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TO: CLEMIS Advisory Board
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FROM: Bob Daddow 

SUBJECT: CLEMIS Funds – Financial Statements and Schedules for
The Quarter Ended December 31, 2018

DATE: March 29, 2019

This letter of transmittal covers the following fund financial statements as of and for the quarter ended December 31, 2018 for the Radio Communications, Fire Records Management System and CLEMIS Operating Funds.

RADIO COMMUNICATIONS FUND

The following financial statements are attached as of and for the quarter ended December 31, 2018 for the Radio Communications Fund:

- Statement of Net Position (Exhibit A). This statement provides the assets, liabilities and net assets (e.g., equity) of the Radio Communications Fund.
- Statement of Revenues, Expenses, and Changes in Net Position (Exhibit A-1). This statement compares the adopted budget to actual operating results.
- Operating Transfers In and Out (Exhibits A-2 and A-3) - the operating transfers into the Fund were for the acquisition of individual portable and mobile radios (\$8,00) for the Sheriff's operations.

The Operating Transfers Out of \$71,500 involved the reimbursement of the Information Technology and the CLEMIS Operating Funds for administrative and communications services and Help Desk support costs.

- Brief Explanations (Exhibit A-4) – a set of explanations of operating budget to actual variances included in the financial statements and schedules above.

The operations and capital needs of the Radio Communications Fund are under consideration and a substantial replacement of much of the equipment, antennas and other infrastructure will be required in the next several years. While this memorandum covers, in general, the nature of the projects to be undertaken, the principal purpose of this memorandum is to provide financial information as of and for the quarter ended December 31, 2018. In turn, this memorandum will be used as a ‘baseline’ for the net liquid assets available for the capital needs in connection with the launch of the new equipment and operating needs during that period.

A separate memorandum has been prepared dated March 21, 2019 that covers the baseline net assets, projected cash flows available for capital needs, and the cost of the new equipment as the County enters the negotiations with the successful vendor supplying that equipment. In addition, that future memorandum will be used to justify the increase in operating surcharge from \$.36 per month per device as defined in the state statutes to \$.42 per month per device.

The County administration recommended, and the Board of Commissioners approved, a four-cent increase in the monthly operating surcharge effective for the period July 1, 2018 to June 30, 2019 to bring the total monthly surcharge to \$.36 per device as defined. The fee increase beginning July 1, 2019 is expected to increase by \$.06 per device fee for a total of \$.42 per device (maximum amount that can be assessed without a vote of the residents under state statutes).

A \$.06 per device fee increase would be expected to raise \$987,600 annually (\$164,600 / penny) in new revenue. The operating surcharge memorandum, which will be prepared shortly, will assume the passage of the increased fee starting on July 1, 2019 as part of the future cash flow availability relating to the radio communication project. **By state statute, the operating surcharge increase assessed at any level must be adopted by the Board of Commissioners through a resolution and submitted no later than mid-May 2019 in order that any operating surcharge increase can be included on the July 1, 2019 telephone bills and beyond.**

The \$.42 per device is expected to be in place through FY-2032 during which time the underlying bonded debt will be outstanding in connection with the upgrade of the radio communications system components. The absence of increasing the fee to \$.42 per device or its elimination altogether would require support from the County’s General Fund in lieu thereof and / or fees imposed upon the local radio users. In addition, and as discussed more fully in the operating surcharge memorandum, the Michigan Public Services Commission has yet to hold a public hearing on the County’s application (and

other counties' applications) in the setting of the amounts to be paid to counties relating to the E-911 services that started in Oakland County in July 2018.

Black & Veatch (BV), a radio consultant, was secured to develop alternative courses of upgrade to the system, the scope of work on the selected alternative course of upgrade for the vendor request for proposal, estimating the cost to do so, and other related efforts. The BV report was issued prior to the release of the request for proposal and was the basis for the request for the prior year's increase.

One of the more significant BV tasks, however, was the development of an extensive request for proposal (exceeding 300 pages) released to the vendor community in January 2018. Two complete proposals were returned on April 24, 2018 along with other proposals having been received involving potential components of the future radio communication system (portables; logging equipment; etc.).

The RFP scope and requirements were highly technical, exceedingly detailed and complex. A proposal evaluation committee was selected and has reviewed the proposals over the period through the end of calendar 2018. The committee was a diverse group of individuals representing police, fire, Information Technology, Radio Shop and included a commissioner representative. Oral presentations from the two vendors and follow-up meetings since were held during the third week of June 2018. As the evaluation committee performed its due diligence, written questions for clarification on the proposed systems from each vendor and even on-site visits and further demonstrations were held.

The tentative vendor selected, Motorola, is also the radio communications vendor used by the Michigan Public Safety Communications System (MPSCS) serving both the Michigan State Police, other state departments and many local governmental units throughout the state. The counties surrounding Oakland County use Motorola equipment via the MPSCS. Interoperability between public safety within Oakland County and that of the surrounding counties was a critical aspect in the tentative selection of Motorola. The evaluation process included roughly 200 separate elements graded by the evaluation committee with Motorola obtaining a programmatic score based on the written proposal, oral presentation and subsequent responses to questions roughly 10% higher than that of the County's current vendor.

The selection of Motorola and interoperability, however, has introduced additional research required on the way interoperability would occur between Oakland and the surrounding counties using the MPSCS. It is highly complex and technical in nature given two disparate platforms being used by Oakland and the surrounding counties.

Oakland's request for proposal specified a TDMA, simulcast, 2-slot system while the surrounding communities using the MPSCS uses a FDMA, multicast / simulcast, 2-slot system. While both solutions are based on Motorola equipment, these two variants are on different platforms and conversions during communication to / from TDMA / FDMA must be considered to ensure seamless interoperability. The loading capacities' as well as radio coverage of not only the County's need must be considered, so must that of the

surrounding communities (as the County's launch of a Motorola system cannot cause degradations of the surrounding communities' radio coverage). The issues are very complex, and care must be entertained to avoid commitments that result in unforeseen costs on the part of the County.

At present, the radio communication system has 54 towers and cell units (soon to be 55 towers and cell units - County-owned or locally-owned by governmental units within the County or leased space from private vendors), 1,861 mobile radios and 4,343 portable radios in use. Radio consoles are in 20 public safety dispatch centers (PSAPs) throughout Oakland County (17 primary PSAPs, one back-up, one secondary and Southfield that is not formally on the County's radio system today). There are 15 hospital emergency rooms using the County's radio communication system and numerous private ambulance companies as well. Non-public safety units use the County's radio system for a monthly operating fee.

The capital project cost for the new radio communications system, which will be based on the proposal submitted by Motorola, the oral presentation and subsequent answers to requests for information in the upcoming operating surcharge memorandum. The below discussions will be used in setting the 'baseline' net available resources as of December 31, 2019 for this capital program. Cash-flow projections, estimated capital costs, and added on-going operating costs and other matters of interest will be discussed as part of the operating surcharge memorandum and are not included herein. A 15-year operating projection of capital and operating costs compared to anticipated revenues will also be presented in that memorandum.

Comments concerning the financial information contained in Exhibits A through Exhibit A-4 follow:

- The Fund has approximately \$28.1 million in cash, investments and receivables, net of liabilities and excluding prepaid expenses and inventories at December 31, 2018 (\$26.6 million at September 30, 2018). The net cash position is above the expectations in the March 31, 2018 project memorandum. This net cash position can be used for the purposes of funding the capital program.
- The ending equity has been classified as 'unrestricted – designated for projects' in the amount of \$21,473,102 and 'unrestricted' in the amount of \$8,332,524 as of December 31, 2018. The combined total is approximately equal to the cash available for capital needs and the designations are no longer particularly meaningful.

At present, the Motorola proposal is being finalized for the following critical business issues:

- **Radio Coverage.** The radio coverage is a key element to the system as the towers must be sited and the back-haul method (fiber, microwave, none, etc.) must be considered prior to pricing out the sites. The sites have generally been

agreed upon but the costing of the sites, shelter needs, generator replacement needs, and back-haul costs are pending.

- **Network Improvements.** The original scope of work for the request for proposal and fee memorandum in the spring of 2018 did not contemplate any significant costs for the improvement of the OAKNet system. Nor, did it contemplate the need for cyber-security and software monitoring (as the present system does not require any significant costs in this area separate from the overall OAKNet system operation) as access to the OAKNet was restricted; penetration would be exceedingly difficult. As the newer system will provide for access from outside sources, the need to secure the network, provide for virus and related updates and monitor it has become an unforeseen cost that must be addressed before launch.

The network improvement costs are dependent upon the finalization of the location and needs of improvement for the tower sites and back-hauling of the communications to the central site (which is nearing completion but still pending at this writing). The shelter and generator needs must be finalized and costed out. Finally, the back-haul, cyber-security and virus updates and other costs must be finalized in this area.

- **State v. County-owned System.** Because the State and many local governments use the Motorola system¹, the County has pursued joining the MPSCS either as a full member, partial member or continuing as a separate Motorola system with an interface to the MPSCS. No final decision has been made but the County is seriously considering connecting to the state system as a partial member. This decision is critical and must be agreed upon by the County, the state and Motorola before any contract is negotiated and signed. The decision will impact the costs required to fund the capital needs and will also impact on-going operations.
- **Costs.** Once the agreed-upon format for interoperability is finalized, as well as several other cost issues, the operating surcharge memorandum can be completed. It is hoped that the final contract can be negotiated with Motorola and the state by June 30, 2019 such that implementation can begin in the fourth quarter of the County's fiscal year.

On March 21, 2019 the Radio Oversight Committee met and discussed the increase in operating surcharge from \$.36 per device as defined to \$.42 per device. The Committee unanimously supported the increase to \$.42 per device effective July 1, 2019.

Should there be any questions concerning the above, please contact me.

¹ The State's Motorola system is a two-slot, simulcast FDMA system versus the County's proposal to secure a two-slot TDMA system the County requested in the RFP scope of work. The surrounding communities using the State system are generally multi-cast. This divergent systems' architecture complicates the selection process as each have their programmatic and financial cost advantages and disadvantages.

FIRE RECORDS MANAGEMENT SYSTEM

Attached are the following schedules described as Exhibit B relating to the Fire Records Management System Fund as of and for the quarter ended December 31, 2018:

- Statement of Net Assets (Exhibit B). This Fund statement provides a listing of assets, liabilities and equity.
- Statement of Revenues, Expenses, and Changes in Net Assets (Exhibit B-1). This Fund statement provides a budget to actual comparison for operations.
- Operating Transfers In (Exhibit B-2). The operating transfer in for the quarter from the County's General Fund was \$119,205 covering FRMS operating costs.
- Brief Explanations (Exhibit B-3). This exhibit provides explanations of the line items in the financial statements and operating matters.

Comments on the FRMS financial statements follow:

- The December 31, 2018 balance sheet reflects cash, investments and similar *liquid* assets (excluding prepaid expenses) and net of amounts owed, of \$738,316 (down from \$919,650 at September 30, 2018 arising from continued investments in the new FRMS software system).
- The originally acquired equipment is fully depreciated with the only significant capital asset with value being the construction in progress for the re-write of the fire system. The capital project in progress represents the amounts expended for the new re-write of the FRMS to date.

The Fire Records Management Committee approved a feasibility study and estimate of costs for the replacement of the FRMS computer system acquired from a vendor several years ago. The initial phases of the project were funded by Homeland Security Grant Program monies to cover costs of both the feasibility study and the development phase of a Fire Records Management software application. The system coding and replacement arising from these earlier efforts, which is underway, will maintain the same technical standards of other CLEMIS law enforcement systems to provide seamless data integration.

The 'CLEMIS Fire Integrated Records System (CFIRS) is a comprehensive reporting system that will meet or exceeds federal reporting standards. Completed modules include: incidents (fire and EMS-NEMSIS 3 reporting, personnel, rosters and training.

It should be noted that, the development of the EMS reporting module that meets the NEMSIS 3 reporting requirements for all levels of EMS agencies; Advanced Life Support, Basic Life Support, and Medical First Responders was a significant undertaking, which CLEMIS FRMS personnel have accomplished in early December 2017. With

NEMSIS 3, the State is requiring improved and timely reporting of fire data. CFIRS substantially improves on data delivery, sending all completed reports on an hourly basis.

The CFIRS training module is in its final phase to meet various fire reporting needs identified by our users as well was completed within the last several months.

Exhibits B-4 and B-5 provide an update of the fire departments that have been brought up on the new FMRS and those that are pending as of March 28, 2019. Those pending are in training or have been scheduled for training.

On December 1, 2018 Livonia Fire Department went live on CFIRS. FRMS added the Cities of Dearborn and Romulus Fire Departments onto CFIRS on January 3, 2019. To date, there are an additional nine fire departments that have joined FRMS who are presently using the CLEMIS web-service, CAD Status Monitors, Tear and Run etc.

Under development is a web-based solution that can be used on either a desktop or on a mobile device. Several modules are underdevelopment and / or testing: occupancies, inspections, hydrants, vehicles and equipment, and activity tracker (formerly daybook and other entries).

CLEMIS OPERATING FUND

The following financial statements and schedules are attached as Exhibit C for the CLEMIS Operating Fund as of and for the quarter ended December 31, 2018:

- Statement of Net Position (Exhibit C). This statement reflects the assets, liabilities and net position (equity) of the Fund.
- Statement of Revenues, Expenses, and Changes in Net Position (Exhibit C-1). This statement provides a budget to actual comparison for operations.
- Financial Report (Exhibit C-2). The Financial Report segregates the revenues and costs between the regional CLEMIS and OAKVideo Operations (e.g. video conferencing operates only within the geographic boundaries of Oakland County). OAKVideo is funded by an appropriation of \$100,000 quarterly (\$400,000 annually) by the County's General Fund.
- Operating Transfers In - the schedule includes the one budgeted quarterly operating transfer in from the County's General Fund as appropriated by the Board of Commissioners of \$311,046 (\$1,244,186 annually, the same as prior years). There are quarterly transfers in of \$100,000 from the County's General Fund (\$400,000 annually, the same as prior years) for OAKVideo operations. The CLEMIS operations will be relocating to the lower floor of the Information Technology facility. The partial cost of remodeling the lower floor attributed to the CLEMIS operations is \$375,566 and has been transferred to the Public Works Operating Fund.

- Brief Explanations (Exhibit C-4) – represents explanations of various matters included in the financial statements noted above.

Comments on the CLEMIS Operating Fund financial statements follow:

- The Fund has approximately \$11.2 million in *liquid* cash, investments and similar liquid assets, excluding prepaid expenses at December 31, 2018 and current liabilities (September 30, 2018 liquid position - \$12.1 million). The decline in the net liquid assets arises from the remodeling costs noted above and other upgrades to the network directly related to the CLEMIS operations. The unrestricted equity is roughly equivalent to the net cash and liquid asset position.
- The Fund's equity amounts to \$14.6 million as of December 31, 2018 (at September 30, 2018 - \$15.2 million, down slightly over the quarter) and is composed of the equipment acquired through the COPS MORE grant (fully depreciated) and other recent equipment acquisitions net of accumulated depreciation.
- The September 30, 2018 equity also includes designations for two projects: maintenance of the Jail Management System of \$171,969 and an amount of \$215,319 relating to 9-1-1 projects funded by the County's General Fund. The remaining unrestricted amount at December 31, 2018 is \$11.4 million (\$11.8 million at September 30, 2018).
- As has been the case for some time, the CLEMIS Operating Fund has not been funding depreciation and the Fund has no resources for the replacement of the COPS MORE equipment.

Exclusive of the capital projects in progress, the aggregate balance of fixed assets in this Fund is \$22.53 million, with \$19.72 million of accumulated depreciation against the cost, or roughly 87.5% fully depreciated (generally meaning that this equipment is nearing end of life).

- Several larger Department of Information Technology projects involving the network security and related upgrades are underway as well as the remodeling of the lower floor of the facility. CLEMIS will be expected to fund its proportionate share of these costs as IT completes these projects. Adequate resources exist in the CLEMIS Fund to cover these costs without affecting member rates and charges.

Should there be any questions concerning this report, please do not hesitate to ask.

Radio Communications Fund
Statement of Net Position
December 31, 2018

EXHIBIT A

ASSETS

Current assets:

Cash and cash equivalents	\$ 27,567,426.52
Accrued interest on investment	156,862.77
Due from other governments	56,263.09
Accounts receivable	1,266,945.66
Inventories	257,632.31
Prepaid items	1,410,132.81
Total current assets	30,715,263.16

Non-current assets:

Capital projects in progress	1,258,339.90
Tower rights	8,585,770.20
Equipment	27,937,929.57
Structures	12,944,790.99
Less accumulated depreciation	(43,464,636.30)
Total capital assets (net of accumulated depreciation)	7,262,194.36
Total assets	37,977,457.52

LIABILITIES

Current liabilities:

Vouchers payable	119,408.94
Due to Municipalities	5,338.68
Unearned Revenue	196,793.88
Accounts payable	588,096.03
Total current liabilities	909,637.53
Total liabilities	909,637.53

NET POSITION

Net Investment in capital assets	7,262,194.36
Unrestricted-designated for projects	21,473,102.03
Unrestricted	8,332,523.60
Total net position	\$ 37,067,819.99

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended December 31, 2018

EXHIBIT A-1

	2018			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues						
Antenna Site Management	300,000.00	3.42%	75,000.00	115,136.62	5.03%	40,136.62
E 911 Surcharge	7,928,000.00	90.27%	1,982,000.00	1,976,875.01	86.37%	(5,124.99)
Leased Equipment	250,000.00	2.85%	62,500.00	63,482.58	2.77%	982.58
Outside Agencies	65,000.00	0.74%	16,250.00	19,296.40	0.84%	3,046.40
Parts and Accessories	220,000.00	2.50%	55,000.00	102,199.66	4.47%	47,199.66
Productive Labor	20,000.00	0.23%	5,000.00	11,896.50	0.52%	6,896.50
Total operating revenue:	8,783,000.00	100.00%	2,195,750.00	2,288,886.77	100.00%	93,136.77
Operating expenses						
Salaries	699,790.00	7.97%	174,947.50	161,957.19	7.08%	12,990.31
Fringe benefits	378,221.00	4.31%	94,555.25	78,892.33	3.45%	15,662.92
Contractual services						
Communications	1,000,000.00	11.39%	250,000.00	82,784.49	3.62%	167,215.51
Electrical Service	100,000.00	1.14%	25,000.00	13,868.69	0.61%	11,131.31
Equipment Maintenance	325,000.00	3.70%	81,250.00	47,159.18	2.06%	34,090.82
Freight and Express	8,500.00	0.10%	2,125.00	548.47	0.02%	1,576.53
Indirect Costs	208,080.00	2.37%	52,020.00	48,016.25	2.10%	4,003.75
Laundry and Cleaning	700.00	0.01%	175.00	82.80	0.00%	92.20
Membership Dues	1,000.00	0.01%	250.00	0.00	0.00%	250.00
Personal Mileage	3,500.00	0.04%	875.00	569.53	0.02%	305.47
Printing	500.00	0.01%	125.00	0.00	0.00%	125.00
Professional Services	650,000.00	7.40%	162,500.00	23,327.37	1.02%	139,172.63
Rebillable Services	500.00	0.01%	125.00	0.00	0.00%	125.00
Software Rental Lease Purchase	30,000.00	0.34%	7,500.00	0.00	0.00%	7,500.00
Software Support Maintenance	2,731,280.00	31.10%	682,820.00	0.00	0.00%	682,820.00
Special Projects	40,000.00	0.46%	10,000.00	0.00	0.00%	10,000.00
Tower Charges	525,615.00	5.98%	131,403.75	105,566.73	4.61%	25,837.02
Training	75,000.00	0.85%	18,750.00	0.00	0.00%	18,750.00
Travel and Conference	22,500.00	0.26%	5,625.00	0.00	0.00%	5,625.00
Workshops and Meeting	100.00	0.00%	25.00	0.00	0.00%	25.00
Total contractual services	5,722,275.00	65.15%	1,430,568.75	321,923.51	14.06%	1,108,645.24
Commodities						
Dry Goods and Clothing	1,900.00	0.02%	475.00	367.00	0.02%	108.00
Other Expendable Equipment	131,494.00	1.50%	32,873.50	32,849.04	1.44%	24.46
Metered Postage	126.00	0.00%	31.50	154.74	0.01%	(123.24)
Office Supplies	5,000.00	0.06%	1,250.00	502.30	0.02%	747.70
Parts and Accessories	400,000.00	4.55%	100,000.00	67,399.53	2.94%	32,600.47
Shop Supplies	15,000.00	0.17%	3,750.00	1,452.62	0.06%	2,297.38
Small Tools	5,000.00	0.06%	1,250.00	363.45	0.02%	886.55
Total commodities	558,520.00	6.36%	139,630.00	103,088.68	4.50%	36,541.32
Depreciation						
Depreciation Tower Rights	0.00	0.00%	0.00	214,644.33	9.38%	(214,644.33)
Depreciation Structures	0.00	0.00%	0.00	323,588.40	14.14%	(323,588.40)
Depreciation Computer Equipment	0.00	0.00%	0.00	1,500.00	0.07%	(1,500.00)
Depreciation Equipment	3,969,862.00	45.20%	992,465.50	288,582.42	12.61%	703,883.08
Total depreciation	3,969,862.00	45.20%	992,465.50	828,315.15	36.19%	164,150.35
Internal services						
Bldg Space Cost Allocation	40,166.00	0.46%	10,041.50	10,041.51	0.44%	(0.01)
Info Tech CLEMIS	900,000.00	10.25%	225,000.00	112,355.56	4.91%	112,644.44
Info Tech Development	75,000.00	0.85%	18,750.00	8,681.25	0.38%	10,068.75
Info Tech Operations	260,936.00	2.97%	65,234.00	62,313.42	2.72%	2,920.58
Info Tech Managed Print Svcs	1,780.00	0.02%	445.00	431.74	0.02%	13.26
Insurance Fund	16,883.00	0.19%	4,220.75	508.25	0.02%	3,712.50
Maintenance Department Charges	35,000.00	0.40%	8,750.00	1,895.72	0.08%	6,854.28
Motor Pool Fuel Charges	7,898.00	0.09%	1,974.50	1,989.80	0.09%	(15.30)
Motor Pool	34,727.00	0.40%	8,681.75	6,004.85	0.26%	2,676.90
Telephone Communications	27,500.00	0.31%	6,875.00	6,858.91	0.30%	16.09
Total internal services	1,399,890.00	15.94%	349,972.50	211,081.01	9.22%	138,891.49
Total operating expense	8,758,696.00	99.72%	2,189,674.00	1,705,257.87	74.50%	484,416.13
Operating income (loss)	24,304.00	0.28%	6,076.00	583,628.90	25.50%	577,552.90
Nonoperating revenues (expenses)						
Planned Use of Balance	4,032,852.00	45.92%	1,008,213.00	0.00	0.00%	(1,008,213.00)
Income from investments	160,000.00	1.82%	40,000.00	140,361.80	6.13%	100,361.80

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended December 31, 2018

	2018			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Gain on Sale of Equipment	0.00	0.00%	0.00	0.03	0.00%	0.03
Total nonoperating revenues (expenses)	4,192,852.00	47.74%	1,048,213.00	140,361.83	6.13%	(907,851.17)
Income (loss) before transfer	4,217,156.00	48.01%	1,054,289.00	723,990.73	31.63%	(330,298.27)
Transfers in	38,706.00	0.44%	9,676.50	8,000.00	0.35%	(1,676.50)
Transfers out	(286,000.00)	-3.26%	(71,500.00)	(71,500.00)	-3.12%	0.00
Change in net position	3,969,862.00	45.20%	992,465.50	660,490.73	28.86%	(331,974.77)
Net Position - beginning				36,407,329.26		
Net Position - ending				37,067,819.99		

RADIO COMMUNICATIONS - FUND 53600
Operating Transfers In - Fiscal Year 2019

Description	Amount
Transfer from the General Fund, Sheriff Dept to Radio Communications Fund per Res. 18-264 for Charter Township of Orion	8,000.00
Total	<u>\$ 8,000.00</u>

RADIO COMMUNICATIONS - FUND 53600
Operating Transfers Out - Fiscal Year 2019

<u>Description</u>	<u>Amount</u>
Operating Transfer from Radio fund to Info Tech fund for 1st quarter FY 2019 OakNet operation costs. 1st Qtr Forecast Amendment to be included in the budget	\$ 59,000.00
Operating Transfer from Radio fund to Info Tech fund for 1st quarter FY 2019. Help Desk support. 1st Qtr Forecast Amendment to be included in the budget	<u>12,500.00</u>
Total	<u><u>\$71,500.00</u></u>

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2019 – 1st Quarter
Brief Explanation of “Actuals”

Listed below are comments regarding Radio Communications fund's 1st quarter Fiscal Year 2019 financial statements.

STATEMENT OF NET POSITION

- Radio Communications fund reports all monetary assets as Cash. Available cash is invested and managed by the Treasurer as a pool. The Treasurer’s Office allocates interest earned to the participating funds on a monthly basis.
- Due from other governments is the amount due from municipalities for leased equipment.
- Accounts receivable includes \$1,245,982.92 for accrued E-911 operational surcharge revenue which is paid to the County quarterly.
- Inventories include parts and accessories used to maintain customer equipment and the radio system.
- Prepaid items include rent paid in advance per the lease agreements for co-location of radio system equipment and advanced maintenance contract payments.
- Tower rights are the County's rights to co-locate equipment on towers constructed by the Radio fund on land owned by various municipalities. Ownership of the towers was transferred to the municipalities upon completion of construction in exchange for ongoing rights to place radio equipment on those towers.
- Vouchers payable and Accounts payable include accrued 1st quarter expenses.
- Due to municipalities is the City of Novi’s share of lease payments for co-locators on Novi’s antenna site as set forth in the Board of Commissioners Resolution 98-291.
- Unearned Revenue represents advance payments from antenna site co-locators.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Revenues:

- The Board of Commissioners’ Resolution 18-143 maintained the E-911 surcharge rate of \$0.36 for the period covering July 1, 2018 through June 30, 2019. The revenue reported for this quarter is based upon current estimated surcharge filings.
- Antenna site management revenue is for telecommunications companies that have contracted with Oakland County to place equipment on county-owned towers.
- The favorable variance for Parts and Accessories indicates higher than anticipated radio equipment purchases and repair requests.
- Productive labor revenue is higher than anticipated due to increased demand for service and reimbursement from CLEMIS for work performed by Radio technical staff on CLEMIS work orders.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2019 – 1st Quarter
Brief Explanation of “Actuals”

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Cont'd)

Expenses:

- Salaries are favorable due to lower than anticipated overtime, on-call hours and un-filled positions.
- Communications cost is favorable due to lower than anticipated cell tower connectivity costs. The budget for this line item includes an expected ISDN rate increase.
- Equipment maintenance is lower than expected due to the timing of services.
- Indirect cost expense is based on the County’s Indirect Cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, and Budgeting and Administrative services. The final allocation was established after adoption of the current budget.
- Professional services expense is favorable due to the timing of the ESInet project.
- Rebillable services are payments for parts and labor to be invoiced upon work completion.
- Software rental, lease purchase and software support maintenance is favorable due to the timing of the ESInet project.
- Special projects expense is favorable due to the timing of projects. The budget for this line item includes costs associated with tower maintenance such as painting.
- Tower charges represent payments for tower rental agreements.
- Overall commodities are under budget due to a decrease in radio equipment purchases.
- Internal service expense is favorable (overall) based on actual usage of county department services that fall below expectations.

Non-Operating Revenues and Expenses:

- Income from investments represents the portion of income from cash managed and allocated by the Treasurer’s Office.
- Transfers In includes: \$8,000 transferred in the first quarter representing a component of the \$38,706.00 approved by the Board of Commissioners for additional radios of which four are for the Sheriff’s contracts with municipalities.
- Transfers Out includes: \$12,500 for Help Desk support and \$59,000 for OakNet operation costs, both provided by Information Technology.

EXHIBIT B

**County of Oakland
Fire Records Management Fund
Statement of Net Position
December 31, 2018**

ASSETS

Current assets:

Cash and cash equivalents	\$ 695,067.21
Due from other governments	79,960.99
Accrued interest on investment	3,039.59
Accounts receivable	2,894.06
Prepaid expense	19,285.77
Total current assets	<u>800,247.62</u>

Noncurrent assets:

Capital projects in progress	985,949.25
Equipment	125,141.91
Computer software	409,195.95
Less accumulated depreciation	<u>(534,337.86)</u>
Total capital assets (net of accumulated depreciation)	<u>985,949.25</u>
Total assets	<u>1,786,196.87</u>

LIABILITIES

Current liabilities:

Vouchers payable	30,979.74
Accounts payable	11,667.00
Total current liabilities	<u>42,646.74</u>

NET POSITION

Invested in capital assets, net of related debt	985,949.25
Unrestricted	757,600.88
Total net position	<u>\$ 1,743,550.13</u>

County of Oakland
Fire Records Management Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended December 31, 2018

EXHIBIT B-1

	2019			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
Outside agencies	\$ 169,233.00	67.02%	\$ 42,308.25	39,734.84	54.78%	\$ (2,573.41)
Participation fees - non-Oakland agencies	68,390.00	27.08%	17,097.50	28,863.49	39.78%	11,765.99
Outside agencies-rebilled charges	14,899.00	5.90%	3,724.75	3,946.64	5.45%	221.89
Total operating revenues	<u>252,522.00</u>	<u>100.00%</u>	<u>63,130.50</u>	<u>72,544.97</u>	<u>100.01%</u>	<u>9,414.47</u>
Operating expenses:						
Salaries	295,950.00	117.20%	73,987.50	70,091.35	96.62%	3,896.15
Fringe benefits	161,186.00	63.83%	40,296.50	39,083.49	53.87%	1,213.01
Contractual services:						
Adj Prior Years Revenue	0.00	0.00%	0.00	0.00	0.00%	0.00
Communications	29,000.00	11.49%	7,250.00	0.00	0.00%	7,250.00
Equipment repairs and maintenance	1,000.00	0.39%	250.00	0.00	0.00%	250.00
Indirect costs	85,464.00	33.84%	21,366.00	22,697.25	31.29%	(1,331.25)
Personal mileage	1,000.00	0.39%	250.00	0.00	0.00%	250.00
Professional services	40,000.00	15.84%	10,000.00	24,246.00	33.42%	(14,246.00)
Software rental lease purchase	0.00	0.00%	0.00	622.87	0.85%	(622.87)
Software support/maintenance	45,000.00	17.82%	11,250.00	18,307.75	25.24%	(7,057.75)
Travel and conference	4,000.00	1.58%	1,000.00	0.00	0.00%	1,000.00
Total contractual services	<u>205,464.00</u>	<u>81.35%</u>	<u>51,366.00</u>	<u>65,873.87</u>	<u>90.80%</u>	<u>(14,507.87)</u>
Commodities:						
Expendable equipment	7,000.00	2.77%	1,750.00	0.00	0.00%	1,750.00
Total commodities	<u>7,000.00</u>	<u>2.77%</u>	<u>1,750.00</u>	<u>0.00</u>	<u>0.00%</u>	<u>1,750.00</u>
Depreciation:						
Equipment	239,973.00	95.03%	59,993.25	0.00	0.00%	59,993.25
Total depreciation	<u>239,973.00</u>	<u>95.03%</u>	<u>59,993.25</u>	<u>0.00</u>	<u>0.00%</u>	<u>59,993.25</u>
Internal services:						
Info Tech-development	48,315.00	19.13%	12,078.75	138,761.24	191.28%	(126,682.49)
Info Tech-operations	58,839.00	23.30%	14,709.75	13,190.00	18.18%	1,519.75
Insurance fund	511.00	0.21%	127.75	127.75	0.18%	0.00
Telephone communications	663.00	0.27%	165.75	(5.93)	-0.01%	171.68
Budgeted Equity Adjustments	-	0.00%	-	0.00	0.00%	-
Total internal services	<u>108,328.00</u>	<u>42.91%</u>	<u>27,082.00</u>	<u>152,073.06</u>	<u>209.63%</u>	<u>(124,991.06)</u>
Total operating expenses	<u>1,017,901.00</u>	<u>403.09%</u>	<u>254,475.25</u>	<u>327,121.77</u>	<u>450.92%</u>	<u>(72,646.52)</u>
Operating income (loss)	<u>(765,379.00)</u>	<u>-303.09%</u>	<u>(191,344.75)</u>	<u>(254,576.80)</u>	<u>-350.91%</u>	<u>(63,232.05)</u>
Nonoperating revenues (expenses):						
Planned use of balance	254,680.00	100.85%	63,670.00	0.00	0.00%	(63,670.00)
Income from investments	3,000.00	1.18%	750.00	4,115.65	5.67%	3,365.65
Total nonoperating revenues (expenses)	<u>257,680.00</u>	<u>102.03%</u>	<u>64,420.00</u>	<u>4,115.65</u>	<u>5.67%</u>	<u>(60,304.35)</u>
Income (loss) before transfers	<u>(507,699.00)</u>	<u>-201.06%</u>	<u>(126,924.75)</u>	<u>(250,461.15)</u>	<u>-345.24%</u>	<u>(123,536.40)</u>
Transfers in	507,699.00	201.05%	126,924.75	119,204.52	164.32%	(7,720.23)
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net assets	<u>\$ 0.00</u>	<u>-0.01%</u>	<u>\$ 0.00</u>	<u>(131,256.63)</u>	<u>-180.92%</u>	<u>\$ (131,256.63)</u>
Total net position - beginning				1,874,806.76		
Total net position - ending				<u>\$ 1,743,550.13</u>		

FIRE RECORDS MANAGEMENT - FUND 53100 Operating Transfers In - Fiscal Year 2019

<u>Description</u>	<u>Amount</u>
Budgeted Operating Transfer from General fund to Fire Records Management fund for 1st quarter FY 2019 operating support	\$ 119,204.52
Total	<u>\$ 119,204.52</u>

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2019 – 1st Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Fire Records Management Fund's 1st quarter FY 2019 financial statements.

STATEMENT OF NET ASSETS

- Fire Records Management fund reports all monetary assets as Cash. Available cash is invested and managed by the Treasurer as a pool. Participating funds receive interest earnings based on their percentage of the invested daily cash balance each month.
- Due from other governments is the amount due from member agencies for quarterly participation and communication costs.
- Accrued interest on investment is interest earned by the fund on its cash balance in the Treasurer's pool of investments; interest is paid when investments mature.
- Prepaid expense is the amount paid in advance for contracted software support and licenses.
- Noncurrent assets are the servers and software packages. Capital projects in progress is the effort to date on the new FRMS system being written on the CLEMIS CAD platform. All capitalized equipment and software are fully depreciated. Fire Records Management fund has a fixed asset capitalization threshold of \$5,000 as an Enterprise fund.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Revenues:

- Outside agencies revenue is the amount billed to Oakland County agencies. Billing starts when a fire department is operational. The fund billed 32 Oakland County agencies for participation during the 1st quarter of FY 2019.
- Participation fees - non-Oakland agencies is the amount billed to municipalities and agencies located outside of Oakland County. The fund billed fifteen non-Oakland County users during the 1st quarter of FY 2019.
- Outside agencies - rebilled charges are the amounts billed to member agencies for their portion of the County's communication cost for data lines, software license, and software maintenance costs.
- Planned use of balance represents the amount that offsets total revenue in order to balance Fire Records Management fund's FY 2019 budget per Fiscal Services management.
- Income from investments is favorable due to increase in cash balance available for investments during the 1st quarter.
- Transfers in includes an amount budgeted and received from the General fund quarterly for operating support for Oakland County agencies.

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2019 – 1st Quarter
Brief Explanation of “Actuals”

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (Cont'd)

Expenses:

- Salary & Fringe benefit variances are favorable due to lower than anticipated on-call payroll, and overtime.
- Equipment repairs and maintenance is favorable since there have been no server maintenance incidents in the past quarter.
- Indirect cost expense is based on the County’s Indirect Cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, Budgeting and Administrative services. The final allocation was established after adoption of the current budget.
- Personal mileage is favorable due to no on-site service calls through the 1st quarter.
- Professional service expense is unfavorable due to the utilization of contractors for the previously approved project, ‘CLEMIS Fire Integrated Records System’ (CFIRS).
- Software support is unfavorable attributed to maintenance costs incurred from Zoll Data Systems.
- Travel and conference expense is favorable due to cost-cutting efforts.
- Expendable equipment expense is favorable due to the timing of equipment purchases made by tech support for maintaining the system.
- Depreciation expense is favorable due to FRMS projects still in the implementation phase rather than operational as projected at the time of the budget process.
- Internal service expense is unfavorable overall based on actual usage that falls above expectations and unbudgeted costs for IT Development for the FRMS Rewrite project.

CFIRS Participating Agency Status Sheet

EXHIBIT B-4

Agency Name	Data entry start date	Uses EMS	CFIRS Go Live Date	CLEMIS Services	Billing - Full FRMS Member	Billing - Web Service Only
1 Troy Fire	1/1/2000	No EMS	9/5/2018		X	
2 Oak Park DPS	1/5/2000	X	2/1/2018		X	
3 West Bloomfield Fire	12/29/2000		2/1/2017		X	
4 Walled Lake Fire	1/1/2001		4/18/2018		X	
5 Bloomfield Twp Fire	1/1/2001		3/1/2018		X	
6 Clawson Fire	2/9/2001		9/5/2018		X	
7 Farmington Hills Fire	8/1/2001		2/5/2018		X	
8 Rochester Fire	10/22/2001		3/28/2018		X	
9 Birmingham Fire	10/24/2001		1/18/2018		X	
10 Royal Oak Fire	11/1/2001		3/21/2018		X	
11 Brandon Twp Fire	1/1/2002		8/28/2018		X	
12 Auburn Hills Fire	1/1/2002		10/2/2017		X	
13 Waterford Fire	1/1/2002		6/5/2018		X	
14 Milford Twp. Fire	2/21/2002		6/19/2018		X	
15 Oakland Twp Fire	3/9/2002		4/24/2018		X	
16 White Lake Twp Fire	3/14/2002		5/30/2018		X	
17 Huntington Woods DPS	5/10/2002	X	2/1/2018		X	
18 Ferndale Fire	7/1/2002		3/13/2018		X	
19 Independence Twp Fire	12/5/2002		8/28/2018		X	
20 Wixom Fire	1/1/2003	X	3/1/2018		X	
21 Novi Fire	1/1/2004	X	1/3/2018		X	
22 Holly Village Fire	7/3/2004		7/31/2018		X	
23 South Lyon Fire	8/31/2004	X	12/11/2017		X	
24 Groveland Twp. Fire	12/31/2005		8/22/2018		X	
25 Rochester Hills Fire	1/1/2006		10/29/2018		X	
26 Detroit Metro Airport FD	10/1/2007		9/26/2017		X	

CFIRS Participating Agency Status Sheet

27	Berkley DPS	6/16/2008	X	2/1/2018		X
28	Lyon Twp Fire	1/31/2009		7/11/2018		X
29	Northville Twp Fire	8/7/2009		Dec/Jan		X
30	Plymouth Twp Fire	11/1/2013		7/17/2018		X
31	Beverly Hills DPS	4/1/2014	X	12/5/2017		X
32	Taylor Fire	7/1/2014		7/31/2018		X
33	Van Buren Twp FD	10/1/2014	X	3/28/2018		X
34	Springfield Fire	1/1/2015	X	1/1/2018		X
35	Commerce Twp Fire	12/4/2002			Full member; using WebService only (ImageTrends)	X
36	Livonia Fire	1/1/2016		12/1/2018	MDCs and Web Service	X
37	Madison Heights	11/17/2017		11/20/2018	Web Service	X
38	Dearborn FD	1/18/2018		1/3/2019	Web Service	X
39	Romulus FD	4/19/2018		1/3/2019		X
40	Southfield Fire	7/17/2017			Full Member, using Web Service only	X
41	Eastpointe Fire	9/13/2017			Web Service	X
42	Roseville Fire	9/13/2017			Web Service	X
43	St. Clair Shores Fire	9/13/2017			Web Service	X
44	Warren FD	7/20/2017			Web Service	X
45	Canton	1/26/2018			Non-FRMS Member; CSM, IN, Bus.Obj.	X
46	Dearborn Heights FD	1/18/2018			Web Service	X
47	Westland FD	8/3/2018			Non-FRMS Member; Web Service Only	X
48	Fraser FD	8/9/2018				
	Live on CFIRS	37				
	In Process	1				
	Non-CFIRS Members	7				
	Web Service Only	2				
	Total FRMS Agencies	47				

EXHIBIT B-5

Departments Currently on CFIRS
Auburn Hills Fire
Berkley PS
Beverly Hills DPS
Birmingham Fire
Bloomfield Twp Fire
Brandon Twp Fire
Clawson Fire
Commerce Twp Fire
Dearborn FD
Detroit Metro Airport FD
Farmington Hills Fire
Ferndale Fire
Groveland Twp. Fire
Holly Village Fire
Huntington Woods
Independence Twp Fire
Livonia Fire
Lyon Twp Fire
Madison Heights
Milford Twp. Fire
Novi Fire
Oak Park DPS
Oakland Twp Fire
Plymouth Twp Fire
Rochester Fire
Rochester Hills Fire
Romulus FD
Royal Oak Fire
South Lyon Fire
Taylor Fire
Troy Fire
Van Buren Twp FD
Walled Lake
Waterford Fire
West Bloomfield Fire
White Lake Twp Fire
Wixom Fire

Total Number Complete: 37

Departments In Process
Northville Twp Fire

Total Number Pending: 1

Non-CFIRS Departments (using other CLEMIS Services)
Canton
Dearborn Heights FD
Eastpointe Fire
Fraser FD
Roseville Fire
Southfield Fire
St. Clair Shores Fire
Warren FD
Westland FD

Total Number Pending: 9

As of 3/28/2019

County of Oakland
CLEMIS Fund
Statement of Net Position
December 31, 2018

EXHIBIT C

ASSETS

Current assets:

Cash and cash equivalents	\$ 11,030,727.64
Due from other governments	956,339.19
Accounts receivable	191,712.90
Accrued interest on investment	44,194.52
Prepaid items	622,299.45
Total current assets	<u>12,845,273.70</u>

Non-current assets:

Capital projects in progress	593,520.21
Equipment	12,814,536.55
Equipment - OAKVIDEO	784,579.46
Software	8,339,366.87
Less accumulated depreciation	<u>(19,720,588.36)</u>
Total capital assets (net of accumulated depreciation)	<u>2,811,414.73</u>
Total assets	<u>15,656,688.43</u>

LIABILITIES

Current liabilities:

Vouchers payable	126,705.68
Accounts Payable	206,979.51
Due to municipalities	431,823.96
Unearned revenue	291,997.36
Total current liabilities	<u>1,057,506.51</u>

NET POSITION

Net Investment in capital assets	2,811,414.73
Unrestricted - designated for projects	387,288.13
Unrestricted	<u>11,400,479.06</u>
Total net position	<u>\$ 14,599,181.92</u>

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended December 31, 2018

	2019			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues						
Access Fees Non Oakland	837,353.00	13.26%	209,338.25	217,873.21	13.60%	8,534.96
Access Fees Oakland	318,671.00	5.05%	79,667.75	82,164.72	5.13%	2,496.97
CLEMIS Citation	235,000.00	3.72%	58,750.00	77,699.85	4.85%	18,949.85
CLEMIS Crash	450,000.00	7.13%	112,500.00	170,683.50	10.65%	58,183.50
CLEMIS Parking	10,412.00	0.16%	2,603.00	118.76	0.01%	(2,484.24)
Crime Mapping	14,952.00	0.24%	3,738.00	3,975.00	0.25%	237.00
In Car Terminals External	1,658,299.00	26.26%	414,574.75	416,995.33	26.02%	2,420.58
In Car Terminals Internal	254,629.00	4.03%	63,657.25	67,828.00	4.23%	4,170.75
Maintenance Contracts	630,740.00	9.99%	157,685.00	157,685.08	9.84%	0.08
OC Depts Operations	408,886.00	6.48%	102,221.50	105,245.33	6.57%	3,023.83
Parts and Accessories	6,000.00	0.10%	1,500.00	1,809.36	0.11%	309.36
Productive Labor	200.00	0.00%	0.00	0.00	0.00%	0.00
Rebilled Charges	400,000.00	6.34%	100,000.00	90,157.13	5.63%	(9,842.87)
Reimb General	188,697.00	2.99%	47,174.25	97,106.00	6.06%	49,931.75
Service Fees	900,000.00	14.25%	225,000.00	112,355.56	7.01%	(112,644.44)
Sale of Equipment	0.00	0.00%	0.00	830.37	0.05%	830.37
Total operating revenue:	6,313,839.00	100.00%	1,578,459.75	1,602,527.20	100.00%	24,067.45
Operating expenses						
Salaries	2,228,850.00	35.30%	557,212.50	506,067.12	31.58%	51,145.38
Fringe benefits	1,209,089.00	19.15%	302,272.25	255,083.44	15.92%	47,188.81
Contractual services						
Auction Expense	0.00	0.00%	0.00	17.81	0.00%	(17.81)
Bank Charges	150,000.00	2.38%	37,500.00	23,262.51	1.45%	14,237.49
Communications	1,000,000.00	15.84%	250,000.00	210,433.85	13.13%	39,566.15
Equipment Maintenance	300,000.00	4.75%	75,000.00	80,416.50	5.02%	(5,416.50)
Freight and Express	250.00	0.00%	62.50	0.00	0.00%	62.50
Garbage and Rubbish Disposal	0.00	0.00%	0.00	445.80	0.03%	(445.80)
Indirect Costs	339,396.00	5.38%	84,849.00	69,686.00	4.35%	15,163.00
Membership Dues	2,000.00	0.03%	500.00	391.14	0.02%	108.86
Personal Mileage	2,500.00	0.04%	625.00	0.00	0.00%	625.00
Printing	1,500.00	0.02%	375.00	0.00	0.00%	375.00
Professional Services	1,100,000.00	17.42%	275,000.00	328,118.10	20.48%	(53,118.10)
Rebillable Services	450,000.00	7.13%	112,500.00	104,599.53	6.53%	7,900.47
Software Rental Lease Purchase	150,000.00	2.38%	37,500.00	1,391.82	0.09%	36,108.18
Software Support Maintenance	1,200,000.00	19.01%	300,000.00	264,827.37	16.53%	35,172.63
Training	1,500.00	0.02%	375.00	0.00	0.00%	375.00
Travel and Conference	10,000.00	0.16%	2,500.00	4,141.35	0.26%	(1,641.35)
Workshops and Meeting	1,250.00	0.02%	312.50	126.11	0.01%	186.39
Total contractual services	4,708,396.00	74.57%	1,177,099.00	1,087,857.89	67.88%	89,241.11
Commodities						
Dry Goods and Clothing	1,200.00	0.02%	300.00	353.70	0.02%	(53.70)
Other Expendable Equipment	22,000.00	0.35%	5,500.00	5,204.44	0.32%	295.56
Metered Postage	287.00	0.00%	71.75	48.57	0.00%	23.18
Office Supplies	2,500.00	0.04%	625.00	1,045.77	0.07%	(420.77)
Parts and Accessories	25,000.00	0.40%	6,250.00	3,102.76	0.19%	3,147.24
Printing Supplies	500.00	0.01%	125.00	0.00	0.00%	125.00
Total commodities	51,487.00	0.82%	12,871.75	9,755.24	0.61%	3,116.51
Depreciation						
Depreciation Equipment	1,898,428.00	30.07%	474,607.00	184,423.71	11.51%	290,183.29
Total depreciation	1,898,428.00	30.07%	474,607.00	184,423.71	11.51%	290,183.29

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended December 31, 2018

	2019			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Internal services						
Bldg Space Cost Allocation	51,504.00	0.82%	12,876.00	12,876.00	0.80%	0.00
Info Tech Development	417,934.00	6.62%	104,483.50	163,027.81	10.17%	(58,544.31)
Info Tech Operations	224,732.00	3.56%	56,183.00	50,360.11	3.14%	5,822.89
Insurance Fund	4,387.00	0.07%	1,096.75	1,096.75	0.07%	0.00
Motor Pool Fuel Charges	2,328.00	0.04%	582.00	503.43	0.03%	78.57
Motor Pool	8,061.00	0.13%	2,015.25	897.64	0.06%	1,117.61
Telephone Communications	20,942.00	0.33%	5,235.50	2,929.40	0.18%	2,306.10
Total internal services	<u>729,888.00</u>	<u>11.56%</u>	<u>182,472.00</u>	<u>231,691.14</u>	<u>14.46%</u>	<u>(49,219.14)</u>
Total operating expense	<u>10,826,138.00</u>	<u>171.47%</u>	<u>2,706,534.50</u>	<u>2,274,878.54</u>	<u>141.96%</u>	<u>431,655.96</u>
Operating income (loss)	<u>(4,512,299.00)</u>	<u>-71.47%</u>	<u>(1,128,074.75)</u>	<u>(672,351.34)</u>	<u>-41.96%</u>	<u>455,723.41</u>
Nonoperating revenues (expenses)						
Planned Use of Fund Balance	3,211,669.00	50.87%	802,917.25	0.00	0.00%	(802,917.25)
Gain on Sale of Equipment	0.00	0.00%	0.00	60.23	0.00%	60.23
Income from Investments	35,000.00	0.55%	8,750.00	59,311.86	3.70%	50,561.86
Total nonoperating revenues (expenses)	<u>3,246,669.00</u>	<u>51.42%</u>	<u>811,667.25</u>	<u>59,372.09</u>	<u>3.70%</u>	<u>(752,295.16)</u>
Income (loss) before transfer	<u>(1,265,630.00)</u>	<u>-20.05%</u>	<u>(316,407.50)</u>	<u>(612,979.25)</u>	<u>-38.25%</u>	<u>(296,571.75)</u>
Transfers in	1,644,186.00	26.04%	411,046.50	411,046.50	25.65%	0.00
Transfers out	<u>378,556.00</u>	<u>6.00%</u>	<u>94,639.00</u>	<u>(378,556.00)</u>	<u>-23.62%</u>	<u>(473,195.00)</u>
Change in net position	<u>378,556.00</u>	<u>6.00%</u>	<u>94,639.00</u>	<u>(580,488.75)</u>	<u>-36.22%</u>	<u>(296,571.75)</u>
Net Position - beginning				<u>15,179,670.67</u>		
Net Position - ending				<u><u>14,599,181.92</u></u>		

COUNTY OF OAKLAND
CLEMIS FUND
FINANCIAL REPORT AS OF DECEMBER 31, 2018

EXHIBIT C-2

STATEMENT OF NET POSITION

ASSETS	
Current Assets:	
Cash - Operating	\$ 11,030,727.64
Due from other governments	956,339.19
Accounts Receivable	191,712.90
Accrued Interest on Investments	44,194.52
Prepaid Expenses	622,299.45
Total Current Assets	<u>12,845,273.70</u>
Non-current Assets:	
Property and Equipment at Cost:	593,520.21
Capital Projects in progress	12,814,536.55
Equipment	784,579.46
Equipment - OAK VIDEO	8,339,366.87
Software	(19,720,588.36)
Accumulated Depreciation	2,811,414.73
Property and Equipment - Net	<u>15,656,688.43</u>
TOTAL ASSETS	
LIABILITIES	
Current Liabilities:	
Vouchers Payable	126,705.68
Accounts Payable	206,979.51
Due to municipalities	431,823.96
Unearned Revenue	291,997.36
Total Current Liabilities	<u>1,057,506.51</u>
NET POSITION	
Net invested in capital assets	2,811,414.73
Unrestricted-designated for projects	387,288.13
Unrestricted	11,400,479.06
Total Net Position	<u>\$ 14,599,181.92</u>

STATEMENT OF OPERATIONS

	Total Operations	CLEMIS Operations	Oak/Video Operations
Operating Revenues:			
Access fees-Non-Oakland County Users	\$ 217,873.21	\$ 217,873.21	
Access fees-Police Depts/Other in Oakland	82,164.72	82,164.72	
CLEMIS Citation	77,699.85	77,699.85	
CLEMIS Crash	170,683.50	170,683.50	
CLEMIS Parking	118.76	118.76	
Crime Mapping	3,975.00	3,975.00	
In Car Terminals-All Other	416,995.33	416,995.33	
In Car Terminals-OC Sheriff	67,828.00	67,828.00	
Maintenance Contracts - Mugshot Capture Station	79,500.00	79,500.00	
Maintenance Contracts - LiveScan	78,185.08	78,185.08	
OC Depts Operations	105,245.33	105,245.33	
Parts and accessories	1,809.36	1,809.36	
Productive Labor	90,157.13	90,157.13	
Rebilled Charges	97,106.00	97,106.00	
Reimb General	112,355.56	112,355.56	
Service Fees	830.37	830.37	
Sale of Equipment	60.23	60.23	
Gain on Sale of Equipment	59,311.86	55,425.80	3,886.06
Income from Investments	411,046.50	311,046.50	100,000.00
Operating Transfers In	2,072,945.79	1,969,059.73	103,886.06
TOTAL REVENUES			
Operating Expenses:			
Salaries	505,067.12	455,742.68	50,324.44
Fringe Benefits	255,083.44	227,069.14	28,014.30
Auction Expense	17.81	17.81	
Bank Charges	23,262.51	23,262.51	
Communications	210,433.85	210,433.85	
Equipment Repairs & Maintenance	80,416.50	80,416.50	
Freight and Express	-	-	
Garbage and rubbish disposal	445.80	445.80	
Indirect Costs	69,686.00	69,686.00	
Membership Dues & Publications	391.14	391.14	
Personal Mileage	-	-	
Printing	-	-	
Professional Services	328,118.10	328,118.10	
Rebillable Services	104,599.53	104,599.53	
Software Rental Lease Purchase	1,391.82	1,391.82	
Software Support/Maintenance	264,827.37	264,827.37	
Training	-	-	
Travel and Conference	4,141.35	4,141.35	
Workshops and Meeting	126.11	126.11	
Dry Goods and Clothing	353.70	353.70	
Other Expendable Equipment	5,204.44	5,204.44	
Metered Postage	48.57	48.57	
Office Supplies	1,045.77	1,045.77	
Parts & Accessories	3,102.76	3,102.76	
Printing Supplies	-	-	
Depreciation	184,423.71	183,773.76	649.95
Bldg. Space Cost Allocation	12,876.00	12,876.00	
Info. Tech. - Development	163,027.81	163,027.81	
Info. Tech. - Operations	50,360.11	50,360.11	
Insurance Fund	1,086.75	985.00	111.75
Motor Pool Fuel Charges	503.43	503.43	
Motor Pool	897.64	897.64	
Telephone Communications	2,929.40	2,929.40	
Operating Transfers Out	378,556.00	378,556.00	
TOTAL EXPENSES	<u>2,653,434.54</u>	<u>2,674,334.10</u>	<u>79,100.44</u>
NET INCOME (LOSS)	(580,488.75)	(605,274.37)	24,785.62
NET ASSETS, October 1, 2018	15,179,670.67	\$ 14,247,930.09	\$ 931,740.58
NET ASSETS, December 31, 2018	\$ 14,599,181.92	\$ 13,642,655.72	\$ 956,526.20

CLEMIS - FUND 53500 Operating Transfers In - Fiscal Year 2019
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<u>Description</u>	<u>Amount</u>
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2019 operating support.	\$ 311,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2019 OakVideo operating support.	100,000.00
Total	<u>\$ 411,046.50</u>

CLEMIS - FUND 53500 Operating Transfers Out - Fiscal Year 2019

Description	Amount
Budgeted Operating Transfer from CLEMIS fund to PWO Fund for 1st quarter FY 2019 - CLEMIS Remodeling Project per MR #18444.	\$ 378,556.00
Total	<u>\$ 378,556.00</u>

CLEMIS FUND 53500
Fiscal Year 2019 – 1st Quarter
Brief Explanation of “Actuals”

Listed below are comments regarding CLEMIS fund’s 1st quarter FY2019 financial statements.

STATEMENT OF NET POSITION

- CLEMIS fund reports all monetary assets as Cash. Available cash is invested, managed and distributed by the Treasurer’s Office.
- Due from other governments and accounts receivable include CLEMIS member fees and Crash charges through December 2018.
- Prepaid items are amounts paid in advance for contracted hardware and software support.
- Capital projects in progress are the amounts expended through December 2018 for the SAN Project and Mugshot Upgrade project.
- Vouchers payable and Accounts payable include expenses accrued through December 2018.
- Due to municipalities is the amount of revenue sharing for Citation and Crash through December 2018 that will be distributed to participating CLEMIS agencies.
- Unearned revenue includes amounts billed in advance for LiveScan maintenance, Mugshot investigative software maintenance and LeadsOnline.
- Unrestricted – designated for projects is the balance of funds received for future expenditures pertaining to the E911 system (\$215,319.86) and Jail Management System (\$171,968.27).

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITON

Revenues:

- Access Fees revenue is for membership usage fees based upon the user’s actual FTE count. A positive variance indicates an actual FTE count is higher than anticipated.
- CLEMIS Citation revenue is generated from the electronic citation system.
- CLEMIS Crash revenue is favorable due to higher than anticipated online purchase of accident/crash reports.
- CLEMIS Parking is an application used by member agencies to issue parking citations via hand-held devices.
- In-car terminals External revenue is user MDC participation fees based upon the user’s actual MDC count multiplied by a per unit rate.
- In-car terminals Internal revenue is the Oakland County Departments MDC participation fee based upon an actual MDC count. Those departments include Sheriff’s Office, Prosecutors, and Animal Control.
- Maintenance Contracts include both Mugshot and Livescan fees.
- OC Departments Operations revenue is based on the actual FTE count for the OCSD and other OC non-emergency departments that utilize CLEMIS services.
- Rebilled charges are for the rebilling of LeadsOnline and connectivity costs billed to Tier 2.5 and 3.0 agencies. This revenue source is offset by the Rebillable services expense.
- Reimbursement general is favorable due to higher than anticipated billings for CLEMIS billable staff supporting Sheriff Projects and Radio through December 2018.
- Service fees are lower than anticipated for amounts charged to Radio fund for MDC/CAD/911 support and telecommunication costs for Oakland County agencies.

CLEMIS FUND 53500
Fiscal Year 2019 – 1st Quarter
Brief Explanation of “Actuals”

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Cont'd)

Expenses:

- Salaries and Fringe benefits are favorable due to unfilled positions.
- Bank charges are favorable due to PayPal service costs which are lower than anticipated. The service allows on-line processing and payment of CLEMIS Citation and Crash transactions.
- Communications expense is favorable due to lower than anticipated connectivity costs.
- Equipment maintenance expense is primarily comprised of Livescan maintenance costs.
- Indirect costs expense is based upon the County’s indirect cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, Budgeting, and Administrative services. The final allocation was established after adoption of the current budget.
- Professional services expense is unfavorable primarily due to the utilization of contractors for various CLEMIS projects; these costs are offset by favorability in salaries and fringe benefits.
- Rebillable services expense is offset by Rebilled charges revenue.
- Software rental lease purchase and Software support maintenance expenses combined are favorable due to the timing of software purchases.
- Travel and Conference and Training together are unfavorable due to increased training efforts for staff members.
- Other expendable equipment includes hardware under the capitalization threshold of \$5,000. The favorable variance is attributable to the timing of related purchases.
- Depreciation expense is favorable due to capital projects not yet finalized and placed into service.
- Internal service charges are unfavorable, due to higher than anticipated Info Tech Development expenses.

Non-Operating Revenues and Expenses:

- Income from Investments is the income allocated and distributed by the Treasurer’s Office.
- Transfers in year to date includes: \$311,046.50 from the General fund for operational support and \$100,000 from the General fund for OakVideo operational support.