

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

**(11) Debt and Other Obligations**

Changes in long-term liabilities for the year ended September 30, 2008, are summarized in the following tables. Amounts are rounded to thousands of dollars. County debt is limited to 10 percent (or approximately \$6.4 billion) of State Equalized Value of property in the County at September 30, 2008.

(in thousands)	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
<b>Governmental Activities:</b>					
General obligation bonds:					
Wayne County Building Authority - Limited Tax General Obligation Capital Improvement Bonds, Series 1996A, 4.00% to 6.50%, due serially to 2016	\$ 27,115	-	(2,405)	\$ 24,710	\$ 2,545
Michigan Municipal Bond Authority Local Government Loan Program General Obligation Limited Tax Capital Improvement Bonds, Series 2003B, 4.30%, due serially through 2024	12,235	-	(540)	11,695	550
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, AMBAC Ref91A	16,015	-	(11,800)	4,215	4,215
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Ref94A	50,380	-	(8,545)	41,835	7,585
Wayne County Limited Tax General Obligation Capital Improvement Bonds, Series 2008A 4.375% to 5.00%, due serially to 2038	-	32,875	-	32,875	-
Wayne County Limited Tax General Obligation Capital Improvement Bonds, Series 2008B 5.25% to 5.50%, due serially to 2025	-	18,110	-	18,110	695
Wayne County Limited Tax General Obligation Water and Sewage Disposal System Bonds, Series 2008 4.5% to 5.7%, due serially to 2038	-	13,060	-	13,060	200
Michigan Transportation Fund Bonds (due serially): Series 1998, 4.00% to 5.25%, due 2012	15,990	-	(2,360)	13,630	2,475
Michigan Transportation Fund Bonds (due serially): Series 1999, 4.0% to 5.3%, due 2013	<u>16,690</u>	<u>-</u>	<u>(2,040)</u>	<u>14,650</u>	<u>2,140</u>
Subtotal general obligation bonds payable	138,425	64,045	(27,690)	174,780	20,405
Bond premium	1,549	1,157	(163)	2,543	184
Bond discount	(670)	110	-	(560)	(110)
Deferred gain (loss) on refunding	<u>(6,355)</u>	<u>565</u>	<u>-</u>	<u>(5,790)</u>	<u>(565)</u>
Total general obligation bonds payable	132,949	65,877	(27,853)	170,973	19,914

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

(in thousands)	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
Note payable:					
Series 2007A, B and C, due 2009, interest equal to three basis points (0.03%) plus the one month LIBOR rate (resets monthly)	180,000	-	(123,000)	57,000	57,000
Series 2008A, due 2010, interest equal to forty-five basis points (0.45%) plus the one month LIBOR rate (resets monthly)	-	191,000	(10,000)	181,000	-
Series 2008B, due 2010, interest equal to sixty basis points (0.60%) plus the one month LIBOR rate (resets monthly)	-	106,000	(25,000)	81,000	-
Capital Lease - Wayne County Building	<u>11,639</u>	<u>-</u>	<u>(1,099)</u>	<u>10,540</u>	<u>1,031</u>
Total notes and leases payable	<u>191,639</u>	<u>297,000</u>	<u>(159,099)</u>	<u>329,540</u>	<u>58,031</u>
Total bonds, notes, and leases payable	324,588	362,877	(186,952)	500,513	77,945
Other long-term obligations:					
State of Michigan Local Emergency Financial Assistance Loan Board, at an initial rate of 5.532%, adjusted annually	52,677	219	(66)	52,830	-
Claims, litigation, and assessments	20,437	4,346	(9,588)	15,195	-
Obligation for other post-employment benefits	-	12,371	-	12,371	-
Compensated absences	<u>27,774</u>	<u>27,656</u>	<u>(27,774)</u>	<u>27,656</u>	<u>27,656</u>
Total other long-term obligations	<u>100,888</u>	<u>44,592</u>	<u>(37,428)</u>	<u>108,052</u>	<u>27,656</u>
Total Government activities	<u>\$ 425,476</u>	<u>407,469</u>	<u>(224,380)</u>	<u>\$ 608,565</u>	<u>\$ 105,601</u>

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
For the year ended September 30, 2008

(in thousands)	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Principal Amounts Due within <u>One Year</u>
<b>Business-type Activities:</b>					
<b>Downriver Sewage Disposal System</b>					
General obligation bonds:					
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1994					
Revolving Loan Fund, Series #1A-1F, 2%, due 2014	\$ 4,899	-	(663)	\$ 4,236	\$ 678
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1999,					
Revolving Loan Fund #5117-01, 2.5%	73	-	(5)	68	5
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995					
Revolving Loan Fund #5117-03, 2%	6,420	-	(740)	5,680	760
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995					
Revolving Loan Fund #5117-05, 2.25%	440	-	(55)	385	60
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995					
Revolving Loan Fund #5117-07, 2.25%	42	-	(19)	23	14
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-15, 2.25%	29,965	-	(2,430)	27,535	2,480
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-18, 2.25%	8,175	-	(740)	7,435	755
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-19, 2.25%	5,957	-	(535)	5,422	550
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1999,					
Revolving Loan Fund #5117-20, 2.50%	8,485	-	(560)	7,925	575
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-21, 2.25%	1,458	-	(154)	1,304	154
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-23, 2.25%	1,160	-	(105)	1,055	105
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1995,					
Revolving Loan Fund #5117-24, 2.25%	40,615	-	(2,720)	37,895	2,780
Wayne County Downriver Sewage Disposal System					
Limited Tax General Obligation Bond, Series 1998,					
Revolving Loan Fund #5117-25, 2.25%	11,805	-	(790)	11,015	810

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

(in thousands)	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Principal</u> <u>Amounts</u> <u>Due within</u> <u>One Year</u>
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-26, 2.25%	3,325	-	(300)	3,025	305
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-27, 2.25%	2,824	-	(261)	2,563	266
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-28, 2.25%	1,153	-	(94)	1,059	94
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1997, Revolving Loan Fund #5117-29, 2.25%	1,520	-	(125)	1,395	125
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Fund #5117-30, 2.25%	3,460	-	(280)	3,180	290
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-31, 2.25%	2,325	-	(190)	2,135	190
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-32, 2.25%	7,617	-	(560)	7,057	575
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bonds, Series 2000, Revolving Loan Fund #5117-34, 2.50%	3,810	-	(230)	3,580	235
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, 1999 Series A Refunding Bonds 4.5% to 5.125%, due 2013	4,055	-	(600)	3,455	625
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, 1999 Series B Bonds 4.5% to 5.125%, due 2018	10,250	-	(720)	9,530	755
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2005, Revolving Loan Fund #5217-01, 1.625%	3,867	613	(205)	4,275	205
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Completion Bonds	<u>15,790</u>	<u>-</u>	<u>-</u>	<u>15,790</u>	<u>475</u>
Subtotal general obligation bonds payable	179,490	613	(13,081)	167,022	13,866
Revenue bonds:					
Wayne County Downriver Sewage Disposal System Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007D, 4.0% to 5.3%	<u>-</u>	<u>4,300</u>	<u>-</u>	<u>4,300</u>	<u>130</u>

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
For the year ended September 30, 2008

(in thousands)	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Principal Amounts Due within One Year</u>
Bond Premium	691	67	(43)	715	38
Deferred gain (loss) on refunding -					
Downriver Sewage Disposal System	<u>(212)</u>	<u>35</u>	<u>-</u>	<u>(177)</u>	<u>(35)</u>
Total bonds payable	179,969	5,015	(13,124)	171,860	13,999
Other long-term obligations:					
Claims, litigation, and assessments	-	26	-	26	-
Obligation for other post-employment benefits	-	163	-	163	-
Compensated absences	<u>491</u>	<u>538</u>	<u>(491)</u>	<u>538</u>	<u>538</u>
Total other long-term obligations	<u>491</u>	<u>727</u>	<u>(491)</u>	<u>727</u>	<u>538</u>
Total Downriver long term obligations	180,460	5,742	(13,615)	172,587	14,537
<b>Rouge Valley Sewage Disposal System</b>					
General obligation bonds:					
Wayne County North Huron Valley - Rouge Valley Wastewater Control System bonds, Series 1994C Refunding, Michigan Municipal Bond Authority, 3.6% to 6%, due 2009	1,400	-	(680)	720	720
Wayne County Rouge Valley - City of Livonia SRF #5140-01, Michigan Municipal Bond Authority Revolving Loan Fund, 2.25%	<u>270</u>	<u>-</u>	<u>(20)</u>	<u>250</u>	<u>20</u>
Total Rouge Valley general obligation bonds	1,670	-	(700)	970	740
<b>Non-Major Business-type Activities:</b>					
General obligation bonds:					
Wayne County Rouge Valley Wastewater - Dearborn Heights, Michigan Municipal Bond Authority 1999B Bonds AMBAC Insured Bonds, 3.05% to 4.85%, generally due serially through 2016 (CSO)	8,140	-	(755)	7,385	785
Wayne County Rouge Valley Wastewater - Inkster (B) Michigan Municipal bond Authority 1999B Bonds AMBAC Insured Bonds, 3.05% to 4.80%, generally due serially through 2015 (CSO)	1,945	-	(205)	1,740	215
Wayne County Rouge Valley Wastewater - Inkster (A) Michigan Municipal Bond Authority 1999B Bonds AMBAC Insured Bonds, 3.05% to 4.80%, generally due serially through 2015 (CSO)	4,465	-	(510)	3,955	535
Wayne County Rouge Valley - Inkster, Michigan Municipal Bond Authority Revolving Loan Fund, #5106-01, 2% CSO	1,295	-	(135)	1,160	135

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

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Wayne County Rouge Valley - Dearborn Heights Michigan Municipal Bond Authority Revolving Loan Fund, #5104-01, 2.25% (CSO)	1,340	-	(135)	1,205	140
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5123-01, 2.25% (CSO)	3,542	-	(285)	3,257	295
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Refunding of LGLP 1995B, River Rouge Bond Premium	9,935 425	-	(55) (25)	9,880 400	785 21
Deferred gain (loss) on refunding - general obligation bonds	<u>(1,493)</u>	<u>174</u>	<u>-</u>	<u>(1,319)</u>	<u>(171)</u>
Total general obligation bonds	29,594	174	(2,105)	27,663	2,740
Revenue bonds:					
Wayne County Northeast Sewage Disposal System Revenue Bonds, Series 1993, Michigan Municipal Bond Authority Revolving Loan Fund #5057-03, 2%, generally due serially through 2014	2,555	-	(345)	2,210	350
Wayne County Northeast Sewage Disposal System Michigan Municipal Bond Authority 1999B Revenue Bonds AMBAC Insured Bonds, 3.05% to 4.75%, generally due serially through 2014	1,150	-	(145)	1,005	150
Deferred gain (loss) on refunding – revenue bonds	<u>(100)</u>	<u>14</u>	<u>-</u>	<u>(86)</u>	<u>(14)</u>
Total revenue bonds	3,605	14	(490)	3,129	486
Other long-term obligations:					
Obligation for other post-employment benefits	-	7	-	7	-
Compensated absences	<u>2</u>	<u>3</u>	<u>(2)</u>	<u>3</u>	<u>3</u>
Total other long-term obligations	2	10	(2)	10	3
Total non-major business type activity long term obligations	<u>3,607</u>	<u>24</u>	<u>(492)</u>	<u>3,139</u>	<u>489</u>
Total Business-type activities	<u>\$ 215,331</u>	<u>5,940</u>	<u>(16,912)</u>	<u>\$ 204,359</u>	<u>\$ 18,506</u>
<b>Fiduciary Activities:</b>					
Other long-term obligations:					
Obligation for other post-employment benefits	\$ -	63	-	\$ 63	\$ -
Compensated absences	<u>103</u>	<u>97</u>	<u>(103)</u>	<u>97</u>	<u>97</u>
Total Fiduciary activities	<u>\$ 103</u>	<u>160</u>	<u>(103)</u>	<u>\$ 160</u>	<u>\$ 97</u>

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

**Governmental Activities**

The 2006 delinquent tax collections are pledged as collateral for the repayment of the outstanding delinquent tax notes of \$57 million issued June 29, 2007 and August 31, 2007. The 2007 delinquent tax collections are pledged as collateral for the repayment of the outstanding delinquent tax notes of \$262 million issued June 17, 2008. The notes are repayable on June 29, 2009 and June 15, 2010, respectively. Interest on the notes is due on the fifteenth of each month until the entire balance is repaid. All of the delinquent tax collections pledged for each issuance are required to be used toward repayment of the notes. Interest paid for the current year was \$4.7 million and \$2.6 million for the 2007 and 2008 notes, respectively.

In 1988, in connection with the refinancing of certain General Fund obligations in prior years, the County issued \$103.8 million in Fiscal Stabilization Bonds to the Michigan Municipal Bond Authority (MMBA), which concurrently issued Local Government Loan Program Revenue Bonds (Fiscal Stabilization Bonds), Series 1986A, Group 12B (Insured Wayne County Bonds).

The legislation enabling the issuance of the Fiscal Stabilization Bonds and Emergency Loan Board Notes increased the state cigarette tax to provide revenues to the County with which to fund the debt service requirements on the Fiscal Stabilization Bonds. In addition, the legislation provided for a special tax on airport parking to provide additional General Fund unrestricted revenues. The County's share of state cigarette tax collections is \$16 million annually. The County's obligation to pay the Fiscal Stabilization Bonds is a limited tax general obligation supported by the full faith and credit of the County, subject to certain limitations.

In November 1999, the Wayne County Third Judicial Circuit Court dismissed a \$40 million lawsuit between the State of Michigan (The "State") and the County regarding funding of disputed Juvenile Justice and Abuse/Neglect Fund (formerly the Child Care Fund) costs. Pursuant to this Order of Dismissal, the State and the County entered into a Settlement Agreement (the Agreement), whereby the State agreed to release the County from all related liability in exchange for a loan payable in the amount of approximately \$39.9 million from the Local Emergency Financial Assistance Loan Board, at an initial rate of 5.532% per annum. The State Treasurer, effective July 1<sup>st</sup> of each year, adjusts the interest rate annually. At September 30, 2008, the amount due on the loan is approximately \$52.8 million.

The Agreement further stipulates that the loan (a) shall be subordinate to the payments due on any outstanding bonds issued by the County under the Fiscal Stabilization Act (the County's Fiscal Stabilization Bonds mature in fiscal year 2009); (b) shall be repaid from distributions received by the County from the State Health and Safety Fund pursuant to section 5(b)(i) of 1987 PA 264, (Cigarette Tax) only; and (c) shall not be secured by the County's full faith and credit or any other resources of the County.

In January 1991, the Michigan Municipal Bond Authority refunded its Local Government Loan Program Revenue Bonds (Fiscal Stabilization Bonds). Concurrently, the terms of the related Wayne County Fiscal Stabilization Bonds held by the Michigan Municipal Bond Authority were modified, principally to revise the timing of the principal payments and the amount of interest, enabling the repayment of the County's Emergency Loan Board notes to be accelerated.

As of September 30, 2008, the County had received \$13.2 million in cigarette tax revenues from the State of Michigan to repay the Fiscal Stabilization bonds. The final payment on this obligation will be made in December 2009. The amounts necessary to make this 2009 payment are held in trust as of

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

September 30, 2008. The State withheld the final \$2.8 million cigarette tax revenue payment in 2008 in order to apply it against the State of Michigan Emergency Loan.

In August 2007, the County issued \$16 million in bonds with a premium of \$4,900 through the Michigan Municipal Bond Authority's Local Government Loan Program with an average interest rate of 5.4 percent to advance refund \$38.6 million of outstanding 1991 Fiscal Stabilization Bonds.

In March 1994, the Building Authority issued \$105.9 million in bonds with an average interest rate of 5.8 percent, of which \$97.6 million was used to advance-refund \$97.2 million of bonds, with the remaining \$8.3 million in bonds to be used for renovations and improvements on the Wayne County Youth Home and for the demolition of abandoned buildings on the Eloise Westland property. The County has pledged its full faith and credit for these bonds, subject to certain limitations.

In March 1994, the Building Authority issued \$3.3 million in bonds to finance assets of the Warren Valley Golf Course. The County has pledged its full faith and credit for these bonds, subject to certain limitations.

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

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

Michigan Transportation Fund Bonds, Series 1998, in the aggregate amount of \$31.3 million, were issued to fund a portion of the capital improvements to the County's road system. The bonds are due serially through 2012 at interest rates ranging from 4.0% to 5.25%. Bond principal and interest payments are secured by an irrevocable pledge of distributions from the Michigan Transportation Fund pursuant to the provisions of Act 51 of the Michigan Public Acts of 1951. In the event that Act 51 distributions are insufficient to repay these bonds, the County has pledged its full faith and credit for repayment. These bonds are considered limited tax general obligations of the County.

Michigan Transportation Fund Bonds, Series 1999, in the aggregate amount of \$28.7 million, were issued to fund a portion of the capital improvements of the County's road system. The bonds are due serially through 2013 at interest rates ranging from 4.0% to 5.3%. Bond principal and interest payments are secured by an irrevocable pledge of distributions from the Michigan Transportation Fund pursuant to the provisions of Act 51 of the Michigan Public Acts of 1951. In the event that Act 51 distributions are insufficient to repay these bonds, the County has pledged its full faith and credit for repayment. These bonds are considered limited tax general obligations of the County.

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

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

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

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

Claims, litigation, and assessments represent actions, which have been asserted and are probable of loss and estimable. The amount of probable loss has been determined through court orders, judgments, or annual estimates by the County's Corporation Counsel. Claims and assessments that are not probable of loss or are not estimable are discussed in Note 15, Commitments and Contingencies.

These liabilities are generally liquidated through the County's Long-term Disability, General Health, Workers' Compensation and General Liability internal service funds. Those funds finance the payment of those claims by charging the other funds based on budgeted fringe benefit rates. Litigation and assessments are liquidated in the respective funds.

Other Post-employment Benefits (OPEB) refers to post-employment benefits other than pension benefits and includes (1) post-employment healthcare benefits and (2) other types of post-employment benefits (for example, life insurance) when provided separately from a pension plan. See Note 13 for a discussion of the County's OPEB liability.

Amounts accrued for unpaid vacation and sick pay represent the accumulated, vested obligation of the County at September 30, 2008 for such benefits, payable to present governmental fund employees at future dates upon employee termination, retirement, or death.

Payments on the general obligation bonds that pertain to the County's governmental activities are made by the debt service funds, except for the note payable, which is repaid directly from Delinquent Tax Revolving Fund, an enterprise fund. The liability attributable to compensated absences and OPEB for governmental activities is liquidated in the respective funds when paid.

**Business-type Activities**

*Sewage Disposal Systems* – The principal and interest payments on all the sewage disposal system bonds, other than noted below, are payable from contributions of the participating local governmental units as set forth in the related sewage disposal system contracts and bond ordinances.

The County has pledged future Downriver Sewage Disposal System revenues, net of specified operating expenses, to repay the outstanding balance of \$4.3 million of Downriver Sewage Disposal System 2007D revenue bonds and \$4.275 million of State Revolving Loan fund 5217-01 bonds, payable through 2028 and 2026, respectively. Annual principal and interest payments on the bonds are expected to require less than 54 percent of net revenues. The total principal and interest remaining to

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

be paid on the bonds is \$6.6 million and \$4.96 million for the 2007 D and 5217-07 bonds, respectively. Principal and interest paid on the two bond issuances for the current year and total customer net revenues were \$427,917 and \$1.14 million, respectively.

The County has pledged future Northeast Sewage Disposal System revenues, net of specified operating expenses, to repay the outstanding balance of \$3.129 million of Northeast Sewage Disposal revenue bonds, payable through 2014. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$3.541million. Principal and interest paid on the bonds for the current year and total customer net revenues were \$605,820 and (\$213,000).

In 1994, the County authorized issuance of bonds to the MMBA Revolving Loan Fund for up to \$13.0 million for the Downriver Sewage Disposal System. Through September 30, 2008, the County received \$12.6 million from the revolving loan fund for the projects supported by these bonds.

In 1995, the County authorized additional issuance of bonds to the MMBA Revolving Loan Fund for up to \$21.4 million for the Downriver Sewage Disposal System and the CSO Basins Sewage Disposal System. Through September 30, 2008, the County received \$21.3 million from the revolving loan fund.

In 1995, the County authorized issuance of bonds to the MMBA Revolving Loan Fund for up to \$5.2 million for the Rouge Valley Sewage Disposal System. Through September 30, 2008, the County received \$5.2 million from the revolving loan fund.

In 1996, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$78.8 million for the Downriver Sewage Disposal System. Through September 30, 2008, the County received \$78.0 million from the revolving loan fund.

In 1997, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$84.0 million for the Downriver Sewage Disposal System. Through September 30, 2008, the County received \$82.9 million from the revolving loan fund.

In 1998, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$31.3 million for the Downriver Sewage Disposal System. Through September 30, 2008, the County received \$31.1 million from the revolving loan fund.

In 1998, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$425,000 for the Rouge Valley Sewage Disposal System. Through September 30, 2008, the County received \$425,000 from the revolving loan fund.

In 1999, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$12.6 million for the Downriver Sewage Disposal System. An estimated amount up to \$445,000 of this issuance is designated for two communities covered under the Chapter 20 Drainage District, a component unit of the County of Wayne, and is reported under the Component Unit segment of County debt. Through September 30, 2008, the County received \$12.5 million from the revolving loan fund, of which \$426,151 is directly attributable to the Chapter 20 Drainage District's bond debt.

In 2000, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$5.1 million for the Downriver Sewage Disposal System. Through September 30, 2008, the County received \$5.1 million from the revolving loan fund.

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

In 2005, the County authorized additional issuance of bonds to the MMBA Revolving Loan Fund for up to \$4.7 million for the Downriver Sewage Disposal System. Through September 30, 2008, the County received \$4.7 million from the revolving loan fund.

The County has pledged its full faith and credit on \$10.1 million of water and sewage bonds issued by local communities for various water and sewer construction activities. The obligations are being paid from the revenues of the various communities' water and sewage fund operations. The assets and related obligations have not been reflected within the County's basic financial statements for these activities.

In December 1995, the County authorized the issuance of bonds in an aggregate principal amount of \$16.3 million designated as Wayne County Combined Sewer Overflow (City of River Rouge) Bonds, Series B. These bonds were used to finance construction of a combined sewer overflow control facility in the City of River Rouge to comply with the requirements of a federal grant and applicable National Pollutant Discharge Elimination System (NPDES) permit. The obligations are limited tax general obligations of the County of Wayne, but are payable from contractual payments to be received from the City of River Rouge.

In August 2007, the County issued \$9.9 million in 2007B River Rouge CSO Basin bonds with a premium of \$425,190, through the Michigan Municipal Bond Authority's Local Government Loan Program. These bonds, with an average interest rate of 5.0 percent were issued to advance refund \$10.1 million of outstanding 1995B bonds.

In April 1999, the County issued \$23.1 million, Series 1999B Revenue Bonds, under the MMBA Local Government Loan Program to provide resources to advance refund \$20.3 million of existing Sewage Disposal System Debt, Series 1994D, F and G, and Chapter 21 Drainage District, a component unit, Series 1993B. The proceeds of the refunding bonds were placed into an irrevocable trust to provide for all future debt service payments on the retired bonds. As a result, the retired bonds are considered to be defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. This refunding was made solely to retire the refunded debt and reduce the total of future debt service payments. This bond issue is a limited tax general obligation of the County of Wayne, but is payable from contractual payments to be received from the communities participating in the respective sewage disposal systems benefited. Should the assets in escrow not be sufficient to fund the debt service requirements, additional amounts would be required to be deposited from the respective Sewage Disposal System.

In August 1999, the County issued the Series 1999A Refunding Bonds in the amount of \$6.5 million and the Series 1999B Bonds in the amount of \$15.0 million for the Downriver Sewage Disposal System, under the MMBA's Local Government Loan Program. Proceeds from the 1999A Series Bonds were used to advance refund \$6.1 million of the existing Sewage Disposal System Debt, Series 1994A. Proceeds from the 1999B Series Bonds were used to finance improvements to the Downriver Sewage Disposal System.

The proceeds of the 1999A refunding bonds were placed into an irrevocable trust to provide for all future debt service payments on the retired bonds. As a result, the retired bonds are considered to be defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. This refunding was made solely to retire the refunded debt and reduce the total of future debt service payments. This bond issue is a limited tax general obligation of the County, but is payable from contractual payments to be received from the communities participating in the respective sewage disposal systems benefited. Should the assets in escrow not be

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

sufficient to fund the debt service requirements, additional amounts would be required to be deposited from the respective Sewage Disposal System.

In August 2007, the County issued Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B in the amount of \$15.8 million to finance certain court ordered improvements to the Downriver Sewage Disposal system pursuant to a judgment to which the County and certain cities, villages and townships located in the County are subject. The obligation is secured by a limited tax full faith and credit pledge of the County and the obligation of the applicable communities to make judgment payments pursuant to the judgment.

In December 2007, the County issued Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007D in the amount of \$4.3 million to finance improvements to the Downriver Sewage Disposal system not covered by the available State Revolving Loan funds. This obligation is secured by a limited tax full faith and credit pledge of the County, and by the contractual consent of the communities served by Downriver system to pay all principal and interest obligations from the revenues of the System.

Capital Leases (Governmental Activities)

In 1984, the Economic Development Corporation (EDC), of the County sold the Wayne County Building (the Building) to the Old Wayne County Building Limited Partnership (the Partnership) and entered into a lease agreement whereby the County could purchase the Building from the Partnership after agreed upon renovations by the Partnership were made. The lease payments were structured to provide for the debt service on the Partnership's renovation loan, in addition to base rent. The original lease term, which began in 1987 when the County took occupancy of the Building, was for a ten year term, but was later amended to provide for two, ten-year renewal/purchase options – one in 2007 and the other in 2017. The first ten-year renewal/purchase option expired on October 31, 2007. The County had the option to purchase the Building, renegotiate the lease, or exercise the second renewal/purchase option and extend the term of the lease another ten years to October 31, 2017. The October 31, 2007 deadline was extended to December 31, 2007. At this time, the County has not exercised its renewal option on the second ten-year lease, or its purchase option and is still negotiating with the Partnership.

This lease agreement qualified as a capital lease for accounting purposes. The building and lease payable were recorded at the present value of the future minimum lease payments which was \$27,855,351 as of the inception date. The lease requires minimum quarterly payments from the County of \$790,464.

At September 30, 2008, the outstanding portion of the capital lease obligation was \$10.5 million for base rent until the expiration of the second renewal term in December 2017. The \$10.5 million obligation excludes expenses charged by the Partnership in excess of the capital lease base rent.

The future minimum lease obligation of these minimum lease payments as of September 30, 2008, were as follows (amounts in thousands):

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

Governmental Activities -  
Wayne County Building  
Capital Lease Obligation

Year Ended	<u>Principal</u>	<u>Interest</u>
<u>September 30</u>		
2009	\$ 1,031	\$ 2,130
2010	969	2,193
2011	909	2,252
2012	854	2,308
2013	802	2,360
2014-2018	<u>5,975</u>	<u>10,050</u>
Total	<u>\$ 10,540</u>	<u>\$ 21,293</u>

In a related transaction, the County recorded a \$5.3 million note from the Partnership, which accrues interest at a rate of 9% (Note 7). The note is recorded as a long-term receivable and the lease is recorded as a long-term liability in the Building and Grounds Maintenance Internal Service Fund.

Operating Leases

The County is committed under 20 leases for office, storage space, and land. These leases are considered for accounting purposes to be non-cancelable operating leases. Lease expenditures for the year ended September 30, 2008 amounted to \$5,105,508. Future minimum lease payments for these leases are as follows (amounts in thousands):

<u>September 30</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
2009	\$ 4,034	\$ 250
2010	2,472	260
2011	978	270
2012	561	281
2013	576	292
2014-2018	3,122	1,646
2019-2023	3,278	2,002
2024-2028	3,800	2,436
2029-2033	4,405	2,964
2034-2038	<u>5,107</u>	<u>2,078</u>
Total minimum lease payments	<u>\$ 28,333</u>	<u>\$ 12,479</u>

**Other**

The annual requirements to pay principal and interest on the debt as reflected above (excluding claims, litigation and assessments, workers' compensation, capital lease obligations, and compensated absences) at September 30, 2008, are summarized as follows:

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

Governmental Activities - Bonds

General Obligations

(in thousands)

Year Ended		<u>Principal</u>		<u>Interest</u>
<u>September 30</u>				
2009	\$	77,405	\$	17,578
2010		280,020		23,979
2011		11,750		6,664
2012		12,330		6,058
2013		12,970		5,416
2014-2018		37,995		19,766
2019-2023		16,180		13,132
2024-2028		12,150		9,847
2029-2033		9,440		6,759
2034-2038		<u>23,540</u>		<u>2,593</u>
Total	\$	<u>493,780</u>	\$	<u>111,792</u>
Bonds Payable	\$	174,780	\$	85,910
Notes Payable		<u>319,000</u>		<u>25,882</u>
Total	\$	<u>493,780</u>	\$	<u>111,792</u>

Business-type Activities - Bonds

Downriver Sewage Disposal System –  
General Obligation and Revenue Bonds

(in thousands)

Year Ended		<u>Principal</u>		<u>Interest</u>
<u>September 30</u>				
2009	\$	13,996	\$	4,732
2010		14,379		4,365
2011		14,746		3,986
2012		15,150		3,593
2013		15,538		3,188
2014-2018		70,832		9,975
2019-2023		18,925		2,992
2024-2028		<u>7,756</u>		<u>950</u>
Total	\$	<u>171,322</u>	\$	<u>33,781</u>

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

Rouge Valley Sewage Disposal System –  
General Obligation  
(in thousands)

Year Ended			
<u>September 30</u>	<u>Principal</u>		<u>Interest</u>
2009	\$ 740	\$	27
2010	20		5
2011	20		5
2012	20		4
2013	20		4
2014-2018	125		10
2019	<u>25</u>		<u>-</u>
Total	<u>\$ 970</u>	<u>\$</u>	<u>55</u>

Non-major Business-type Activities –  
General Obligation and Revenue Bonds  
(in thousands)

Year Ended			
<u>September 30</u>	<u>Principal</u>		<u>Interest</u>
2009	\$ 3,390	\$	1,292
2010	3,480		1,160
2011	3,610		1,022
2012	3,750		876
2013	3,905		722
2014-2018	<u>13,662</u>		<u>1,304</u>
Total	<u>\$ 31,797</u>	<u>\$</u>	<u>6,376</u>

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

In 2007 and prior years, the County defeased the future principal payments of the following issues by depositing U.S. Treasury obligations with escrow agents:

	(in thousands)
<b>Primary Government:</b>	
1994 North Huron Valley - Rouge Valley Wastewater Control System Bonds, Series 1989	\$ 725
1999 Rouge Valley - Dearborn Heights CSO Basins Bonds Series 1994D	7,930
1999 Rouge Valley - Inkster CSO Basins Bonds Series 1994F	1,745
1999 Rouge Valley - Inkster CSO Basins Bonds Series 1994G	4,370
1999 Northeast Sewage Disposal System Bonds Series 1994G	1,125
1999 Downriver Sewage Disposal System Bonds Series 1994A	<u>4,120</u>
Total primary government	<u>\$ 20,015</u>
 <b>Component Units:</b>	
1994 Chapter 20 Drainage Districts - various municipal obligations	\$ 1,500
1999 Chapter 21 (Milk River) Drainage District Bonds, 1994 Series A	<u>730</u>
Total component units	<u>\$ 2,230</u>
 Total defeased debt	 <u>\$ 22,245</u>

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
For the year ended September 30, 2008

**Component Units**

Changes in long-term obligations related to component units at September 30, 2008, are summarized as follows (in thousands):

<b>Component Units:</b>	<b>Beginning</b>			<b>Ending</b>	<b>Principal</b>
<b>Airport Authority</b>	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>	<b>Amounts</b>
					<b>Due within</b>
					<b>One Year</b>
Detroit Metropolitan Airport					
Series 1994A, 3.5% to 5.875%, due 2008	\$ 5,995	-	(3,020)	\$ 2,975	\$ 2,975
Series 1996A, 3.65% to 5.72%, due 2016	43,010	-	(3,300)	39,710	3,500
Series 1996B, 3.65% to 5.72%, due 2016	43,010	-	(3,300)	39,710	3,500
Series 1998A, 4.20% to 5.50%, due 2028	772,380	-	(19,195)	753,185	20,280
Series 1998B, 4.10% to 5.25%, due 2028	146,565	-	(124,705)	21,860	3,890
Series 2001 Junior Lien, variable, 1.66% due 2008	52,965	-	(52,965)	-	-
Series 2002A, variable, 1.71%, due 2032	141,720	-	(141,720)	-	-
Series 2002C, 3.00% to 5.375%, due 2020	26,020	-	(115)	25,905	120
Series 2002D, 5.0% to 5.5%, due 2019	71,725	-	(3,435)	68,290	3,630
Series 2003A-1, variable, 1.45%, due 2033	75,000	-	(75,000)	-	-
Series 2003A-2, variable, 1.5%, due 2033	75,000	-	(75,000)	-	-
Series 2003A-3, variable, 1.47%, due 2033	64,975	-	(64,975)	-	-
Series 2003B, variable, 1.55%, due 2021	65,000	-	(65,000)	-	-
Series 2003C, variable, 1.32%, due 2021	44,375	-	(44,375)	-	-
Series 2004, variable, 2.6%, due 2024	10,800	-	(10,800)	-	-
Series 2005, 3.5% to 5.25%, due 2034	507,135	-	-	507,135	-
Series 2007A Junior Lien, 4.85% to 5%, due 2038	180,390	-	-	180,390	-
Series 2007B, 4.0% to 5.0%, due 2028	-	119,390	-	119,390	-
Series 2008A, 4.0% to 5.75%, due 2032	-	142,285	-	142,285	2,580
Series 2008B, current yield at 9/30/08, 8.2% due 2033	-	201,250	-	201,250	-
Series 2008C, current yield at 9/30/08, 8.2% due 2033	-	89,435	-	89,435	3,470
Series 2008D, current yield at 9/30/08, 8.1% due 2021	-	39,675	-	39,675	2,500
Installment Purchase Contract, 5.625% due 2011	7,200	-	(1,630)	5,570	1,795
Installment Purchase Contract, 3.7%, due 2015	333	-	(37)	296	38
Installment Purchase Contract, 3.54%, due 2014	-	423	(45)	378	56
Installment Purchase Contract, 4.05%, due 2018	-	391	(13)	378	33
Installment Purchase Contract, 4.33%, due 2023	-	3,886	-	3,886	48
Bond Premium	18,751	7,815	(1,564)	25,002	-
Bond Discount	(9,215)	1,754	-	(7,461)	-
Deferred gain (loss) on refunding	(18,417)	12,056	(29,174)	(35,535)	-
Total Detroit Metropolitan Airport	2,324,717	618,360	(719,368)	2,223,709	48,415
Airport Hotel revenue bonds:					
Series 2001A Hotel, 5.00% to 5.50%, due 2030	99,630	-	-	99,630	-
Series 2001B Hotel, 6.00% to 6.60%, due 2015	11,055	-	(210)	10,845	590
Capital/FF&E Reserve Loan, 8%, due 2017	4,807	-	(319)	4,488	346
Working Capital Loan 8%, due 2017	1,500	-	-	1,500	-
Bond Discount	(2,223)	129	-	(2,094)	-
Total Airport Hotel revenue bonds	114,769	129	(529)	114,369	936

Airport Authority, continued

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Airport Authority, concluded					
Airport notes payable:					
Willow Run Airport - Washtenaw County, 0%, due 2019	239	-	(20)	219	19
Willow Run Airport - University of Michigan, 8%, due 2013	<u>433</u>	-	<u>(8)</u>	<u>425</u>	-
Total Airport note payables	<u>672</u>	-	<u>(28)</u>	<u>644</u>	<u>19</u>
Other long-term obligations:					
Obligation for other post-employment benefits	-	<u>482</u>	-	<u>482</u>	-
Total Airport Authority	<u>\$ 2,440,158</u>	<u>618,971</u>	<u>(719,925)</u>	<u>\$ 2,339,204</u>	<u>\$ 49,370</u>

**Circuit Court**

Other long-term obligations:

Obligation for other post-employment benefits	-	1,233	-	1,233	-
Compensated absences	<u>4,911</u>	<u>4,510</u>	<u>(4,911)</u>	<u>4,510</u>	<u>4,510</u>
Total Circuit Court	<u>4,911</u>	<u>5,743</u>	<u>(4,911)</u>	<u>5,743</u>	<u>4,510</u>

**Non-major Component Units:**

General obligation debt:

Chapter 20 Drainage Bonds, payable from  
future property tax assessments, 3.15% to  
10.0%, generally due serially through 2012:

ECPAD 3 94 C	\$ 2,215	-	(750)	\$ 1,465	\$ 740
ECPAD 3 Unref	1,500	-	-	1,500	-
Hunter-Leng 77 Unref	700	-	(700)	-	-
GI-I-T-IM 78 Unref	200	-	(200)	-	-
GRSSEILE 78 Unref	60	-	(60)	-	-
SRF5117-01	294	-	(20)	274	20
ECPADINP	<u>106</u>	-	<u>(54)</u>	<u>52</u>	<u>52</u>
	<u>5,075</u>	-	<u>(1,784)</u>	<u>3,291</u>	<u>812</u>

Revenue bonds:

Chapter 21 (Milk River) Drainage District bonds,  
1991 Series A, Michigan Municipal Bond  
Authority Revolving Loan Fund, payable from  
future property tax assessments, 2%, generally  
due serially through 2012, SRF #5057-01

	6,325	-	(1,215)	5,110	1,240
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Chapter 21 (Milk River) Drainage District  
bonds, 1992 Series A, Michigan Municipal  
Bond Authority Revolving Loan Fund,  
payable from future property tax assessments, 2%,  
generally due serially through 2012, SRF #5057-02

	785	-	(165)	620	170
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Chapter 21 (Milk River) Drainage District  
bonds, 1993 Series A, payable from future  
property tax assessments, 3.50% to 8.50%,  
generally due serially through 2012

	1,610	-	(285)	1,325	300
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Chapter 21 (Milk River) Drainage District  
bonds, 1999 Series B, payable from future  
property tax assessments, 3.05% to 4.85%,  
generally due serially through 2016

	740	-	(140)	600	140
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Non-major component units, continued

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
For the year ended September 30, 2008

(in thousands)	Beginning		Reductions	Ending	Principal
Non-major component units, concluded	<u>Balance</u>	<u>Additions</u>		<u>Balance</u>	Amounts Due within <u>One Year</u>
Detroit-Wayne County Stadium Authority Revenue					
bonds, 3.70% to 5.50%, due serially to 2027	76,420	-	(1,840)	74,580	2,050
Subtotal Revenue bonds	85,880	-	(3,645)	82,235	3,900
Bond discount (Note 17)	(3,121)	-	161	(2,960)	(161)
Total Revenue bonds	82,759	-	(3,484)	79,275	3,739
Notes and Leases Payable:					
Chapter 8 Brooks Drain Drainage District					
\$150,000 Note Payable at 3.43% per annum					
until 2009 maturity	60	-	(30)	30	30
Chapter 8 Odette Drain Drainage District					
\$250,000 Note Payable at 3.59% per annum					
until 2009 maturity	100	-	(50)	50	50
Chapter 8 Shuart Drain Drainage District					
\$97,000 Note Payable at 3.39% per annum					
until 2009 maturity	37	-	(20)	17	17
Chapter 8 Strong Drain Drainage District					
\$290,000 Note Payable at 3.70% per annum	174	-	(58)	116	58
Chapter 8 Desbrow Consolidated Drain Notes,					
Series 2007, \$607,444 Note Payable at 4.60%					
per annum until 2012 maturity	607	-	(121)	486	122
Chapter 8 North Branch of Swan Creek Consolidated					
Drain Notes, Series 2007, \$704,139 Note Payable					
at 4.60% per annum until 2012 maturity	704	-	(141)	563	141
Chapter 8 Patterson Drain Drainage District					
\$241,000 Note, Series 2008 Payable at 4.250%					
per annum until 2013 maturity	-	241	-	241	48
Chapter 8 Mizner Drain Drainage District					
\$1,455,000 Note, Series 2008 Payable at 5.450%					
per annum until 2023 maturity	-	1,455	-	1,455	97
Probate Court Imaging/Case Management Project					
MMBA Installment Purchase Agreement,					
3.55%, due 2008	237	-	(237)	-	-
HealthChoice of Michigan Capital Lease					
Capital obligation to Wells Fargo Financial,					
8.00%, due 2008	6	-	(6)	-	-
HealthChoice of Michigan Capital Lease					
Capital obligation to Oce' Financial Services,					
8.00%, due 2010	8	-	(2)	6	3
Total Notes and Leases Payable	1,933	1,696	(665)	2,964	566
Other long-term obligations:					
Obligation for other post-employment benefits	-	288	-	288	-
Compensated absences	462	462	(462)	462	462
Total other long-term obligations	462	750	(462)	750	462
Total Non-major Component Units	90,229	2,446	(6,395)	86,280	5,579
Total Component Units	<u>\$ 2,535,298</u>	<u>\$ 627,160</u>	<u>\$ (731,231)</u>	<u>\$ 2,431,227</u>	<u>\$ 59,459</u>

*Airport Authority* – Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Authority, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory, and charter tax rate limitations, associated with the \$110.9 million Airport Hotel Revenue Bonds, Series 2001A and 2001B, issued by the County. This includes

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

all the County's obligations on outstanding Senior Lien Bonds and Junior Lien Bonds issued by the County under the County's Amended and Restated Master Airport Revenue Bond Ordinance No. 319 and its predecessor Ordinance 319, as amended and supplemented by various amending and supplemental ordinances adopted by the County, including the Series Ordinance adopted for each outstanding series of airport revenue bonds issued there under by the County (collectively, Ordinance 319). Pursuant to the Authority Act, the Authority is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Authority under any ordinances (including Ordinance 319), agreements, or other instruments and under law. Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the outstanding Senior Lien Bonds issued by the County under Ordinance 319 and additional bonds issued by the Authority under the Master Bond Ordinance, and secured by net revenues.

Net revenues (as defined in the various bond ordinances) of Metro Airport have been pledged toward the repayment of the Airport Revenue Bonds and the Installment Purchase Contracts.

The Airport Revenue Bond Ordinances require that Metro Airport restrict assets to provide for the operations, maintenance, and administrative expenses of the subsequent month, the redemption of bond principal and interest, and for other purposes as defined in those ordinances.

In August 1993, the County entered into a \$445,801 note payable agreement to purchase the Packard Hanger located at the Willow Run Airport, from the University of Michigan. The agreement calls for quarterly interest payments of \$9,511 commencing on September 1, 1993. Principal payments on the note are required if revenue in excess of \$60,000 is generated at the Packard Hanger site during any calendar year. In this situation, half of the revenue generated would be required to be paid to the University of Michigan. On September 1, 2013, any principal and interest remaining unpaid are due.

In November 1995, the County entered into agreements with Northwest to issue \$84.3 million in Airport Special Facility Revenue Bonds, Series 1995 to retire Series 1985 bonds. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to pay debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An "Event of Default" has occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005. The Series 1995 Bonds are no longer outstanding as a result of and pursuant to a settlement agreement among Northwest Airlines, its parent company NWA Corp., the trustee for the Series 1995 Bonds and the Authority, entered into in the Northwest Airlines bankruptcy, under which the trustee for the Series 1995 Bonds received, among other things, a \$70,894,250 general unsecured claim against Northwest Airlines and NWA Corp. on account of the Series 1995 Bonds.

In October 1996, the County issued \$135.8 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 1996A and 1996B to retire Series 1986 Bonds, at their earliest optional redemption date of December 1, 1996. The Series 1996A and 1996B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport. The refunding bonds are subject to interest rate adjustments determined from time to time by a remarketing agent to reflect the prevailing market. The interest rate borne by the bonds, however, is capped at 12% or the maximum rate under Michigan law, so long as a letter of credit is in place. In anticipation of this refunding, in October 1993, the County entered into an interest-rate swap agreement with a notional principal amount of \$126 million (current notional amount at 9/30/08 was \$76 million), which permitted the County to change the terms of the anticipated bond offering from a variable rate to fixed-rate coupon of 5.72%. Interest payments that are made to and received from the counterparty will be reflected as an adjustment of interest expense on the refunding bonds.

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

Effective April 2, 2004, the Airport Authority entered into a wrapper supplement to the 1996 interest rate Swap Agreement, which swaps variable rate to fixed rate on the unhedged portion of 1996 Bonds and which extends final maturity of the Swap from 2008 to 2016 (the final maturity of the 1996 Bonds). The existing fixed-rate coupon of 5.72 percent was offset by the wrapper supplement where the counterparty pays the Authority .6118 percent during the period April 2, 2004 through December 1, 2008, resulting in a new fixed-rate coupon of 5.1082% and present value savings of \$2.9 million.

As of September 30, 2008, rates were as follows:

<u>Interest Rate</u>	<u>Term</u>	<u>Rate</u>
Fixed payment to counterparties	Fixed	5.1082%
Variable rate from counterparties	BMA	7.9600
Net interest rate swap payments		(2.8518)
Variable-rate bond payment	Market	8.5000
Synthetic interest rate on bonds		5.6482

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of \$4,720,117 as of September 30, 2008. Due to this negative fair value, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap becomes positive, the Authority would be exposed. The two counterparties have the following ratings which mitigate this risk: Merrill Lynch has an S&P ratings of A, Moody's ratings of A2, and Fitch ratings of A+; Goldman Sachs has an S&P rating of AA-, Moody's rating of Aa3, and Fitch rating of AA-. In addition, the Merrill Lynch SWAP agreement expires on December 1, 2008.

The Swap exposes the Authority to basis risk should the relationship between BMA and the variable-rate bond payments cause the expected cost savings to not be realized. This risk is mitigated by the Authority maintaining bond insurance, a liquidity facility, and an Authority debt program that limits exposure to synthetic issues to a maximum of 10% of the overall airport debt.

The Authority is also exposed to the risk of termination should either the counterparty or the Authority fail to perform under the terms of the contract. A termination during a negative value period could cause the Authority to be liable to the counterparty equal to the Swap fair value. This risk is mitigated by the Authority maintaining bond insurance, a liquidity facility, and the overall debt program.

In June 1999, the County entered into agreements with Northwest Airlines to issue approximately \$15.2 million in Airport Special Facility Revenue bonds to finance the construction of an aircraft maintenance facility. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to provide debt service in the event of default by Northwest Airlines. As these bonds are payable from special facility lease rentals payable in full by Northwest Airlines, the related debt has not been reflected in the financial statements of the Authority or the County. An "Event of Default" has occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005. Northwest Airlines has since emerged from bankruptcy and affirmed its obligation for the Series 1999 Special Facility Bonds and is no longer in default.

In March 2001, the County issued \$110.9 million Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, \$99.6 million, were issued for the purpose of paying the cost of acquiring, constructing, equipping and furnishing an airport hotel and related improvements (the "Airport Hotel") at the new McNamara Terminal of the Detroit Metropolitan Airport to be owned by the County. In addition, these bonds will pay capitalized interest and certain costs of issuance for this

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

series. The 2001B Bonds, \$11.3 million, were issued for the purpose of paying the County Credit Enhancement Fee, funding the Operation and Maintenance Reserve Fund, and paying capitalized interest and certain costs of issuance related to this series.

The Airport Authority has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the Bonds, subject to constitutional, statutory and charter tax rate limitations.

In August 2001, the County entered into an Installment Purchase Contract for \$14.4 million to pay for energy conservation improvements at the Metro Airport.

In December 2001, the County entered into \$292,133 note payable with Washtenaw County to allow Washtenaw County to use its Michigan Community Development Block Grant to assist the Willow Run Airport in renovating Hanger I. The agreement calls for the principal to be paid in quarterly installments commencing March 31, 2005.

In July 2002, the County issued \$102.5 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 2002C and 2002D. The Series 2002C Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990B Bonds and the December 2002 principal amount due on the Series 1998B Bonds. The Series 2002D Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990A Bonds and the Series 1991B Bonds. The Series 2002 C&D Refunding Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of the Detroit Metropolitan Airport.

The County defeased the Series 1990B, Series 1990A, Series 1991B Bonds, and the December 2002 principal amount due on the Series 1998B Bonds by placing the proceeds on the Series 2002C and 2002D Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The Series 1990B, the Series 1990A, and the Series 1991B Bonds were subsequently called and paid in full in August 2002. The portion of the Series 1998B Bonds was subsequently called and paid in December 2002. The difference between the cash flows required to service the new debt and complete the refunding was \$15.3 million. The County estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$14.1 million.

In November 2002, the Authority entered into two debt agreements with Westin Management Company East (the Hotel Operator). Both loans were provided for in the Hotel Management and Operating agreement. The Capital/FF&E loan was for \$5 million and is to be used solely for future capital improvements to the Airport Hotel. The Working Capital loan was for \$1.5 million and was used to provide initial working capital to operate the Airport Hotel. During 2007, the Capital/FF&E loan was renegotiated with the Hotel Operator and the outstanding interest payable at December 31, 2006 was rolled into the principal amount of the loan. The net Airport Hotel revenues are pledged solely for the payment of the Airport Hotel Bonds and these loans, and statutory first lien, has been granted upon all net Airport Hotel revenues for such purpose.

In April 2005, the Authority issued \$507 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the North Terminal Redevelopment Project and the completion of the McNamara Terminal Phase II Project. The Series 2005A Bonds are revenue obligations of the

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In June 2007, the Authority issued \$180 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The Series 2007A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2007A Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory line subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2007A Bonds. The County is not obligated in any manner to pay debt service in the event of default by the Authority.

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to \$8 million in major equipment purchases over a three-year period. As of September 2008, the Authority has used \$1,147,155 of this agreement and has entered into three Installment Purchase Contracts to pay for equipment at Metro Airport.

In November 2007, the Authority issued \$119.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2007B. The Series 2007B Bonds were issued to refund a portion of the Series 1998B Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2007B Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased a portion of the Series 1998B Bonds by placing the proceeds of the Series 2007B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998B Bonds were subsequently called and paid in full in December 2008. The difference between the cash flows required to service the new debt and complete the refunding was approximately \$6.3 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately \$7 million.

In May 2008, the Authority entered into an Installment Purchase Contract for \$3,886,162 to pay for additional energy conservation improvements at Metro Airport.

During fiscal year 2008, disruption occurred in the auction rate and variable rate demand obligation markets, largely due to the credit rating downgrades of Bond Insurers, that significantly affected the Authority's variable rate hedged and unhedged debt program representing 25.74% of overall authority debt.

Beginning in April 2008, the following refunding actions were taken to mitigate the negative financial impact to Metro Airport including the elimination of all auction rate debt and replacing bond insurance with direct pay letters of credit for all variable rate debt.

In April 2008, the Authority issued \$142.3 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008A. The Series 2008A Fixed Rate Refunding Bonds were issued to refund the Series 2002A Variable Rate Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2008A Bonds are revenue obligations of the

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased the Series 2002A Bonds by placing the proceeds of the Series 2008A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2002A Bonds were subsequently called and paid in full in May 2008.

In June 2008, the Authority issued \$330.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D. The Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2008B Refunding Bonds were issued to refund the Series 2003A-1 Bonds, 2003A-2 Bonds and a portion of 2003A-3 Bonds. The Series 2008C-1 Refunding Bonds were issued to refund the Series 2003B. The Series 2008C-2 Refunding Bonds were issued to refund the Series 2004 Bonds. The Series 2008C-3 Refunding Bonds were issued to refund a portion of the Series 2003A-3 Bonds. The Series 2008D Refunding Bonds were issued to refund the Series 2003C Bonds. The Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2003A-1 Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds and Series 2004 Bonds by placing the proceeds of the Series 2008B, 2008C-1, 2008C-2, 2008C-3, and 2008D Bonds, Series 2003A-2 Bonds, Series 2003A-3 Bonds, Series 2003B Bonds, Series 2003C Bonds, and Series 2004 Bonds were subsequently called and paid in full in July 2008 and August 2008.

The Series 2008B, Series 2008C-1 Bonds, Series 2008C-2 Bonds, Series 2008C-3 Bonds, and Series 2008D Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2008B Bonds, Series 2008C-1 Bonds, Series 2008C-2 Bonds, Series 2008C-3 Bonds, and Series 2008D Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

As part of the refunding, the Authority continued the variable to fixed interest rate swap agreement resulting in a fixed coupon rate of 3.4825% for the Series 2008C-1 Bonds, a fixed coupon rate of 3.997% for the Series 2008C-2 bonds and a fixed coupon rate of 3.4265% for the Series 2008D Bonds.

As of September 30, 2008, rates were as follows:

<u>Interest Rate</u>	<u>Term</u>	<u>2008C-1 rates</u>	<u>2008C-2 rates</u>	<u>2008D rates</u>
Fixed payment to counterparties	Fixed	3.4825%	3.9970%	3.4265%
Variable rate from counterparties	Enh Lib	2.2702	2.5682	2.5682
Net interest rate swap payments		1.2123	1.4288	0.8583
Variable-rate bond payment	Market	8.2000	8.2000	8.1000
Synthetic interest rate on bonds		9.4123	9.6288	8.9583

Due to the current interest rate environment, the Swap at year end had a negative fair value of \$504,074. Due to this negative fair value, the Authority was not exposed to a credit risk. However, should interest rates change and the fair value of the Swap become positive, the Authority would be

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

exposed. The Counterparty, Goldman Sachs, has S&P ratings of AA-, Moody's ratings of Aa3, and Fitch ratings of AA- mitigating this risk.

The Series 1996A, 1996B, 2008C-1, 2008C-2, and 2008D Swap exposes the Authority to risk, which is addressed by the Authority Swap Management Plan. Swap (synthetic variable to fixed) borrowing is limited to 10% of the overall bond program. The following table identifies the Authority's plan for mitigating Swap risk.

<u>Type of risk</u>	<u>Concern</u>	<u>Resolution</u>
Counterparty risk	Default of counterparty	Counterparty is rated AA by two rating agencies
Tax risk	Federal marginal rates could decline, reducing tax-exempt advantage of underlying auction rate securities	Can terminate in 2010 (Early Call provision)
Basis risk	Spread could widen, making Swap more expensive	(1) Enhanced LIBOR Index was chosen, protecting the Airport in both low- and high-interest environments (2) Can terminate after 7 years
Termination risk	Authority credit quality could deteriorate during a time when it would be very expensive for the Authority to get out of the Swap	(1) Maintain bond insurance (2) Solid financial performance of the Authority

The Authority capitalizes net financing costs during the construction for debt issues specifically related to construction projects. During the year ended September 30, 2008, interest expense incurred on these debt issues totaled \$117,874,350. For 2008, net financing costs capitalized were \$22,045,469.

In July 2008, the Authority entered into a line-of-credit agreement with a maximum borrowing amount of \$15 million. The borrowings charged interest at a rate equal to 45 basis points over the LIBOR. The line-of-credit agreement expires June 2009. There were no borrowings on this line during the year ended September 30, 2008.

*Probate Court* – In April 2003, the County entered into a five-year note payable for \$1.1 million with an interest rate of 3.55% with the MMBA for the purpose of financing a portion of the Wayne County Probate Court Imaging Project/Case Management System. The new system provides case management, imaging, electronic filing, and internet access. The County's obligation to make the payments is a limited tax general obligation supported by the full faith and credit of the County, subject to certain limitations. As of September 30, 2008, the amount outstanding on this obligation is zero.

*Drainage Districts* – Special assessments receivable on properties benefited by the various Chapter 20 and Chapter 21 drainage district obligations have been irrevocably pledged for repayment of the related principal and interest. In addition, the County has pledged its full faith and credit for all outstanding obligations of the various drainage districts, with the exception of \$5.15 million (\$1.5 million outstanding) of debt relating to the Ecorse Creek Pollution Abatement Drain No. 1 Phase III Drainage District, which is considered defeased.

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

In September 1991, the Chapter 21 Drainage District authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to \$25.7 million for the Milk River Drainage District Water Pollution Control. Through September 30, 2008, the district has received \$25.0 million from the revolving loan fund.

In April 1999, the Chapter 21 Drainage District issued \$1.2 million Series 1999B Revenue Bonds, under the MMBA's Local Government Loan Program. The bond proceeds were used to refund and effectively defease \$1.1 million of the existing Chapter 21 Drainage District Bonds, Series 1994A.

In August 2004, three Chapter 8 Drainage Districts issued notes to borrow funds to construct major improvements to the specified Drains. The Brooks Drain borrowed \$150,000, the Shuart Drain \$97,000 and the Odette Drain \$250,000 with annual payments scheduled through 2009. Repayment of this debt will be made from special assessments against the properties benefiting from these improvements, and are guaranteed by the full faith and credit of the individual Drainage Districts.

In September 2005, the Chapter 8 Strong Drain Drainage District issued a note to borrow \$290,000 from Citizen's Bank for construction of major improvements to the Strong Drain. Repayment of this debt will be made annually through 2010, financed by special assessments against the properties benefiting from these improvements, and is guaranteed by the full faith and credit of the Drainage District.

In April 2007, two Chapter 8 Drainage Districts issued notes to borrow funds to construct major improvements to the specified Drains. The Desbrow Consolidated Drain Drainage District borrowed \$607,444 and the North Branch of Swan Creek Consolidated Drain Drainage District borrowed \$704,139 with annual payments scheduled through 2012. Repayment of this debt will be made from special assessments against the properties benefiting from these improvements and are guaranteed by the full faith and credit of the individual Drainage Districts.

In August 2008, two Chapter 8 Drainage Districts issued notes to borrow funds to construct major improvements to the specified Drains. The Patterson Drain Drainage District borrowed \$241,000 to borrow be repaid with annual payments scheduled through 2013. The Mizner Drain Drainage District borrowed \$1,455,000, payable in annual installments until maturity in June 2023. Repayment of this debt will be made from special assessments against the properties benefiting from these improvements and is guaranteed by the full faith and credit of the individual Drainage Districts.

*Detroit-Wayne County Stadium Authority* – In April 1997, the Detroit-Wayne County Stadium Authority (Authority) issued bonds totaling \$85.8 million for financing a portion of the cost of acquiring and constructing a baseball stadium for use by the Detroit Tigers major league baseball team and for paying costs of issuance in connection with those bonds. The County has pledged its limited tax full faith and credit for payment of the cash rentals to the Authority under a contract dated March 1, 1997. In addition, the County is required to provide sufficient monies in its annual budget for payment of the cash rentals and, if necessary, to levy ad valorem taxes on all taxable property within its boundaries, subject to constitutional, statutory, and charter tax rate limitations. The County has also pledged certain motor vehicle rentals and hotel tax revenues (the "Tourist Taxes") levied by the County pursuant to Act No. 180, Public Acts of Michigan 1991.

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
For the year ended September 30, 2008

Capital Leases

HealthChoice of Michigan has various leased equipment that qualified as a capital lease for accounting purposes. The equipment and the lease payable was recorded at the present value of the future minimum lease payments as of the inception date. The lease requires monthly payments of \$663, including interest. As of September 30, 2008, the outstanding balance of the capital lease obligation was \$5,830. Future minimum lease payments (in thousands) are as follows:

<u>September 30</u>	<u>Capital Lease Obligations</u>
2009	\$ 3
2010	3
2011	-
Total	<u>\$ 6</u>

Operating Leases

The County is committed under four leases for office space and court activities. These leases are considered for accounting purposes to be non-cancelable operating leases. Lease expenditures for the year ended September 30, 2008, amounted to \$4,357,445. Future minimum lease payments for these leases (in thousands) are as follows:

<u>September 30</u>	<u>Operating Lease Obligations</u>
2009	\$ 4,356
2010	2,502
2011	2,559
2012	2,636
2013	2,715
2014-2018	14,845
2019-2023	17,210
2024-2028	19,951
2029-2033	26,812
2034-2038	<u>23,128</u>
Total minimum lease payments	<u>\$ 116,714</u>

**Other**

The annual requirement to pay principal and interest on the debt outstanding as reflected above, excluding claims, litigation and assessments capital leases obligations, and compensated absences at September 30, 2008, are summarized as follows:

**CHARTER COUNTY OF WAYNE, MICHIGAN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the year ended September 30, 2008

**Airport Authority - Loans, Notes Payable**  
**and Revenue Bonds**

(in thousands)

Year Ended		<u>Principal</u>	<u>Interest</u>
<u>September 30</u>			
2009	\$	49,370	\$ 112,981
2010		67,947	110,305
2011		71,282	106,946
2012		76,144	103,315
2013		83,154	99,439
2014-2018		460,819	430,232
2019-2023		486,974	313,668
2024-2028		553,640	190,103
2029-2033		376,030	68,816
2034-2038		<u>133,450</u>	<u>10,475</u>
Total		<u>\$ 2,358,810</u>	<u>\$1,546,280</u>
Revenue Bonds Payable	\$	2,358,166	\$1,546,090
Loans and Notes Payable		<u>644</u>	<u>190</u>
Total		<u>\$ 2,358,810</u>	<u>\$1,546,280</u>

**Non-major Component Units - Bonds and Notes Payable**

(in thousands)

Year Ended	<u>General Obligation</u>		<u>Revenue</u>	
<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,375	\$ 297	\$ 3,900	\$ 4,102
2010	1,211	245	4,185	3,937
2011	1,182	179	4,485	3,765
2012	1,181	122	4,720	3,577
2013	169	65	3,055	3,372
2014-2018	613	224	20,040	13,882
2019-2023	518	80	23,250	7,935
2024-2027	<u>-</u>	<u>-</u>	<u>18,600</u>	<u>1,953</u>
Total	<u>\$ 6,249</u>	<u>\$ 1,212</u>	<u>\$ 82,235</u>	<u>\$ 42,523</u>
Bonds Payable	\$ 3,291	\$ 436		
Notes Payable	<u>2,958</u>	<u>776</u>		
Total	<u>\$ 6,249</u>	<u>\$ 1,212</u>		