(12) Long-Term Debt and Other Obligations

Changes in long-term liabilities for the year ended September 30, 2009, are summarized in the following tables. Amounts are rounded to thousands of dollars. County debt is limited to 10 percent (or approximately $5.7 billion) of State Equalized Value of property in the County at September 30, 2009.

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Governmental Activities:					
General obligation bonds:					
Wayne County Building Authority - Limited Tax General Obligation Capital Improvement Bonds, Series 1996A, 4.00% to 6.50%, due 6-1-2016	$ 24,710	-	(2,545)	$ 22,165	$ 2,685
Michigan Municipal Bond Authority Local Government Loan Program General Obligation Limited Tax Capital Improvement Bonds, Series 2003B, 2.0-4.75%, due 11-1-2023	11,695	-	(550)	11,145	565
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, AMBAC Ref91A, 5.4-5.42%, due 12-1-2008	4,215	-	(4,215)	-	-
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Ref94A, 4.25-5.75%, due 12-1-2018	41,835	-	(7,585)	34,250	8,985
Wayne County Limited Tax General Obligation Capital Improvement Bonds, Series 2008A 4.375% to 5.00%, due 8-1-2038	32,875	-	-	32,875	-
Wayne County Limited Tax General Obligation Capital Improvement Bonds, Series 2008B 5.25% to 5.50%, due 8-1-2025	18,110	-	(695)	17,415	730
Wayne County Limited Tax General Obligation Water and Sewage Disposal System Bonds, Series 2008 4.5% to 5.7%, due 8-1-2038	13,060	-	(200)	12,860	210
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2009A, Local Project Bonds, 4.55-7.0% due 11-1-2018	-	7,902	-	7,902	-
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2009B, Local Project Bonds, 3.75-5.375%, due 11-1-2024	-	24,042	-	24,042	-
Michigan Transportation Fund Bonds: Series 1998, 4.00% to 5.25%, due 10-1-2012	13,630	-	(2,475)	11,155	2,595
Michigan Transportation Fund Bonds: Series 1999, 4.0% to 5.3%, due 10-1-2013	14,650	-	(2,140)	12,510	2,250
Subtotal general obligation bonds payable	174,780	31,944	(20,405)	186,319	18,020
Bond premium	2,543	471	(199)	2,815	212
Bond discount	(560)	110	(9)	(459)	(111)
Deferred gain (loss) on refunding	(5,790)	565	-	(5,225)	(565)
Total general obligation bonds payable	170,973	33,090	(20,613)	183,450	17,556
Note payable:					
Series 2007A, B and C, due 6-29-09, interest equal to three basis points (0.03%) plus the one month LIBOR rate (resets monthly)	57,000	-	(57,000)	-	-

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Series 2008A, due 6-15-10, interest equal to forty-five basis points (0.45%) plus the one month LIBOR rate (resets monthly)	181,000	-	(113,900)	67,100	67,100
Series 2008B, due 6-15-10, interest equal to sixty basis points (0.60%) plus the one month LIBOR rate (resets monthly)	81,000	-	(61,300)	19,700	19,700
Series 2009A, due 6-15-11, interest equal to 2.76% plus the one month LIBOR rate (resets monthly)	-	109,260	(26,500)	82,760	-
Series 2009B, due 6-1-10, interest equal to 4.00% to 4.50% plus the one month LIBOR rate (resets monthly)	-	103,500	-	103,500	103,500
Series 2009C, due 6-1-11, interest equal to 6.00% to 6.50% plus the one month LIBOR rate (resets monthly)	-	103,500	-	103,500	-
Capital Lease - Wayne County Building	10,540	-	(10,540)	-	-
Total notes and leases payable	329,540	316,260	(269,240)	376,560	190,300
Total bonds, notes, and leases payable	500,513	349,350	(289,853)	560,010	207,856
Other long-term obligations:					
State of Michigan Local Emergency Financial Assistance Loan Board, at an initial rate of 5.532%, adjusted annually	52,830	-	(52,830)	-	-
Claims, litigation, and assessments	15,195	2,429	(5,745)	11,879	2,204
Obligation for other post-employment benefits	12,371	13,314	-	25,685	-
Compensated absences	27,656	25,946	(27,656)	25,946	25,946
Total other long-term obligations	108,052	41,689	(86,231)	63,510	28,150
Total Government activities	$ 608,565	391,039	(376,084)	$ 623,520	$ 236,006

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Business-type Activities:					
Downriver Sewage Disposal System					
General obligation bonds:					
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1994 Revolving Loan Fund, Series #1A-1F, 2%, generally due serially through 10-1-2014	$ 4,236	-	(679)	$ 3,557	$ 694
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-01, 2.5%, generally due serially through 4-1-2020	68	-	(5)	63	5
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995 Revolving Loan Fund #5117-03, 2.25%, generally due serially through 10-1-2015	5,680	-	(760)	4,920	775
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995 Revolving Loan Fund #5117-05, 2.25%, generally due serially through 10-1-2014	385	-	(60)	325	65
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995 Revolving Loan Fund #5117-07, 2.25%, generally due serially through 10-1-2010	23	-	(14)	9	8
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-15, 2.25%, generally due serially through 10-1-2018	27,535	-	(2,480)	25,055	2,540
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-18, 2.25%, generally due serially through 10-1-2017	7,435	-	(755)	6,680	770
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-19, 2.25%, generally due serially through 10-1-2017	5,422	-	(550)	4,872	565
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-20, 2.50%, generally due serially through 10-1-2020	7,925	-	(575)	7,350	585
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-21, 2.25%, generally due serially through 10-1-2016	1,304	-	(154)	1,150	159
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-23, 2.25%, generally due serially through 10-1-2017	1,055	-	(105)	950	110
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-24, 2.25%, generally due serially through 10-1-2020	37,895	-	(2,780)	35,115	2,845

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1998, Revolving Loan Fund #5117-25, 2.25%, generally due serially through 10-1-2020	11,015	-	(810)	10,205	825
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-26, 2.25%, generally due serially through 10-1-2017	3,025	-	(305)	2,720	315
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-27, 2.25%, generally due serially through 10-1-2017	2,563	-	(266)	2,297	274
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-28, 2.25%, generally due serially through 4-1-2018.	1,059	-	(94)	965	99
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1997, Revolving Loan Fund #5117-29, 2.25%, generally due serially through 4-1-2018	1,395	-	(125)	1,270	130
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-30, 2.25%, generally due serially through 4-1-2018	3,180	-	(290)	2,890	295
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5117-31, 2.25%, generally due serially through 10-1-2018	2,135	-	(190)	1,945	200
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1999, Revolving Loan Fund #5117-32, 2.25%, generally due serially through 10-1-2019	7,057	-	(575)	6,482	585
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bonds, Series 2000, Revolving Loan Fund #5117-34, 2.50%, generally due serially through 4-1-2021	3,580	-	(235)	3,345	240
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, 1999 Series A Refunding Bonds 4.5% to 5.125%, generally due serially through 11-1-2013	3,455	-	(625)	2,830	655
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, 1999 Series B Bonds 4.5% to 5.125%, generally due serially through 11-1-2018	9,530	-	(755)	8,775	790
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2005, Revolving Loan Fund #5217-01, 1.625%, generally due serially through 10-1-2026	4,275	-	(205)	4,070	210
Wayne County Downriver Sewage Disposal System Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Completion Bonds, 4.25% to 5.75%, generally due serially through 12-1-2027	15,790	-	(475)	15,315	500
Subtotal general obligation bonds payable	167,022	-	(13,867)	153,155	14,239

(in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Revenue bonds:					
Wayne County Downriver Sewage Disposal System Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007D, 4.0% to 5.4% generally due serially through 5-1-2028	4,300	-	(130)	4,170	140
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2008A, Revolving Loan Fund #5217-02, 2.50%, generally due serially through 10-1-2027	-	3,712	-	3,712	175
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2008A, Revolving Loan Fund #5217-03, 2.50%, generally due serially through 10-1-2021	-	5,368	-	5,368	-
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2008A, Revolving Loan Fund #5217-04, 2.50%, generally due serially through 10-1-2023	-	6,663	-	6,663	-
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 2008A, Revolving Loan Fund #5217-05, 2.50%, generally due serially through 10-1-2028	-	3,922	-	3,922	170
Subtotal revenue bonds payable	4,300	19,665	(130)	23,835	485
Bond Premium	715	-	(38)	677	38
Deferred gain (loss) on refunding - Downriver Sewage Disposal System	(177)	35	-	(142)	(35)
Total bonds payable	171,860	19,700	(14,035)	177,525	14,727
Other long-term obligations:					
Claims, litigation, and assessments	26	-	-	26	-
Obligation for other post-employment benefits	163	172	-	335	-
Compensated absences	538	429	(538)	429	429
Total other long-term obligations	727	601	(538)	790	429
Total Downriver long term obligations	172,587	20,301	(14,573)	178,315	15,156
Rouge Valley Sewage Disposal System					
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%, generally due serially through 5-1-2009	720	-	(720)	-	
Wayne County Rouge Valley - City of Livonia SRF #5140-01, Michigan Municipal Bond Authority Revolving Loan Fund, 2.25%, generally due serially through 4-1-2019	250	-	(20)	230	20
Total Rouge Valley general obligation bonds	970	-	(740)	230	20

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2009

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Non-Major Business-type Activities:					
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 11-1-2016 (CSO)	7,385	-	(785)	6,600	820
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 11-1-2015 (CSO)	1,740	-	(215)	1,525	230
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 11-1-2015 (CSO)	3,955	-	(535)	3,420	505
Wayne County Rouge Valley - Inkster, Michigan Municipal Bond Authority Revolving Loan Fund, #5106-01, 2%, generally due serially through 4-1-2016 (CSO)	1,160	-	(135)	1,025	140
Wayne County Rouge Valley - Dearborn Heights Michigan Municipal Bond Authority Revolving Loan Fund, #5104-01, 2.25% (CSO), generally due serially through 4-1-2016	1,205	-	(140)	1,065	145
Wayne County Downriver Sewage Disposal System Limited Tax General Obligation Bond, Series 1995, Revolving Loan Fund #5123-01, 2.25% (CSO), generally due serially through 10-1-2018	3,257	-	(295)	2,962	300
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2007B, Refunding of LGLP 1995B, River Rouge 4.25% to 5.75%, generally due serially through 12-1-17	9,880	-	(785)	9,095	825
Bond Premium	400	-	(21)	379	21
Deferred gain (loss) on refunding - general obligation bonds	(1,319)	172	-	(1,147)	(171)
Total general obligation bonds	27,663	172	(2,911)	24,924	2,815
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 10-1-2014	2,210	-	(350)	1,860	360
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 11-1-2014	1,005	-	(150)	855	155
Deferred gain (loss) on refunding - revenue bonds	(86)	15	-	(71)	(14)
Total revenue bonds	3,129	15	(500)	2,644	501

(in thousands)	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Other long-term obligations:					
Obligation for other post-employment benefits	7	8	-	15	-
Compensated absences	3	5	(3)	5	5
Total other long-term obligations	10	13	(3)	20	5
Total non-major business type activity long term obligations	3,139	28	(503)	2,664	506
Total Business-type activities	$ 204,359	20,501	(18,727)	$ 206,133	$ 18,497
Fiduciary Activities:					
Other long-term obligations:					
Obligation for other post-employment benefits	63	75	-	138	-
Compensated absences	97	116	(97)	116	116
Total Fiduciary activities	$ 160	$ 191	$ (97)	$ 254	$ 116

Governmental Activities

The 2007 delinquent tax collections are pledged as collateral for the repayment of the outstanding delinquent tax notes of $86.8 million issued June 2008. The 2008 delinquent tax collections are pledged as collateral for the repayment of the outstanding delinquent tax notes of $289.8 million issued June and July 2009. 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 $2.8 million and $2.9 million for the 2008 and 2009 notes, respectively. See Note 9 for additional information.

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 a dispute over the State's share of juvenile state ward 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 (no cash was exchanged) in the amount of approximately $39.9 million from the Local Emergency Financial Assistance Loan Board. At September 30, 2008, the amount due on the loan was approximately $52.8 million.

The Agreement stipulated 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 matured 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.

Prior to fiscal year 2009, the County received $16 million per year of Cigarette Tax revenue (pursuant to 1987 PA 264), which was used to repay the Fiscal Stabilization Bonds. Upon full repayment of the Fiscal Stabilization Bonds, the State ceased making Cigarette Tax revenue payments to the County and was to apply it to the outstanding note obligation. However, in order to provide funding for Cobo Hall renovations, the State amended 1987 PA 264, to allow the State to transfer and deposit the County's annual Cigarette Tax to the convention facility development fund created under the state convention facility development act.

The Emergency Loan was secured solely by Cigarette Tax revenue transferred to the County by the State. As the County no longer receives this funding and future receipt is questionable, repayment of the loan is no longer probable and the $52.8 million obligation has been removed from the County's Statement of Net Assets.

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. The final payment on this obligation was made in December 2008.

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.

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.

In March 2009, the County issued Local Project Bonds through the Michigan Municipal Bond Authority, Series 2009A (taxable) and Series 2009B (tax-exempt) in the amounts of $8.1 and $24.7 million respectively. Approximately $7.9 million of the 2009A and $24.0 million of the 2009B bonds has been allocated to governmental activities. These bonds were issued for the purpose of acquiring or refinancing certain personal property and equipment for various County departments, as well as certain road construction and improvements. The bonds are due serially through November 2018 and 2024 respectively at interest rates ranging from 3.125% to 6.70%. The County has pledged its full faith and credit, subject to certain limitations. This is considered a limited tax general obligation of the County.

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 16, 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 14 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, 2009 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 $4.2 million of Downriver Sewage Disposal System 2007D revenue bonds and $19.7 million of the State Revolving Loan fund 5217 Series 02 through 05 Bonds (collectively the “5217” bonds), payable through 2028. Annual principal and interest payments on the revenue 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 $6.2 million and $23.9 million on the 2007 D and 5217 bonds, respectively. Principal and interest paid on the bonds for the current year and total customer net revenues were approximately $500,000 and $817,000.

The County has pledged future Northeast Sewage Disposal System revenues, net of specified operating expenses, to repay the outstanding balance of $2.7 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 $2.9 million. Principal and interest paid on the bonds for the current year and total customer net revenues were $590,000 and ($2.8 million).

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, 2009, 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, 2009, 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, 2009, 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, 2009, 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, 2009, 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, 2009, 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, 2009, 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, 2009, 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, 2009, the County received $5.1 million from the revolving loan fund.

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, 2009, the County received $4.7 million from the revolving loan fund.

In 2008, the County authorized the issuance of bonds to the MMBA Revolving Loan Fund for up to $32.1 million for the Series 2008 A-D revenue bonds for improvement projects to the Downriver Sewage Disposal System. Through September 30, 2009, the County received $19.7 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 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.

<u>Capital Leases (Governmental Activities)</u>

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. 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.

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 County chose not to exercise these options therefore, at September 30, 2009, the capital lease was written off, resulting in a loss of $6.8 million.

Operating Leases

The County is committed under 23 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, 2009 amounted to $4,896,574. Future minimum lease payments for these leases are as follows (amounts in thousands):

September 30	Governmental Activities	Business-type Activities
2010	$ 4,238	$ 260
2011	3,163	270
2012	2,612	281
2013	2,349	292
2014	2,272	304
2015-2019	3,895	1,712
2020-2024	3,278	2,082
2025-2029	3,800	2,534
2030-2034	4,405	3,083
2035-2038	4,024	1,412
Total minimum lease payments	$ 34,036	$ 12,230

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, 2009, are summarized as follows:

Governmental Activities - Bonds
General Obligations
(in thousands)

Year Ended September 30	Principal	Interest
2010	$ 212,628	$ 18,606
2011	202,511	19,558
2012	16,997	7,328
2013	17,846	6,499
2014	15,302	5,682
2015-2019	41,199	19,368
2020-2024	14,216	12,547
2025-2029	11,800	9,284
2030-2034	14,480	6,016
2034-2038	15,900	1,705
Total	$ 562,879	$ 106,593
Bonds Payable	$ 186,319	$ 85,630
Notes Payable	376,560	20,963
Total	$ 562,879	$ 106,593

Business-type Activities - Bonds
(in thousands)

Year Ended September 30	Downriver Sewage Disposal System – General Obligation and Revenue Bonds		Rouge Valley Sewage Disposal System – General Obligation Bonds		Non-major Business-type Activities – General Obligation and Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 14,724	$ 4,854	$ 20	$ 5	3,480	1,137
2011	16,011	4,466	20	5	3,610	998
2012	16,445	4,042	20	4	3,750	851
2013	16,873	3,604	20	4	3,905	696
2014	16,536	3,152	25	3	4,065	533
2015-2019	70,440	9,496	125	7	9,597	628
2020-2024	18,273	2,898	-	-	-	-
2025-2028	7,688	665	-	-	-	-
Total	$ 176,990	$ 33,177	$ 230	$ 28	$ 28,407	$ 4,843

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)
	Primary Government:	
1999	Rouge Valley - Dearborn Heights CSO Basins Bonds Series 1994D	$ 7,260
1999	Rouge Valley - Inkster CSO Basins Bonds Series 1994F	1,540
1999	Rouge Valley - Inkster CSO Basins Bonds Series 1994G	3,905
1999	Northeast Sewage Disposal System Bonds Series 1994G	995
1999	Downriver Sewage Disposal System Bonds Series 1994A	3,540
	Total primary government	$ 17,240
	Component Units:	
1994	Chapter 20 Drainage Districts - various municipal obligations	$ 1,500
1999	Chapter 21 (Milk River) Drainage District Bonds, 1994 Series A	600
	Total component units	$ 2,100
	Total defeased debt	$ 19,340

Component Units

Changes in long-term obligations related to component units at September 30, 2009, are summarized as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Component Units:					
Airport Authority					
Detroit Metropolitan Airport					
Series 1994A, 3.5% to 5.875%, due 12-1-2008	$ 2,975	-	(2,975)	$ -	$ -
Series 1996A, 3.65% to 5.72%, due 12-1-2016	39,710	-	(39,710)	-	-
Series 1996B, 3.65% to 5.72%, due 12-1-2016	39,710	-	(39,710)	-	-
Series 1998A, 4.20% to 5.50%, due 12-1-2028	753,185	-	(20,280)	732,905	21,400
Series 1998B, 4.10% to 5.25%, due 12-1-2013	21,860	-	(3,890)	17,970	4,085
Series 2002C, 3.00% to 5.375%, due 12-1-2010	25,905	-	(120)	25,785	125
Series 2002D, 5.0% to 5.5%, due 12-1-2019	68,290	-	(3,630)	64,660	3,800
Series 2005, 3.5% to 5.25%, due 12-1-2034	507,135	-	-	507,135	9,590
Series 2007A Junior Lien, 4.85% to 5%, due 12-1-2037	180,390	-	-	180,390	-
Series 2007B, 4.0% to 5.0%, due 12-1-2028	119,390	-	-	119,390	-
Series 2008A, 4.0% to 5.75%, due 12-1-2032	142,285	-	(2,580)	139,705	4,895
Series 2008B, current yield at 9/30/09, .6% , due 12-1-2033	201,250	-	-	201,250	4,800
Series 2008C, current yield at 9/30/09, .37%, due 12-1-2033	89,435	-	(3,470)	85,965	4,715
Series 2008D, current yield at 9/30/09, .3% due 12-1-2021	39,675	-	(2,500)	37,175	3,800
Series 2008E, current yield at 9/30/09, 0.47%, due 12-1-2016	-	37,365	(300)	37,065	3,725
Series 2008F, current yield at 9/30/09, 0.36%, due 12-1-2016	-	37,405	(300)	37,105	3,730
Series 2009A, current yield at 9/30/09, 2.00%, due 9-17-2031	-	2,000	-	2,000	-
Installment Purchase Contract, 5.625%, due 5-11-2011	5,570	-	(1,795)	3,775	1,895
Installment Purchase Contract, 3.7%, due 9-25-2015	296	-	(38)	258	39
Installment Purchase Contract, 3.54%, due 11-14-2014	378	-	(56)	322	58
Installment Purchase Contract, 4.05%, due 4-8-2018	378	-	(33)	345	34
Installment Purchase Contract, 4.33%, due 5-21-2023	3,886	-	(48)	3,838	151
Installment Purchase Contract, 5.31%, due 12-16-2013	-	364	(49)	315	68
Bond Premium	25,002	-	(1,675)	23,327	-
Bond Discount	(7,461)	598	-	(6,863)	-
Deferred gain (loss) on refunding	(35,535)	5,200	(2,653)	(32,988)	-
Total Detroit Metropolitan Airport	2,223,709	82,932	(125,812)	2,180,829	66,910
Airport Hotel revenue bonds:					
Series 2001A Hotel, 5.00% to 5.50%, due 12-1-2030	99,630	-	-	99,630	-
Series 2001B Hotel, 6.00% to 6.60%, due 12-1-2015	10,845	-	(590)	10,255	765
Capital/FF&E Reserve Loan, 8%, due 11-15-2017	4,488	-	(346)	4,142	375
Working Capital Loan 8%, due 11-15-2017	1,500	-	-	1,500	-
Bond Discount	(2,094)	129	-	(1,965)	-
Total Airport Hotel revenue bonds	114,369	129	(936)	113,562	1,140

Airport Authority, continued

(in thousands) Airport Authority, concluded	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
Airport notes payable:					
Willow Run Airport -					
Washtenaw County, 0%, due 12-31-2019	219	-	(19)	200	20
Willow Run Airport -					
University of Michigan, 8%, due 9-1-2013	425	-	(6)	419	-
Total Airport note payables	644	-	(25)	619	20
Other long-term obligations:					
Obligation for other post-employment benefits	482	-	(482)	-	-
Rent credit and environmental liabilities	12,830	1,691	(1,541)	12,980	1,244
Total other long-term obligations	13,312	1,691	(2,023)	12,980	1,244
Total Airport Authority	$ 2,352,034	84,752	(128,796)	$ 2,307,990	$ 69,314
Circuit Court					
General obligation bonds:					
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2009A, Local Project Bonds, 4.550% to 7.0%, due 11-1-2018	$ -	203	-	$ 203	$ -
Michigan Municipal Bond Authority Local Government Loan Program Revenue Bonds, Series 2009B, Local Project Bonds, 3.75% to 5.375%, due 11-1-2024	-	673	-	673	-
Bond premium	-	13	-	13	1
Total general obligation bonds payable	-	889	-	889	1
Other long-term obligations:					
Obligation for other post-employment benefits	1,233	1,623	-	2,856	-
Compensated absences	4,510	4,109	(4,510)	4,109	4,109
Total other long-term obligations	5,743	5,732	(4,510)	6,965	4,109
Total Circuit Court	$ 5,743	6,621	(4,510)	$ 7,854	$ 4,110
Non-major Component Units:					
General obligation debt:					
Chapter 8 Mizner Drain Drainage District $1,455,000 bonds, Series 2008 payable from future property tax assessments at 5.450% per anum until 6-1-2023 maturity	$ 1,455	-	(97)	$ 1,358	$ 97
Chapter 20 Drainage Bonds, payable from future property tax assessments, 2.5% to 10.0%, generally due serially , see below:					
ECPAD 3 94 C, 3.15-6.0%, due 11-1-10	1,465	-	(740)	725	725
ECPAD 3 Unref, 5.0-10.0%, due 11-1-12	1,500	-	-	1,500	-
SRF5117-01, 2.5%, due 4-1-20	274	-	(20)	254	20
ECPADINP, 3.59%, due 6-30-09	52	-	(52)	-	-
	4,746	-	(909)	3,837	842
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 10-1-2012, SRF #5057-01	5,110	-	(1,240)	3,870	1,265

Non-major component units, continued

CHARTER COUNTY OF WAYNE, MICHIGAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the year ended September 30, 2009

(in thousands)

Non-major component units, concluded	Beginning Balance	Additions	Reductions	Ending Balance	Principal Amounts Due within One Year
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 10-1-2012, SRF #5057-02	620	-	(170)	450	175
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 10-1-2012	1,325	-	(300)	1,025	320
Chapter 21 (Milk River) Drainage District bonds, 1999 Series B, payable from future property tax assessments, 3.05% to 4.65%, generally due 11-1-2012	600	-	(140)	460	145
Detroit-Wayne County Stadium Authority Revenue bonds, 3.70% to 5.50%, due 2-1-2027	74,580	-	(2,050)	72,530	2,280
Subtotal Revenue bonds	82,235	-	(3,900)	78,335	4,185
Bond discount	(2,960)	-	161	(2,799)	(161)
Total Revenue bonds	79,275	-	(3,739)	75,536	4,024
Notes and Leases Payable:					
Chapter 8 Brooks Drain Drainage District $150,000 Note Payable at 3.43% per anum until 6-30-2009 maturity	30	-	(30)	-	-
Chapter 8 Odette Drain Drainage District $250,000 Note Payable at 3.59% per anum until 6-30-2009 maturity	50	-	(50)	-	-
Chapter 8 Shuart Drain Drainage District $97,000 Note Payable at 3.39% per anum until 6-30-2009 maturity	17	-	(17)	-	-
Chapter 8 Strong Drain Drainage District $290,000 Note Payable at 3.70% per anum until 6-30-2010 maturity	116	-	(58)	58	58
Chapter 8 Desbrow Consolidated Drain Notes, Series 2007, $607,444 Note Payable at 4.60% per anum until 6-1-2012 maturity	486	-	(121)	365	121
Chapter 8 North Branch of Swan Creek Consolidated Drain Notes, Series 2007, $704,139 Note Payable at 4.60% per anum until 6-1-2012 maturity	563	-	(141)	422	141
Chapter 8 Patterson Drain Drainage District $241,000 Note, Series 2008 Payable at 4.250% per anum until 6-1-2013 maturity	241	-	(48)	193	48
HealthChoice of Michigan Capital Lease Capital obligation to Oce' Financial Services, 8.00%, due 2010	6	-	(3)	3	3
Total Notes and Leases Payable	1,509	-	(468)	1,041	371
Other long-term obligations:					
Obligation for other post-employment benefits	288	294	-	582	-
Compensated absences	462	346	(462)	346	346
Total other long-term obligations	750	640	(462)	928	346
Total Non-major Component Units	86,280	640	(5,578)	81,342	5,583
Total Component Units	$ 2,444,057	$ 92,013	$ (138,884)	$ 2,397,186	$ 79,007

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 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 Hangar 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 Hangar 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 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 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 Hangar 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 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 2009, the Authority has used $1,511,137 of this agreement and has entered into four 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 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 in an irrevocable trust to provide for all future debt service payments. The Series 2003A-1 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 Bonds, 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, 2009, rates were as follows:

Interest Rate	Term	2008C-1 rates	2008C-2 rates	2008D rates
Fixed payment to counterparties	Fixed	3.4825%	3.9970%	3.4265%
Variable rate from counterparties	Enh Lib	0.2463	0.2463	0.2463
Net interest rate swap payments		3.2362	3.7507	3.1802
Variable-rate bond payment	Market	0.3700	0.3700	0.3000
Synthetic interest rate on bonds		3.6062	4.1207	3.4802

Due to the current interest rate environment, the Swap at year end had a negative fair value of $2,611,084. 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 exposed. The Counterparty, Goldman Sachs, has S&P ratings of A, Moody's ratings of Aa3, and Fitch ratings of A+ mitigating this risk.

In October, 2008, the Authority issued $74.8 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008E and 2008F. The Series 2008E and 2008F Bonds were issued to refund certain outstanding indebtedness previously issued to refinance the cost of various capital projects at Metro Airport. The Series 2008E Refunding Bonds were issued to refund the Series 1996A Bonds. The Series 2008F Refunding Bonds were issued to refund the Series 1996B Bonds. The Series 2008E and 2008F 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 1996A and 1996B Bonds by placing the proceeds of the Series 2008E and 2008F Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1996A and 1996B Bonds were subsequently called and paid in full in October 2008 and December 2008.

The Series 2008E and 2008F Bonds are variable-rate bonds. The remarketing agent is responsible under and 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 2008E and 2008F 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 fixed coupon rate of 5.1082% for both Series 2008E and 2008F Bonds.

As of September 30, 2009, rates were as follows:

Interest Rate	Term	2008E rates	2008F rates
Fixed payment to counterparties	Fixed	5.1082%	5.1082%
Variable rate from counterparties	Enh Lib	0.2463	0.2463
Net interest rate swap payments		4.8619	4.8619
Variable-rate bond payment	Market	0.4700	0.3600
Synthetic interest rate on bonds		5.3319	5.2219

Due to the reduction of interest rates since the execution of the Swap, the Swap had a negative fair value of $4,644,081 as of September 30, 2009. 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 exposed. The Counterparty, Goldman Sachs, has S&P ratings of A, Moody's ratings of Aa3, and Fitch ratings of A+ mitigating this risk.

The Series 2008C-1, 2008C-2, 2008D, 2008E, and 2008F 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.

Type of risk	Concern	Resolution
Counterparty risk	Default of counterparty	Counterparty is rated A by S&P and Aa3 by Moody's.
Tax risk	Federal marginal rates could decline, reducing tax-exempt advantage of underlying auction rate securities	Can terminate at Par 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 at Par in 2010.
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) Solid financial performance of the Authority (2) Can terminate at Par in 2010.

In September 2009, the Authority entered into an agreement with JP Morgan Chase for the bank to purchase for its own account, a single instrument revenue bond in an amount not to exceed $40 million to provide financing for certain airfield related projects. The Series 2009A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The bond is structured as a draw-down instrument, which will enable the Authority to draw down principal as needed to pay project costs, reducing interest expense to the Authority during the construction period. As of September 30, 2009, the Authority has drawn down principal of $2 million.

The interest on the bond is a monthly variable rate based on the sum of 30 day Libor plus 275 basis points times 67 percent. The bond can be paid down not more than monthly upon expected receipt of $28 million Federal grant funds awarded to the Authority.

The Authority expects that the remaining balance of the bond after receipt of grant funds will be included with a future long term borrowing required to fund some or all of the remaining projects authorized by the 2009 series ordinance.

The Authority capitalizes net financing costs during the construction for debt issues specifically related to construction projects. During the year ended September 30, 2009, interest expense incurred on these debt issues totaled $111,245,459. For 2009, net financing costs capitalized were $3,472,146.

In July 2009, 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 100 basis points over the LIBOR. The line-of-credit agreement expires June 2010. There were no borrowings on this line during the year ended September 30, 2009.

Circuit Court – In March 2009, the County issued Local Project Bonds through the Michigan Municipal Bond Authority, Series 2009A (taxable) and Series 2009B (tax-exempt) in the amounts of $8.1 and $24.7 million respectively. Approximately $200 thousand of the 2009A and $700 thousand of the 2009B bonds has been allocated to the Circuit Court. These bonds were issued for the purpose of acquiring or refinancing certain personal property and equipment for various County departments, as well as certain road construction and improvements. The bonds are due serially through November 2018 and 2024 respectively at interest rates ranging from 3.125% to 6.70%. The County has pledged its full faith and credit, subject to certain limitations. This is considered a limited tax general obligation of the County.

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.

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, 2009, 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. These obligations have been repaid as of September 30, 2009.

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.

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, 2009, the outstanding balance of the capital lease obligation was approximately $3 thousand. The lease expires in fiscal year 2010.

Operating Leases

The County is committed under three 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, 2009, amounted to $4,309,109. Future minimum lease payments for these leases (in thousands) are as follows:

September 30	Operating Lease Obligations
2010	$ 2,858
2011	2,476
2012	2,559
2013	2,636
2014	2,715
2015-2019	14,845
2020-2024	17,209
2025-2029	19,951
2030-2034	21,128
2035-2039	23,128
Total minimum lease payments	$ 109,505

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, 2009, are summarized as follows:

Airport Authority - Loans, Notes Payable and Revenue Bonds

(in thousands)

Year Ended September 30	Principal	Interest
2010	$ 68,070	$ 106,015
2011	71,469	102,765
2012	76,514	99,243
2013	83,443	95,481
2014	86,963	91,397
2015-2019	470,412	389,795
2020-2024	493,298	276,619
2025-2029	581,580	153,619
2030-2034	303,970	49,800
2035-2039	77,780	5,340
Total	$ 2,313,499	$1,370,074

	Principal	Interest
Revenue Bonds Payable	$ 2,298,384	$1,365,599
Loans and Notes Payable	15,115	4,475
Total	$ 2,313,499	$1,370,074

Non-major Component Units - Bonds and Notes Payable
(in thousands)

Year Ended September 30	General Obligation Principal	General Obligation Interest	Revenue Principal	Revenue Interest
2010	$ 1,210	$ 245	$ 4,185	$ 3,937
2011	1,182	179	4,485	3,765
2012	1,182	122	4,720	3,577
2013	169	65	3,055	3,372
2014	121	57	3,350	3,196
2015-2019	618	194	21,340	12,750
2020-2024	393	53	23,250	6,713
2025-2027	-	-	13,950	1,098
Total	$ 4,875	$ 915	$ 78,335	$ 38,408

	Principal	Interest
Bonds Payable	$ 3,837	$ 820
Notes Payable	1,038	95
Total	$ 4,875	$ 915

(13) Employee Benefits

Pension Plans

Wayne County Employees Retirement System

Plan Description

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

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

In 1983, the County closed Plan Option 1 of the WCERS to new hires, and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant. At September 30, 2008, the date of the most recent actuarial valuation, combined membership in the Plan consisted of 5,448 retirees and beneficiaries receiving benefits, 130 inactive (separated) employees entitled to benefits but not yet receiving them, and 2,708 current active employees.