developed sites. Redeveloping brownfields helps to ease urban sprawl by encouraging the reuse of established commercial and industrial districts where public services are already in place.

Additionally, the government reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes not including major capital projects.

The *debt service funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds not being financed by proprietary funds.

The *internal service funds* account for operations that provide services (such as the County's telephone system, building repair and maintenance, self-insurance, fleet and equipment management) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

The *agency funds* account for assets held for other governments in an agency capacity.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of

following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *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 delinquent tax fund and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

## **ASSETS, LIABILITIES AND NET ASSETS OR EQUITY**

### **Deposits and Investments**

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

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

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments (except those with a fluctuating per share value).

### **Receivables and Payables**

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

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

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

**Inventories and Prepaid Items**

Inventories in the proprietary funds are stated at the lower of cost or market. Cost is determined by the first-in, first-out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. For the Road Commission component unit, inventory is valued at average cost.

**Capital Assets**

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

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

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

For the Road Commission component unit, capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Machinery and equipment	5 to 20 years
Roads	5 to 30 years
Infrastructure	12 to 50 years

**Compensated Absences**

The County’s policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and 50 percent of sick pay are accrued when incurred in the government-wide and proprietary funds financial statements. A liability is reported in governmental funds only if these amounts have matured, for example, as a result of employee resignations or retirements.

### **Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and 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 premium or 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 premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **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. Designations of fund balance represent tentative management plans that are subject to change.

## **BUDGETARY CONTROL**

The County's procedures for establishing the budgetary data reflected in the financial statements is as follows:

### **Budget Adoption**

The County Administrator submits a proposed operating budget to the Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them. Public hearings are held to obtain taxpayer comments. The budget is legally adopted through a Board of Commissioners resolution prior to the beginning of the budgetary year for the General, Special Revenue and Debt Service Funds. Project-length financial plans are adopted for the Capital Projects Funds. Budget and actual comparisons for the Capital Projects Funds are not reported in the financial statements because project length financial plans are used.

### **Budget Amendments**

Departments are authorized to make budget adjustments up to \$10,000 within established categories of their budget. The County Administrator is authorized to make budget adjustments within and between categories of budgets up to \$100,000 or 10% of the budget, whichever is less. Budget adjustments greater than this, must be approved by the County Board of Commissioners. The budget is approved at the departmental level by the Board of Commissioners. Expenditures may not exceed budgeted appropriations at the departmental level. Budgetary control is exercised at the departmental level.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds.

Encumbrances are recorded in the amount of the outstanding purchase orders and contracts at the time the purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Unliquidated encumbrances at the end of the year are carried forward to the next year.

**Budget Basis**

The budgets of all general government type funds and proprietary funds are prepared on a modified accrual basis and consistent with generally accepted accounting principles and the State of Michigan Uniform Budgeting and Accounting Act. Briefly, revenues are recognized when they become both measurable and available to finance current period expenditures. Expenditures are recognized when the related fund liability is incurred.

Revenues and expenditures are not budgeted for in fiduciary funds.

The Comprehensive Annual Financial Report (CAFR) shows the status of the County's finances on the basis of "generally accepted accounting principles" (GAAP). In most cases this conforms to the way the County prepares its budget. One exception is the treatment of depreciation expense. Depreciation expenditures are not shown in the budget, although the full purchase price of equipment and capital improvements is, while purchases of equipment and capital improvements are depreciated in the CAFR for enterprise funds and internal service funds.

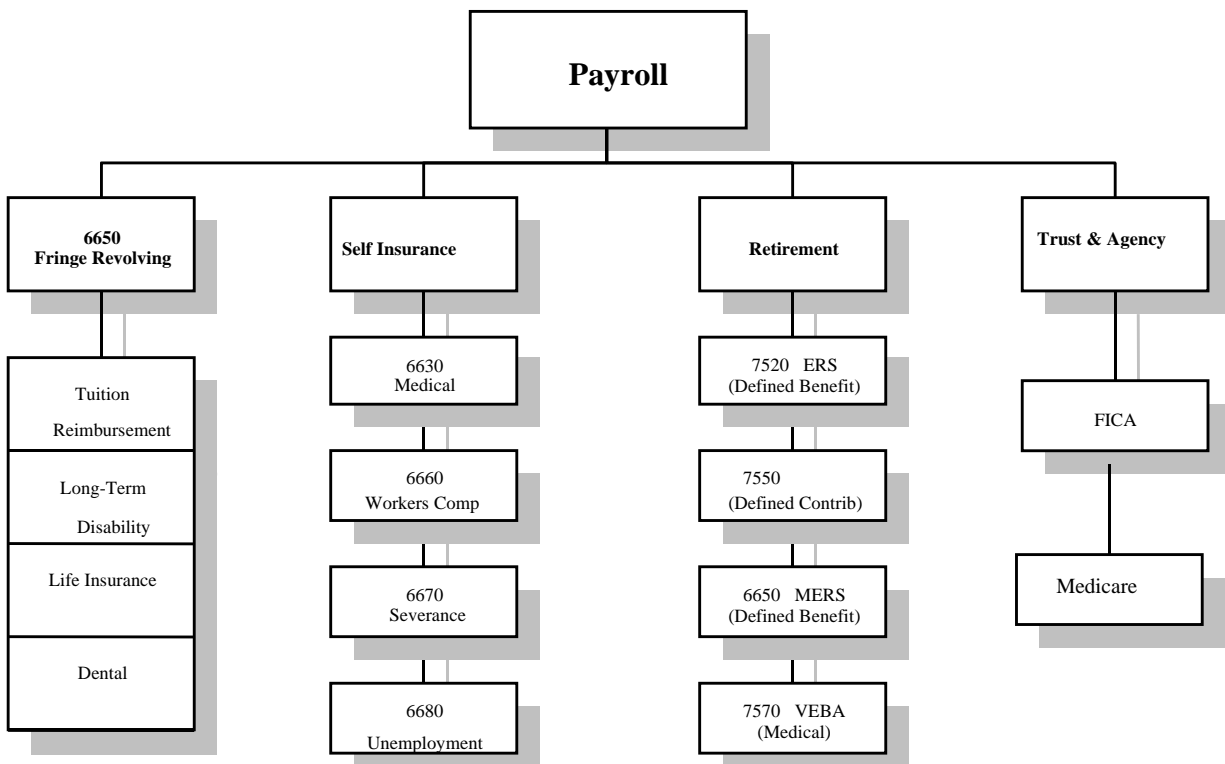
## FRINGE BENEFITS SUMMARY

	2004 ACTUAL	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL
<b>REVENUES</b>					
Other Revenue & Reim.	\$ 36,088,139	\$ 41,039,704	\$ 42,398,956	\$ 48,262,291	\$ 49,745,849
<b>TOTAL REVENUES</b>	<b>\$ 36,088,139</b>	<b>\$ 41,039,704</b>	<b>\$ 42,398,956</b>	<b>\$ 48,262,291</b>	<b>\$ 49,745,849</b>
<b>EXPENDITURES</b>					
Dental Insurance	\$ 1,011,094	\$ 1,096,233	\$ 1,081,652	\$ 1,202,668	\$ 1,205,366
Employee's Severance	\$ 800,316	\$ 1,015,208	\$ 1,054,666	\$ 1,043,989	\$ 947,089
FICA *	\$ 8,965,267	\$ 9,146,557	\$ 9,620,700	\$ 10,139,456	\$ 10,160,491
Flex Account Administration	\$ 14,325	\$ 17,820	\$ 30,913	\$ 24,728	\$ 33,015
Medical Benefits	\$ 12,597,627	\$ 14,833,943	\$ 15,034,697	\$ 18,605,234	\$ 18,380,677
Life Insurance	\$ 246,924	\$ 251,132	\$ 260,608	\$ 287,763	\$ 303,223
Long Term Disability	\$ 262,530	\$ 249,404	\$ 242,709	\$ 260,920	\$ 269,843
Retirement Health (VEBA) *	\$ 3,719,729	\$ 4,665,724	\$ 6,071,971	\$ 7,200,666	\$ 8,203,043
Retirement (MPPP) *	\$ 3,149,154	\$ 3,276,943	\$ 3,552,495	\$ 3,811,477	\$ 2,349,543
Retirement (ERS) *	\$ 2,451,764	\$ 2,700,525	\$ 3,845,385	\$ 4,827,249	\$ 5,359,824
Retirement (MERS)	\$ 956,387	\$ 972,278	\$ 1,187,154	\$ 1,264,818	\$ 1,317,421
Tuition Reimbursement	\$ 126,293	\$ 136,602	\$ 131,518	\$ 125,881	\$ 123,744
Unemployment Insurance	\$ 372,776	\$ 288,944	\$ 205,339	\$ 192,713	\$ 190,486
Workers Compensation	\$ 736,553	\$ 903,852	\$ 933,619	\$ 892,870	\$ 850,160
<b>TOTAL EXPENDITURES</b>	<b>\$ 35,410,739</b>	<b>\$ 39,555,165</b>	<b>\$ 43,253,426</b>	<b>\$ 49,880,432</b>	<b>\$ 49,693,925</b>

\* These funds are not included in the Budget Resolution (page A-3) because they are Trust and Agency funds.

Retirement funds only include employer contributions. Expenditures for medical, dental, life and disability include total costs whether paid for by the county or through cost sharing with the employees.

## FRINGE BENEFIT FLOW CHART



## RETIREMENT SYSTEM INFORMATION

Washtenaw County has two retirement plans which cover substantially all its employees. The Employee Retirement System (ERS) is a defined benefit plan in existence since 1947 covering most employees hired prior to 1984. In 1984 the County initiated the Money Purchase Pension Plan (MPPP), a defined contribution plan which covered substantially all newer employees. In 2008 the county shifted away from the MPPP and back into the ERS system. Following is an analysis of changes in fund reserve for both plans as well as the county's VEBA for the year 2008:

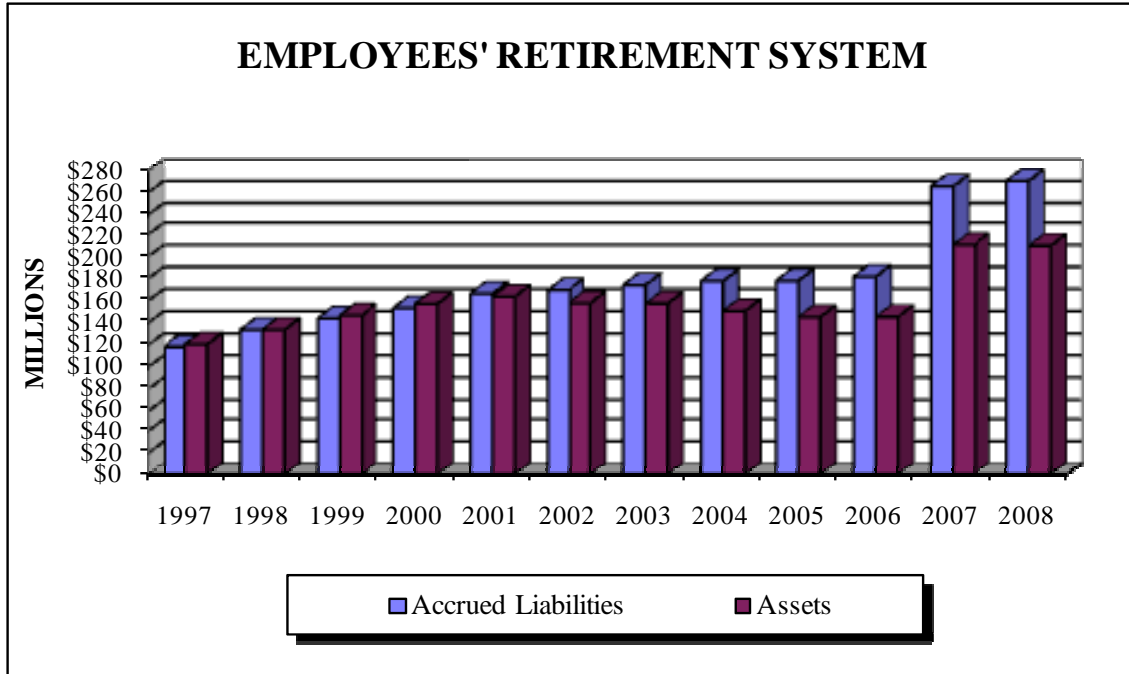
	MONEY PURCHASE PLAN	EMPLOYEE RETIREMENT SYSTEM	VEBA	TOTAL RESERVE
Balance, January 1	\$ 66,198,628	\$ 165,305,497	\$ 50,360,109	\$ 281,864,234
<b>Additions:</b>				
Employees' contributions	\$ 3,351,298	\$ 738,702	\$ -	\$ 4,090,000
Employer's contributions	\$ 2,349,543	\$ 5,359,824	\$ 10,658,749	\$ 18,368,116
Net appreciation in fair value	\$ (19,479,384)	\$ (41,042,596)	\$ (12,673,025)	\$ (73,195,005)
Interest and dividends	\$ 2,108,138	\$ 4,478,072	\$ 1,296,715	\$ 7,882,925
Other	\$ 32	\$ 32,370,242	\$ 66,979	\$ 32,437,253
<b>Total additions</b>	<b>\$ (11,670,373)</b>	<b>\$ 1,904,244</b>	<b>\$ (650,582)</b>	<b>\$ (10,416,711)</b>
<b>Deductions:</b>				
Participant benefit payments	\$ -	\$ 14,266,838	\$ 7,264,816	\$ 21,531,654
Participant refunds	\$ 3,179,658	\$ -	\$ -	\$ 3,179,658
Investment and admin. expenses	\$ 89,505	\$ 384,406	\$ 180,562	\$ 654,473
Transfer to other plans	\$ 32,825,768	\$ -	\$ -	\$ 32,825,768
Other	\$ -	\$ -	\$ -	\$ -
<b>Total Deductions:</b>	<b>\$ 36,094,931</b>	<b>\$ 14,651,244</b>	<b>\$ 7,445,378</b>	<b>\$ 58,191,553</b>
<b>Balance, December 31</b>	<b>\$ 18,433,324</b>	<b>\$ 152,558,497</b>	<b>\$ 42,264,149</b>	<b>\$ 213,255,970</b>

The actuarially determined benefits and assets for the defined plan since 2002 are as follows.

	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08
Member's contributions on deposit in the system	\$ 16,413,000	\$ 17,133,000	\$ 16,407,000	\$ 15,416,000	\$ 62,595,000
Projected benefits payable to presently retired members	\$ 129,648,000	\$ 132,038,000	\$ 138,536,000	\$ 146,007,000	\$ 147,168,000
Projected benefits payable to vested terminated members	\$ 1,522,000	\$ 1,524,000	\$ 1,625,000	\$ 1,579,000	\$ 1,664,000
Projected benefits payable to present active members	\$ 29,942,000	\$ 26,989,000	\$ 25,024,000	\$ 102,461,000	\$ 58,872,000
<b>Total projected liability</b>	<b>\$ 177,525,000</b>	<b>\$ 177,684,000</b>	<b>\$ 181,592,000</b>	<b>\$ 265,463,000</b>	<b>\$ 270,299,000</b>
<b>Net Assets available</b>	<b>\$ 150,577,000</b>	<b>\$ 145,093,000</b>	<b>\$ 145,236,000</b>	<b>\$ 210,447,000</b>	<b>\$ 209,556,000</b>
<b>Percent covered</b>	<b>84.82%</b>	<b>81.66%</b>	<b>79.98%</b>	<b>79.28%</b>	<b>77.53%</b>

\* This information is presented in graphic form on the following page.

## EMPLOYEES' RETIREMENT SYSTEM ASSETS AND ACCRUED LIABILITIES



## WASHTENAW COUNTY PROFILE

Washtenaw County is located in southeastern Michigan approximately 30 miles west of Detroit; Ann Arbor is the County Seat. The County encompasses four cities, four villages, and twenty townships, with a total 2008 population of 347,376. Washtenaw County is one of the fastest growing counties in the State of Michigan; the projected 2020 population is 410,748.

Washtenaw County is one of the cultural centers of the Midwest. The County is home to five educational institutions – the University of Michigan in Ann Arbor, Eastern Michigan University in Ypsilanti, Washtenaw Community College, Concordia University and Cleary University – which draw individuals from around the country and world to teach, study, and perform. The University of Michigan and Eastern Michigan University are the home to a number of nationally recognized athletic teams and the University of Michigan can boast the largest college owned stadium in the United States. County residents can also choose between 12 museums, 25 Theatres (including two opera societies), and 17 libraries providing no shortage of activities to choose between.

The two State supported universities (University of Michigan and Eastern Michigan University) and the eight hospitals in the County are the largest employers in Washtenaw County. Additional business sectors include print and publishing, software, automotive, and biotechnology. Washtenaw County’s primary exports are computer software and peripherals, electro medical equipment, auto parts and machine tools.

Agriculture also plays an important role in the economy of Washtenaw County. There are over 1,000 farms in Washtenaw County equaling about 180,000 acres of farmland total. The average size of a farm here is 175 acres. Corns, oats, soybeans and wheat are the most popular field crops. Apples are the most widely grown fruit crop. Along with crop farming, dairy farming is also common in Washtenaw County.

In addition to the many business, educational, and cultural opportunities, one of the qualities that makes Washtenaw County a desirable place to live is the abundance of recreational areas. Currently, parkland makes up almost 26,000 acres or about 5.7% of the total area of the County. These recreational areas provide an abundance of opportunities for hiking, biking, walking, skiing, swimming, fishing, picnicking and playing ball, to name just a few possibilities. These recreational lands are managed by four governmental levels: the Michigan State Department of Natural Resources, the Huron Clinton Metropolitan Authority, the County Parks and Recreation Department and local governments.

### DEMOGRAPHICS

#### Land Use (2000 SEMCOG Land Use Inventory)

Agricultural	191,140 acres
Residential	70,544 acres
Institutional	5,356 acres
Industrial	8,656 acres
Commercial/Office	4,600 acres
Open/Recreation	170,318 acres
Other	11,918 acres
Total Planning Area	722.7 square miles

#### Population (US Census Bureau Estimates)

2008	347,376 (July est.)
2007	350,003 (July est.)
2006	344,047 (July est.)
2005	342,124 (July est.)
2004	338,732 (July est.)
2003	335,519 (July est.)
2000	322,895 (2000 Census)

#### Gender Composition (2008 ACS Census)

Male	50.1%
Female	49.9%

#### Elections (Nov.2008)

Registered Voters	273,670
Votes Cast Last Statewide Election	188,210
% Voting Last Election	68.77%

**DEMOGRAPHICS (CONT'D)**

**Climate**

Average minimum temperature	39.6 degrees F
Average maximum temperature	58.5 degrees F
Average annual temperature	49.1 degrees F
Average annual precipitation	30.74"
Average snowfall	35.9"

**Median Age (2008 ACS Census)**

2008 (ACS)	33.1 years
2000	31.3 years
1990	29.2 years
1980	26.3 years
1970	23.6 years
1960	25.1 years

**Racial Composition (2008 Census ACS)**

White	75.7%
Black/African American	12.0%
Asian	8.1%
Am. Indian or Alaska Native	0.3%
Native Hawaiian & Pacific Islander	>0.1%
Some Other Race	1.2%
Two or More Races	2.8%

**Age Composition (2008 Census ACS)**

Under 5 years	21,007
5-14 years	41,323
15-24 years	70,227
25-34 years	49,434
35-44 years	50,938
45-54 years	47,579
55-64 years	35,299
65+ years	31,370

**Education Attainment (2008 Census ACS)**

Less than 9th Grade	3,245
9-12 - No Diploma	10,402
High School Diploma	33,791
1-3 years of college	43,473
Associates Degree	13,849
Bachelors Degree	54,440
Graduate/Professional Degree	55,861

**Household Income (2008 Census ACS)**

Less than \$15,000	16,861
\$15,000-\$24,999	11,287
\$25,000-\$34,999	12,057
\$35,000-\$49,999	16,324
\$50,000-\$74,999	23,412
\$75,000-\$99,999	18,115
\$100,000+	36,131
Median Household Income	\$60,713

**Birthrate (Live Births)**

2008	4,699
2007	4,139
2006	4,267
2005	4,233
2004	4,233
2003	4,210
2002	4,196
2001	4,194
2000	4,133
1999	3,913
1998	3,978
1997	4,047
1996	3,742
1995	3,842

**Educational Institutions - Enrollments (2006)**

Grades K-5 (WISD District*)	21,361
Grades 6-12 (WISD District*)	25,614
Special Education	1,197
University of Michigan	40,025
Eastern Michigan University	22,950
Washtenaw Community College	12,768
Concordia University	736
Cleary University	690
Ave Maria University Law School	381
Ross Medical Education Center	165
Ave Marie College	53
Ann Arbor Inst. Of Massage Therapy	35

\* Washtenaw Intermediate School District (WISD) consists of only 10 of the 20 school districts in Washtenaw County and includes students that do not live in Washtenaw County.

Census ACS = U.S. Census Bureau, American Community Survey

**ECONOMICS**

**Major Employers (2008)**

University of Michigan  
 University of Michigan Health Centers  
 Trinity Health  
 Ann Arbor Public Schools  
 Ford Motor Company  
 Eastern Michigan University  
 General Motors Corporation  
 Thomson Reuters  
 Veterans Hospital  
 Washtenaw Community College

**Occupational Composition (2000 Census Estimate)**

**Persons 16 and older**  
 Managerial and Professional Service 48.1%  
 Sales and Office Occupations 20.2%  
 Service Occupations 13.9%  
 Production, Transportation & Material Moving Occupations 9.2%  
 Construction, Extraction & Maintenance Operations 8.5%

**Industrial Composition (2000 Census Estimate)**

Services	53.0%
Manufacturing	18.0%
Wholesale / Retail Trade	10.1%
Transportation / Comm. / Utilities	6.3%
Construction	5.5%
Finance, Insurance and Real Estate	4.3%
Public Administration	1.7%
Agriculture, Mining	1.1%

**Building Permits – Residential**

2008	237
2007	400
2006	660
2005	1,632
2004	2,765
2003	2,586
2002	2,372
2001	2,341
2000	1,998
1999	2,662

**Equalized Property Value**

2008	\$18,765,026,863
2007	\$19,330,951,897
2006	\$18,545,553,160
2005	\$17,534,623,609
2004	\$16,314,985,717
2003	\$15,045,690,552
2002	\$13,702,101,826
2001	\$12,191,018,138
2000	\$10,951,329,363
1999	\$9,955,398,867
1998	\$8,891,072,796

**Unemployment Rate**

2008	5.9%
2007	4.9%
2006	4.6%
2005	4.3%
2004	4.3%
2003	4.1%
2002	3.6%
2001	2.9%
2000	2.4%

**Bond Rating**

Standard & Poor's	AA+
Moody's	Aa2
Fitch	AA-

## GLOSSARY

**ACCRUAL BASIS:** The basis of accounting under which generally accepted accounting principles are followed in recognizing revenues when earned and expenditures as soon as they result in liabilities for benefits received. This is in contrast to the cash basis of accounting where revenues and expenditures are only recognized when cash receipts or payments take place. The accrual basis is used by the County in accounting for its proprietary funds to maintain a capital maintenance focus.

**AERIAL PHOTO:** A fund used to account for the aerial photographing of Washtenaw County. Financing is provided by the sale of maps made from the aerial photographs.

**AGENCY FUND:** A fund used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds. An example of this type of fund is the Inheritance Escheats Fund which accounts for unsettled estates which are in probate court; when the estates are settled, the amount held plus any accumulated interest is paid out to the interested parties.

**APPROPRIATION:** An authorization granted by the Board of Commissioners. County resources cannot be expended nor can County obligations be incurred without this formal authorization.

**ASSESSED VALUE:** The value placed on real and other property as a basis for levying taxes

**ASSET:** Resources owned or held by a government, which have monetary value

**AUTHORIZED POSITIONS:** Employee positions, which are authorized in the adopted budget to be filled during the year

**BALANCE SHEET:** A basic financial statement that discloses the assets, liabilities, reserves, and equities of a fund or funds (or of the governmental unit as a whole), at a specified date

**BALANCED BUDGET:** By law the county must maintain a balanced budget in which revenues and expenditures are equal.

**BALANCED SCORECARD:** A grouping of performance measures that looks at a wide variety of issues to ensure overall health of a department (fiscal, customer service, operational, management)

**BASIS OF ACCOUNTING:** Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**BOARD OF COMMISSIONERS (BOC):** The County's legislative and administrative body comprised of eleven commissioners who are elected by direct vote from single member districts.

**BUDGET:** A financial operating plan embodying an estimate of proposed county expenditures for a given period and the proposed means of financing them.

**BUDGET ADJUSTMENT:** A legal procedure utilized by County staff and the Board of Commissioners to revise a budget appropriation.

**BUDGET CALENDAR:** The schedule of key dates which a government follows in the preparation and adoption of the budget.

**BUDGETARY ACCOUNTS:** Accounts used to enter the formally adopted annual operating budget into the accounting books. Budgetary accounts are used as a management control technique and include such items as estimated revenues,

appropriations, and encumbrances. Budgetary accounts can be contrasted to proprietary accounts (such as actual assets, liabilities, revenues, expenditures and fund balances) which show actual financial position.

**CAPITAL ASSETS:** Long-term (with an expected life of more than one year) assets with a value in excess of \$5,000 dollars.

**CAPITAL OUTLAY:** The amount expended in acquiring capital assets. Also an expenditure category including line items for the purchase of capital assets.

**CAPITAL PROJECTS FUND:** A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds, and trust funds).

**CHART OF ACCOUNTS:** State of Michigan defined structure for accounting of government financing which includes the following types of funds; General Fund, Special Revenue Funds, Debt Service Funds, Capital Funds, Enterprise Funds, Internal Service Funds, Fiduciary Funds and Agency Funds (see individual fund type within glossary for more information on each fund usage).

**COMMUNITY OF INTEREST:** A group composed of all the participants of a system (both internal to County government and external partners) who have common customers and a shared purpose. These groups come together to look at how they can change the system to reach the desired outcome of positive community impact.

**COMMUNITY IMPACT PLAN:** A summary report done for each Community of Interest that outlines the vision, mandated services, discretionary services, goals and action steps planned.

**CONSUMER PRICE INDEX (CPI):** A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

**COST ALLOCATION PLAN (CAP):** Plan developed annually to allocate costs for support services. The plan must adhere to guidelines of the Federal Office of Management and Budget Circular A-87. The purpose of the plan is to show the full cost of programs and to ensure reimbursement under state and federally funded programs.

**DEBT SERVICE FUND:** A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**DEFICIT:** The excess of an entity's liabilities over its assets, or the excess of expenditures/expenses over revenues during a single accounting period.

**DEPARTMENT:** The basic organizational unit of government which is functionally unique in its delivery of services.

**DEPARTMENT MISSION:** Communicates the purpose of a department.

**DEPARTMENT VISION:** A precise, well-crafted statement of what a department wants to become and how it could get there.

**DISCRETIONARY SERVICES:** Services that a government is not legally bound to provide but exercises discretion within the law to provide.

**DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM:** A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

**DOWNTOWN DEVELOPMENT AUTHORITY (DDA):** a governmental agency that administers various incentives and interventions that are designed to encourage local business growth and development by providing assistance to individual businesses within downtown areas.

**ENCUMBRANCE:** The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure. **NOTE:** an encumbrance is not an expenditure (nor an expense); to encumber a certain quantity of money means to reserve it for a future designated purpose. Encumbrances generally arise at the time goods or services are ordered from outside parties.

**ENTERPRISE FUND:** A fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges (e.g., Cooperative Extension, Solid Waste Disposal).

**EXPENDABLE TRUST FUND:** A fund whose resources, including both principal and earnings, may be expended.

**EXPENDITURE:** Decreases in net financial resources (usually a decrease in cash).

**EXPENSES:** Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures. The concept of an expense is applicable to accrual basis accounting whereas expenditure is a modified accrual basis concept.

**FAMILY INDEPENDENCE AGENCY (FIA):** The Family Independence Agency is an agency of the State of Michigan which provides services to help meet the financial, medical, and social needs of individuals and families living in Michigan who are unable to provide for themselves; to assist those who are capable to become self-sufficient through skill building, opportunity enhancement, and family-focused services; and to help protect children and vulnerable adults from abuse, neglect, exploitation and endangerment.

**FIDUCIARY FUND TYPE:** A generic classification adopted by the Governmental Accounting Standards Board (GASB) to refer to certain funds. Funds that fall under this classification are: expendable trust funds, non-expendable trust funds, pension trust funds and agency funds. The other two generic classifications used by GASB proprietary fund type and governmental fund type.

**FISCAL YEAR (FY):** In Washtenaw County, the fiscal year is January 1 through December 31.

**FRINGE BENEFITS:** Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share for Social Security and the various pension, medical, and life insurance plans.

**FTE - FULL-TIME EQUIVALENT:** The amount of time considered the normal or standard amount for working during a given period. The County considers a 100% position to be at least 37.5 hours worked per week. To be eligible for fringe benefits an individual must work at least 50% or 18.75 hours per week.

**FUND:** A fiscal and accounting entity containing a set of self-balancing accounts for recording all financial transactions for specified activities or government functions.

**FUND BALANCE:** The portion of Fund Equity that is available for appropriation (i.e. not already reserved).

**FUND EQUITY:** The excess of fund assets and resources over liabilities. A portion of the fund equity may be reserved or designated; any remaining amount is referred to as Fund Balance.

**GAAP:** Generally Accepted Accounting Principles are those accounting principles that are considered essential if a governmental entity is to report and fully disclose its financial condition and results of operations for a given period. The primary sources of these principles are the following:

- FASB - Financial Accounting Standards Board
- GASB - Governmental Accounting Standards Board
- AICPA - American Institute of Certified Public Accountants

**GENERAL FUND:** The largest fund within the county, it accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges and other types of revenue. The General Fund includes most of the basic operating services such as administration, Sheriff, Trial Court, finance, data processing, public works, County Clerk, etc.

**GOVERNMENTAL FUND TYPE:** A generic classification adopted by the Governmental Accounting Standards Board (GASB) to refer to certain funds. Funds that fall under this classification are: general fund, special revenue funds, debt service funds, capital projects funds, and special assessment funds. The other two generic classifications used by GASB are proprietary fund type and fiduciary fund type.

**GRANT:** A contribution by another governmental unit (e.g. State of Michigan, Federal Government) or private entity to the County. The contribution is usually made to aid in the support of a specified function but it is sometimes also for general purposes.

**GUIDING PRINCIPLES:** Expressions of the County's vision that will guide administrative judgment about all operations of County Government.

**HEADLEE AMENDMENT:** 1978 Amendment to Michigan State Constitution limiting property tax rate increases without voter approval. Headlee requires that tax rates be "rolled back" if the increase in a taxing unit's equalized valuation (excluding changes from new construction, improvements and losses) is greater than the rate of inflation. Headlee also requires the State to appropriate necessary funds to local units for any new state-required services and prohibits the State from reducing State share of existing required services.

**INDIGENT COUNSEL:** Legal services and representation provided by the County to those persons deemed unable to afford their own attorney.

**INTERGOVERNMENTAL REVENUES:** Those revenues received from another governmental entity, such as State grants or Federal Revenue sharing.

**INTERNAL SERVICE FUND:** A fund established to finance and account for services and commodities furnished by a designated department or agency to other departments and agencies within a single governmental unit or to other governmental units.

**INFORMATION TECHNOLOGY:** The County department working collaboratively with all County departments to identify, evaluate, plan, implement and support automated solutions in areas of computerization and telecommunication in accordance with County policies procedures and standards.

**LINE ITEM - See OBJECT CLASS**

**MANDATORY SERVICES:** Services that a government is required to provide by law, statute or decree from state and federal levels of government.

**MILLAGE:** The millage rate is the amount of taxes to be paid per thousand dollars of taxable value. For example, a property with taxable value of \$100,000, taxed at 1.0 mills, would be taxed \$100.

**MODIFIED ACCRUAL BASIS:** Used for governmental, agency, and expendable trust funds, this basis of accounting recognizes revenues at the time they become available and measurable; expenditures are recognized when a liability is incurred (debt service and special assessment funds modify this recognition criterion slightly), in accord with appropriation authority. The modified accrual basis has a spending measurement focus as contrasted to a full accrual basis which focuses on capital maintenance measurement.

**MONEY PURCHASE PENSION PLAN (MPPP):** Washtenaw County's defined contribution pension plan initiated in 1984. All employees hired after 1984, except Sheriff employees, belong to this plan.

**NON-EXPENDABLE TRUST FUND:** A fund, the principal of which may not be expended. Compare to EXPENDABLE TRUST FUND.

**OBJECT CLASS -** A classification of revenues or expenditures (expenses) such as interest income, revenue from fines, personal services (e.g. Department Heads), and supplies. Object classes are identified in the budget summary by a four digit number called a line item number.

**OPERATING BUDGET:** A budget which applies to all outlays other than capital outlays.

**OTHER SERVICES & CHARGES:** An expenditure category made up of line items for services (i.e. Consultants, etc.) necessary for departmental operations.

**PENSION TRUST FUND:** A fund used to account for the collection of retirement and other employee benefit contributions from the County and its employees. This fund also manages these collections and makes payments to qualified retirees, beneficiaries, and disabled employees.

**PERFORMANCE MEASUREMENTS:** Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

**PERSONAL SERVICES:** The category of all salaries, wages, and fringe benefits expenditures.

**PROCESS:** An activity or series of steps to carry out a program or service. Defined by HOW something is done, WHEN it is done and WHO is accountable for doing it. This is the County's business (cyclical) planning element.

**PROGRAM:** A strategy, service or package of services designed to attain a goal. Described by WHAT is done, WHY it is done and WHO is done for. This is the County's strategic (long range) planning element.

**PROPOSAL A:** Proposal A was passed in 1994 and changed the way in which the taxable value of a parcel of property is calculated in Michigan. The net result of these changes was that the taxable value of each parcel adjusted for additions and losses will not increase more than the increase in the Consumer Price Index (CPI) or 5%, whichever is less, until ownership is transferred.

**PROPRIETARY FUND TYPE:** A general classification adopted by the Governmental Accounting Standards Board (GASB) to refer to certain funds. Funds that fall under this classification are: enterprise funds and internal service funds. The other two generic classifications used by GASB are governmental fund type and fiduciary fund type.

**RESERVE:** An account used to indicate that a portion of a fund's equity is legally restricted for a specific purpose, and is not available for general appropriation.

**RESERVE FOR SUBSEQUENT YEARS:** The undesignated portion of the General Fund Balance that represents expendable available financial resources to be use exclusively for maintaining a stable revenue structure and to provide for the orderly delivery of services to County residents; to maintain and improve the County's credit standing; and to provide financial resources that can be used to meet contingency and working capital requirements.

**RESOLUTION:** A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

**REVENUE:** Funds that the County receives as income. Revenue includes such items as tax payments, fees from specific services, fines, grants, shared revenues and interest income.

**REVOLVING FUND:** A fund established to finance and account for services and commodities furnished by a designated department or agency to other departments and agencies within a single governmental unit or to other governmental units.

**RISK MANAGEMENT:** An organized attempt to protect a government's assets against accidental loss via the most economical method

**SERVICE ENHANCEMENTS:** Specific changes in budget or operations with the intent of improving or increasing service levels to customers.

**SEV - STATE EQUALIZED VALUE:** The taxable value of a parcel of land. Prior to 1994 the taxable value of a parcel was equal to 50% of the current assessed value. Due to Proposal A, passed in 1994, the taxable values of each parcel adjusted for additions and losses will not increase more than the increase in the CPI (Consumer Price Index) or 5% , whichever is less, until ownership is transferred.

**SPECIAL ASSESSMENT FUND:** A fund used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

**SPECIAL REVENUE FUND:** A fund used to account for the proceeds of specific revenue sources that by law are designated to finance particular County functions or activities (e.g., Child Care Fund).

**STRUCTURAL DEFICIT:** A projected budget deficit that continues each year into the future requiring either new permanent revenue sources or expenditure reductions that will materialize annually into the future.

**SUPPLIES:** An expenditure category including expendable materials and operating supplies necessary to conduct departmental operations.

**TANF:** Temporary Assistance to Needy Families.

**TAX RATE:** The amount of taxes (in mills) levied for each \$1,000 of assessed valuation. Example: A commercial building with an assessed value of \$200,000, when the applicable tax rate is 5.0 mills, would be taxed for \$1,000 (= \$200,000 x .005).

**TAXABLE VALUE:** The amount of allowable taxes charged for a parcel of land. In Michigan, the taxable value is based on SEV (State Equalized Value).

**TIFA - TAX INCREMENT FINANCE ACT DISTRICTS:** Allows jurisdictions to identify specific increases in property tax revenue in a designated area to support economic development activities and services in that area.

**TRANSFERS IN/OUT:** Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

**TRUST AND AGENCY FUND:** A fund used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

**UNENCUMBERED APPROPRIATION:** The amount of an appropriation that is neither spent nor encumbered.

**UNEARMARKED RESERVE:** A General Fund contingency account maintained in the County budget for emergency appropriations. The annual Unearmarked Reserve is appropriated at \$100,000 and requires Board of Commissioner action for expenditure of the funds.

**UNIFORM BUDGETING AND ACCOUNTING ACT OF 1968:** AN ACT to provide for the formulation and establishment of uniform charts of accounts and reports in local units of government; to define local units of government; to provide for the examination of the books and accounts of local units of government; to provide for annual financial reports from local units of government; to provide for the administration of this act; to prescribe the powers and duties of the state treasurer, the attorney general, the library of Michigan and depository libraries, and other officers and entities; to provide penalties for violation of certain requirements of this act; to provide for meeting the expenses authorized by this act; to provide a uniform budgeting system for local units; and to prohibit deficit spending by a local unit of government.

