



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED SEPTEMBER 30, 2003

**COUNTY OF OAKLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2003
(With Independent Auditors' Report Thereon)**

Prepared by:

**Department of Management and Budget
Fiscal Services Division**

**Cover: Foreground, bell from former Pontiac Courthouse Tower, Circa 1915
Background, Oakland County Courthouse.
Courtesy of Jeffrey Phelps**

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I. INTRODUCTORY SECTION

The Introductory Section contains:

- A. Letter of Transmittal**
- B. Organizational Chart**
- C. List of Principal Officials**
- D. Government Financial Officers Association
Of the United States and Canada
Certificate of Achievement for
Excellence in Financial Reporting**



March 19, 2004

To the Oakland County Board of Commissioners and
Citizens of Oakland County

State law requires all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of Oakland County, Michigan for the fiscal year ended September 30, 2003.

This report consists of management's representations concerning the finances of Oakland County. Consequently, management assumes full responsibility for the completeness and reliability of the financial information presented in this report. To provide a reasonable basis for making these representations, the management of Oakland County has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of Oakland County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Oakland County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance the financial statements will be free from material misstatement. As management, we assert to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Oakland County's financial statements have been audited by PricewaterhouseCoopers LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance the financial statements of Oakland County for the fiscal year ended September 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall presentation of the financial statements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Oakland County's financial statements for the fiscal year ended September 30, 2003, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

The independent audit of the financial statements of Oakland County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Oakland County's separately issued Single Audit Report.

County of Oakland

Letter of Transmittal

The Fiscal Year 2003 Comprehensive Annual Financial Report is issued pursuant to the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement No. 37 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, – *Omnibus and Statement No. 38 Certain Financial Statement Note Disclosures*. The financial report includes a Statement of Net Assets and a Statement of Activities, which provides readers with the financial position of Oakland County viewed as a single entity. In addition the report provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Overall, Oakland County's financial position improved during Fiscal Year 2003. The County's total net assets (excluding component units) increased by \$63.6 million to \$809 million. Of the total, \$23.2 million was an increase to the net assets of governmental activities, while \$40.4 million represented an increase to the net assets of the business-type activities. The General Fund, the chief operating fund of the County, reported a fund balance of \$112.5 million as of September 30, 2003. This amount reflects an increase of \$17.9 million in General Fund balance as a result of Fiscal Year 2003 activities.

Oakland County's MD&A, which provides a more detailed discussion of the County's Fiscal Year 2003 financial performance, can be found immediately following the report of the independent auditors.

PROFILE OF OAKLAND COUNTY

Incorporated on March 28, 1820, Oakland County covers approximately 900 square miles, immediately north of the City of Detroit and Wayne County, in Southeast Michigan. With a population of 1,194,156 (2000 Census) and the County seat in Pontiac, Oakland County is home to a mix of urban and rural communities, encompassing 61 cities, villages and townships, including thirty downtown areas and many scenic natural settings, providing a high quality of life for any lifestyle. Countless outdoor recreation opportunities are available, including five ski areas, 27 public fishing sites, 52 public golf courses and 27 private golf courses (more golf holes per capita than any other county in the nation), more than 1,450 lakes and approximately 89,000 acres of public recreation land. Art, entertainment and sports venues include DTE Energy and Meadowbrook outdoor music theaters, Meadowbrook Hall, the Pontiac Silverdome, the Palace of Auburn Hills – home of the Detroit Pistons, Cranbrook Institute, and the Detroit Zoological Park. Major shopping venues include Great Lakes Crossing, Somerset Collection, as well as Northland, Oakland, Summit Place and Twelve Oaks Malls. Medical facilities include 16 hospitals with almost 4,100 beds. In terms of per capita income, Oakland County ranks as the fourth wealthiest county in the nation among counties with populations of more than one million people. The average 2003 property tax rate is \$39.46 per thousand taxable value, which is distributed to the following taxing authorities:

Local School Districts	33.1 %
Cities, Villages, Townships	28.5 %
State Education Tax	13.9 %
County Education Tax	10.6 %
Intermediate School District	8.6 %
Community College	4.1 %
Parks and Recreation	1.2 %
Total	<u>100.0 %</u>

ORGANIZATION STRUCTURE

Oakland County has a budget of \$590.3 million (fiscal year 2004), for all funds, and operates under the authority of Michigan Public Act 139 of 1973, the Unified Form of County Government Act, approved by the electorate in 1974. An elected County Executive is responsible for the management of County affairs as specified under Public Act 139.

The Treasurer, Clerk/Register of Deeds, Prosecutor, and Sheriff are offices established by the State's constitution. A Drain Commissioner was established as an elected position in 1909 and currently operates under Public Act 40 of 1956, the Uniform Drain Code. These offices, including the County Executive, are countywide elected with four-year terms. The Treasurer is responsible for collection of delinquent taxes, settlements with local units, cash management and investments; the Clerk/Register of Deeds is responsible for recording vital statistics, maintaining court records, Board of Commissioner proceedings, and documents affecting property ownership; the Sheriff and Prosecutor are responsible for law enforcement; and the Drain Commissioner is responsible for construction and maintenance of drains, lake level control, and sewer interceptors.

The Oakland County Courts consist of the Sixth Judicial Circuit (including Family Division), Probate and 52nd District Courts. The Circuit Court, with nineteen (19) judges, has jurisdiction over criminal cases where the minimum penalty is over one year incarceration, civil damage cases where the claim exceeds \$25,000, and domestic relation matters. The Probate Court, with four (4) judges, is responsible for estates and mental health matters. The 52nd District Court, with eleven (11) judges, has jurisdiction over misdemeanors, ordinance and charter violations, civil cases under \$25,000, and preliminary examinations in felony cases.

The Board of Commissioners is comprised of 25 members elected to two-year terms by their respective districts and serves as the legislative body responsible for establishing policy and appropriating funds.

A three-member Road Commission, established under Public Act 283 of 1909 and appointed by the County's Board of Commissioners, is responsible for approximately 2,600 miles of roads, and its \$100 million dollar budget is funded principally by the State-collected vehicle fuel and registration taxes under Public Act 51 of 1951. Other sources of funds are provided by federal and local governments and proceeds from the sale of bonds. The Road Commission is not subject to the Board of Commissioners' appropriation process and, therefore, is reflected as a discretely presented component unit in the County's Comprehensive Annual Financial Report (CAFR), as required by GASB Statement Number 14, *The Financial Reporting Entity*.

A twelve-member Community Mental Health Authority, created under an agreement (Miscellaneous Resolution #98215; effective January 1, 1999) authorized by Section 205 of the Michigan Mental Health Code, as amended by Public Act 290 of 1995, is responsible for providing services related to mental health needs of Oakland County residents. The Authority's activities are funded through federal grants, state allocations, County appropriations, service fees, and local gifts and grants. The Authority's financial information is reflected in the County's CAFR as a discretely presented component unit, as required by GASB Statement Number 14.

County of Oakland

Letter of Transmittal

A three-member Drain Board as authorized by Michigan Public Act 40 of 1956, consists of the Oakland County Drain Commissioner, Chairperson of the County Board of Commissioners, and the Chairperson of the County Board of Commissioner's Finance Committee. This board is responsible for the construction and maintenance of drainage districts created under Chapter 20 of Act 40 and funding is provided by assessments against the benefiting municipalities. Debt issued is backed by the full faith and credit of Oakland County.

A ten-member commission, appointed by the Board of Commissioners, is responsible for Parks and Recreation, which acquires, develops, maintains and operates eleven (11) parks that provide camping, golf, swimming and a variety of other recreational activities. Parks and Recreation is supported, in part, by a separately voted ¼-mill tax levy and its activity is blended into the County's CAFR due to the specific agency relationship established by State statute, as required by GASB Statement Number 14.

Oakland County is an active partner in numerous economic development and quality of life initiatives for County residents. This includes human services in the form of public health, child care, skilled nursing care and resident hospitalization; community and economic development and planning; public safety; public records; public works, such as water and sewer; airports; and a wide range of other services, such as Michigan State University Cooperative Extension, animal control, work force development, veterans' services and senior programs. All of these activities are supported by administrative services, central services and information technology.

FINANCIAL PRACTICES

Long-Term Financial Planning/Budgeting

Oakland County maintains a focus on long-term financial planning. As described below, the County operates under a two-year rolling budget, which allows for continuously planning at least two fiscal years into the future. Such a process allowed the County to anticipate current financial challenges and take appropriate action quickly enough to respond to major budgetary fluctuations.

Under the provisions of the Uniform Budget Act for Local Units of Government (PA 621 of 1978), the Biennial Budget and General Appropriations Act (GAA) serves as the foundation for Oakland County's financial planning and control. The County's fiscal year begins October 1st and ends September 30th each year. All agencies of Oakland County are required to submit requests for appropriation and revenue estimates to the Fiscal Officer on an annual basis. The Department of Management and Budget, on behalf of the County Executive, uses this information as a starting point for developing a recommended biennial financial plan and work program, which in turn is submitted to the Board of Commissioners by July 1st each year. The Board of Commissioners is required to hold public hearings on the proposed budget and adopt the final budget and General Appropriations Act for the ensuing fiscal year no later than September 30th, the close of the current fiscal year.

County of Oakland

Letter of Transmittal

The appropriated budget is prepared by fund, function (e.g., Administration of Justice), and department (e.g., Circuit Court). Control categories are established at the department level for Personnel related expenditures (e.g., salaries, overtime, fringe benefits), Controllable Operating Expenditures (e.g., contractual services and commodities), and Non-controllable Expenditures (e.g., Internal Service charges for printing, motor pool, and office space). Departments may exceed individual line item appropriations (e.g., professional services, office supplies, etc.) within the aforementioned categories provided the Control Category is not overspent. Budget amendments providing additional spending authorization are required to be made by action of the Board of Commissioners, upon recommendation of the County Executive. In accordance with PA 139 of 1973, the County Executive is required to report the current financial condition of the County to the Board of Commissioners on a quarterly basis. These quarterly reports are prepared by the Fiscal Services Division of the Department of Management and Budget and presented to the Board of Commissioners' Finance Committee. The County Executive has traditionally exceeded this requirement by not only reporting the current financial condition of the County each quarter, but has also provided a quarterly forecast of the projected financial condition of the County at the close of the current fiscal year.

The biennial budget is considered a "rolling" budget in that when it is amended, the amendment reflects the impact for both the remainder of the current fiscal year the entire next fiscal year. As stated previously, financial forecast reports are presented to the Board of Commissioners on a quarterly basis. These reports include a comparison of the amended budget to the forecasted amounts and explanations for major variances. Any recommended budget amendments are presented at that time and individual departments may be called to appear before the Finance Committee during this process. This process means the budget remains current throughout the year and that actual expenditures are continually monitored, compared to the budget, and reported to the Board of Commissioners.

The County also maintains a strong position control and position budgeting system and adheres to the practice of budgeting for full employment. Salary and fringe benefit appropriations are tied to specific authorized positions. Should vacancies occur or positions filled at a level lower than authorized, the resulting favorable variance falls to fund balance.

Because of Oakland County's conservative approach in budgeting and forecasting, there is, typically, a favorable budget variance at year-end. This has contributed to the increase in fund balance over the past several years.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 100-107 of this document. The Public Health Fund, a major special revenue fund, is presented on page 107, and the non-major special revenue funds with appropriated annual budgets are presented in the Special Revenue Fund Type subsection beginning on page 110.

County of Oakland

Letter of Transmittal

Capital Improvement Program and the Delinquent Tax Revolving Fund – Fiscal Responsibility Plan

The Fiscal Responsibility Plan for the Delinquent Tax Revolving Fund (DTRF) was initiated by the Oakland County Executive and approved by the Board of Commissioners in 2001. The purpose of the plan is to prudently use the surplus in the DTRF without jeopardizing its primary mission.

The DTRF was established in 1974 to help stabilize local revenues by paying the local taxing units 100% of their respective shares of delinquent ad valorem real property taxes in anticipation of the collection of those taxes by the County Treasurer. The County funds the DTRF by borrowing money and issuing revolving fund notes. Payment of the notes is made from the proceeds of delinquent tax collections. Once the notes are paid in full, any surplus in the fund may be transferred to the County general fund by appropriate action of the Board of Commissioners. Oakland County's DTRF has consistently provided its local units of government with a stable revenue stream while also generating a surplus. Responsible use of this surplus is the purpose of the Fiscal Responsibility Plan.

Oakland County has adopted a strict policy for accessing funds from the DTRF. Any appropriations from unrestricted DTRF funds, except penalties and investment interest, are limited to one-time expenditures. Further, the use of these funds for one-time expenditures requires a two-thirds approval by the Board of Commissioners. DTRF funds are not used to fund recurring operations. As a result of Oakland's DTRF utilization policy, the corpus of the DTRF continues to be available not only to protect the revenue stream for the local units of government but also to generate interest earnings that, prudently managed, can be utilized in lieu of new taxes as a funding source for necessary capital projects.

The net assets in the DTRF as of September 30, 2003, are approximately \$195.5 million. One of the principles of the Fiscal Responsibility Plan is to maintain a sufficient corpus in the fund to guarantee timely payment of outstanding notes. However, current net assets are significantly in excess of the amount required to pay outstanding notes on delinquent taxes. The goal of the plan is to increase utilization of the DTRF by using the fund to pay debt service on major Board-approved capital projects that will house essential public services. There are four major projects currently identified with a combined estimated capital outlay of \$53 million to be funded with bond issues. The Fiscal Responsibility Plan utilizes fund balance in the DTRF for debt service over a 20-year period for each of these projects. Funding will be transferred from the DTRF to the General Fund on an annual basis to provide for debt service payments. It is estimated that \$15.7 million in savings will be achieved over the term of the proposed bond issues. The savings result from the DTRF continuing to earn interest on the cash maintained in that fund at a rate more than the bond rate. The projected fund balance in the DTRF at the conclusion of debt service in FY 2022 should remain at current levels, approximately \$192 million.

The law demands the purpose of the DTRF not be jeopardized, which is to regularly pay local taxing units within the County 100% of their respective share of delinquent ad valorem real property taxes prior to the collection of those taxes by the County Treasurer. The goal is to maintain a sufficient corpus in the DTRF to meet this primary purpose and to prudently utilize any surplus in excess of this baseline amount.

A fully solvent, prudently managed DTRF is a significant reason for Wall Street's favorable opinion of Oakland County. Wall Street's support, as evidenced by its award of an AAA bond rating, allows the County to issue debt at the lowest possible interest cost. An irresponsible raid on the DTRF and its inevitable resultant downgrade of the County's favorable bond rating would have costly, detrimental long-term consequences for both the County and its political subdivisions.

County of Oakland

Letter of Transmittal

Debt Administration

With the exception of the annual issuance of limited taxing authority notes related to delinquent tax receivables, Oakland County's practice is to only issue debt for the purchase and/or construction of long-lived assets. Further, the issuance of debt is undertaken only after it is determined to be fiscally advantageous to do so, as opposed to use of current resources or fund balance. Oakland County's debt administration practice has been codified in a Debt Management Policy approved by the Board of Commissioners in January 2004.

During fiscal year 2003, Oakland County issued \$7.6 million in new limited taxing authority bonds for the purchase of the Oakland Intermediate School District building and \$2.8 million in advanced refunding bonds. In addition, the County maintained a AAA bond rating from Standard and Poors, Fitch Investors, and from Moody's Investors Services, Inc. A more detailed discussion of Oakland County's long-term debt can be found in the Management's Discussion and Analysis, as well as Note #8 to the financial statements.

Cash Management Policies and Practices

The County Treasurer invests cash temporarily idle during the year. Investments, except those of the Retirement Systems and Deferred Compensation Plan, are administered by the Treasurer in compliance with the provisions of Public Act 20 of 1943, as amended. Significant policies include:

- Investments of the County are held in the County's name;
- Investments are in U.S. Treasury obligations, banker's acceptances, certificates of deposit, and commercial paper top rated by not less than two of the four rating services: Standard and Poors, Moody's Investors Services, Fitch Investors Services Incorporated, and Duff and Phelps;
- Only federal and state-chartered banks and savings institutions, which are members of FDIC, are utilized;
- State law requires the use of in-state banks;
- The County maintains a cash and investment pool that is available for use by all funds except fiduciary funds;
- Pension investments are made in accordance with Public Act 55 of 1982, as amended, and are limited to investments of no more than 65 percent in equity securities. No investments, loans, or leases are made with parties related to the pension plan.
- Investment income is allocated to all funds based on the respective share of their average daily balances. In some cases the share of investment income of specific funds is credited to the General Fund and used to fund overall County operations.

Additional information on Oakland County's investments can be found in Note #3 to the financial statements.

Pension and Other Post Employment Benefits

Realizing its employees are its most valuable resource, Oakland County established two pension plans. The first plan is the Defined Benefit Pension Program, referred to as the County's Public Employees' Retirement System (PERS). The second plan is the Defined Contribution Pension Program, referred to as the Oakland Performance Retirement System (OPRS), which qualifies under Internal Revenue Code section 401(a). Individuals employed on July 1, 1994 had a one-time choice to belong either to the PERS or the OPRS. All eligible individuals employed since July 1, 1994 are enrolled in the OPRS. In addition, the County established a Voluntary Employee Benefits Association (VEBA), to cover other post employment benefits.

County of Oakland

Letter of Transmittal

It is worthy to note, the PERS is fully funded, and since there have been no new Plan members enrolled since July 1, 1994, there have been no contributions from County funds since FY 1999. Also due to the voluntary shifting of 936 employees from the PERS to OPRS, and the fact that all newly hired employees participate in the OPRS, the OPRS has resulted in a savings of \$21.4 million since inception of the program without jeopardizing the retirement security of valued employees.

A more detailed discussion of Oakland County's pension and VEBA performance may be found in the Notes #12, 13, and 14 to the financial statements.

FACTORS AFFECTING THE FINANCIAL CONDITIONS OF THE COUNTY

The information presented in the financial statements provides the user with a clear view of the financial position of Oakland County as of September 30, 2003. The financial position of the County may be best understood, however, when it is considered from the broader perspective of the specific environment within which Oakland County currently operates, how that environment is changing, and how the County administrative and policy leaders are responding to these changes.

Economic Condition of Oakland County – Areas of Strength

Despite a general downturn in the national and state economy, Oakland County's economic base remains relatively strong. The market value of property in Oakland County, for 2003, is approximately \$134 billion, the highest value of all 83 counties in Michigan. While Oakland County's population represents approximately 10 percent of Michigan's total population, its property value represents approximately 19 percent of the state's total property value. The growth in market value of property in Oakland County was over \$8.5 billion from 2002 to 2003. This growth alone exceeds the total tax base of 77 of the 83 Michigan counties in the year 2000. The majority of Oakland County's taxable value is within the residential class of property, which is approximately 69 percent of the total property tax base. From 1997 to 2002, average price of a single family home also increased by 49 percent in the same timeframe, from \$159,900 to \$238,500.

In addition, between 1990 and 2002, County employment grew approximately 82 percent faster than the State of Michigan as a whole. Private sector job growth was 24.8 percent. Oakland is the number one job-producing County in Michigan, accounting for 30 percent of all new jobs last decade. In 2003, Oakland County's unemployment rate increased, as it did in every major labor market in Michigan. However, Oakland's September unemployment rate of 5.0 percent remains lower than Michigan's 6.8 percent and the nation's 5.8 percent rate.

Business growth also accelerated at the same pace as job growth. From 1992 to 2001, the number of businesses in the County rose by 27 percent to 42,000 with a total annual payroll increasing by 99.1 percent to \$33.5 billion. Oakland County's attractive business climate and dynamic economic development programs (see Major Initiatives) have been a contributing factor in this growth. Oakland County is the leading center in the state for international commercial activity with 648 companies representing 24 countries. Of the foreign-owned firms in southeast Michigan, 58 percent are located in Oakland County.

The year 2003 was the sixth consecutive year Oakland County led the state with new plants and expansions with 162 projects. Twenty-eight large scale construction projects began in 2003 represented an investment of \$182 million in Oakland County, along with the creation of 1,700 new jobs and the retention of more than 1,000 other jobs.

County of Oakland

Letter of Transmittal

Oakland County's per capita income of \$46,300 is the highest among Michigan's 83 counties and is ranked 29th out of 3,110 counties nationwide. In fact, its per capita income is more than 50 percent greater than both the nation (\$30,400) and the state (\$29,600).

Oakland County's relative financial strength, along with prudent financial practices, has had a positive impact on Oakland County's fund balances, particularly the General Fund. For the fiscal year ended September 30, 2003, Oakland County's total General Fund balance is \$112,510,127 of which all but \$482,968 is reserved, designated, or otherwise earmarked for specific purposes. The total fund balance in the General Fund at the end of fiscal year 2003 represents 31 percent of the General Fund/General Purpose Adopted Budget for fiscal year 2004. However, it should be noted \$50.9 million of earmarked funds reflects one-quarter of the calendar year 2003 property tax collections, set aside to fund the first quarter of fiscal year 2004. This action accounts for the timing of collections, as clarified by Governmental Accounting Standards Board Statement No. 33. In addition, \$12.6 million of earmarked funds represent savings resulting from accelerated expenditure reductions during fiscal year 2003. These accelerated savings were placed into a "budget transition" balance. After accounting for the property tax set-aside, which is simply a result of fiscal year timing, and the budget transition balance, which reflected specific actions to build fund balance, the remaining amount in General Fund balance at the end of fiscal year 2003 represents 14 percent of the fiscal year 2004 General Fund/General Purpose Adopted Budget. This is still within the 5 to 15 percent acceptable range recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Such a level of General Fund balance is an indicator of a strong financial position.

The financial community has acknowledged the County's solid tax base and financial policies in recent years. The County earned the highest bond rating achievable, AAA, from Standard and Poors, Fitch Investor Services and Moody's Investor Services, Incorporated. On December 11, 2003, Moody's wrote the following appraisal as they reaffirmed the County's AAA bond rating:

"Moody's Investors Services believes that the county's financial situation will remain strong given the current fund reserves...the county's sound financial management is further evident in the proactive measures it has taken to address the challenges for the county's 2004 budget."

Out of more than 3,000 counties in the United States, less than 20 enjoy the distinction of a AAA bond rating. The AAA bond rating allows the County to borrow at the lowest possible interest rate, saving the County taxpayers millions of dollars in future borrowing costs

Financial Concerns

Oakland County government remains fiscally strong. However financial concerns, primarily brought about by actions of the state and a slowing economy, raise challenges to which the county must respond.

The State of Michigan continues to face budget difficulties, which ultimately result in reduced state payments to local governments, including Oakland County. Since December 2002 the state on five separate occasions, either through an executive order issued by the governor, or through legislative action with the annual budget, has been forced to reduce their level of spending and/or increase taxes and fees. Of particular concern to local units of government in Michigan is the \$482 million in revenue sharing cuts since 2001. Oakland County's 2004 revenue sharing estimate is \$6 million, or 23% less than the original 2001 estimate. In addition, the state reduced other specific programs and operations and, in some cases, shifted program burdens down to the local level, without shifting adequate resources to cover program cost.

County of Oakland

Letter of Transmittal

Yet, these attempts to rectify the state budget situation have not resulted in a long-term budget solution. The state enters fiscal year 2005 with a reported \$1 billion deficit. Due to recent court decisions regarding property tax issues, that deficit could grow to \$1.5 billion. The Governor has recommended a number of actions to balance the fiscal year 2005 budget, some of which, if adopted, would have damaging impact on Michigan counties.

One state budget proposal calls for adjustments to the state sentencing guidelines for individuals convicted of certain crimes. These proposed adjustments would require counties to house prisoners typically sent to the state prison system. Preliminary estimates are the proposed guideline adjustments would add \$3 million to Oakland County corrections expenditures during Fiscal Year 2005.

Additional budget proposals include reductions or suspension of state revenue payments to local units of government, particularly counties. In fiscal year 2004 the state budgeted \$184 million for statutory revenue sharing payments to counties. Oakland County received approximately \$20 million. Because revenue sharing for counties is not constitutionally guaranteed, as is one-half of the revenue sharing paid to cities, villages and townships. Revenue sharing is vulnerable to reduction or elimination as the state attempts to balance its budget. Because of its long-range financial view, Oakland County is well aware of the potential reductions in state revenue sharing payments and is working to reduce its dependency on these payments for on-going operations. However with the significance of the states current budget difficulties, the possibility of massive revenue sharing reductions for fiscal year 2005 have increased.

In addition to how the state's budgetary difficulty affects Oakland County's financial condition, the general economic slowdown over the past two years has also impacted county resources. For example, although the county is still experiencing growth in its property tax base, the *level of growth* has slowed over the last two years. Although, Oakland County's taxable value grew a healthy 4.9% between the 2002 and 2003 assessment periods, this amount is a reduction from the 6.3% growth the previous year. Because property tax revenue makes up 46.6% of all governmental activity support, this reduced level of growth is noticeable.

On the positive side of the equation, the reduced level of growth in property tax value, along with lower inflationary pressure, will extend the point in time when the county will be forced to rollback its operating millage. Analysis completed in 2002 indicated the County operating millage rate of 4.19 mills may face a "rollback" as early as calendar year 2004, under the Headlee Constitutional Tax Limitation Amendment of 1978. However a recent analysis completed under the current level of growth places the estimated rollback period at 2006. Regardless of this "extension," prudent fiscal management requires that the County prepare for this eventuality.

The reduced level of investment income is another concern. Although the County Treasurer's investments returned at a rate higher than the T-bill yield curve, the average return fell to 1.23 percent by January 2004. This reduced return has lead to a reduction in annual investment income of \$2.2 million from fiscal year 2001 levels. Should the economy improve as some economists predict, along with the recent changes in the Treasurer's investment practices, the average yield return should increase in the future. However, the County must contend with reduced investment incomes for the near future.

Remaining county General Fund/General Purpose (GF/GP) revenues are projected to remain relatively flat through at least 2005. Current projections are that fiscal year 2006 GF/GP revenue will increase 3.7% over the current fiscal year 2005 budget plan.

County of Oakland

Letter of Transmittal

Unfortunately, while revenues continue to be flat, certain expenses continue to rise at rates higher than inflation. In particular, health care for both active employees, and retirees, continue to escalate at an alarming rate. Retiree health cost has especially spiraled, increasing by 14.4% from fiscal year 2002 to fiscal year 2003, with anticipated increases of 15.9% during fiscal year 2004 and 15.5% during fiscal year 2005. The County is proactive in addressing this issue, as discussed below.

County Response to Concerns

The County Government has faced a number of financial challenges over the past two years. However, because of its long-term financial planning, prudent management of capital projects and the use of alternative funding sources, sound cash and investment management, and solid pension and post-employment benefit planning along with the efforts of elected officials and employees, Oakland County has met the challenges and is in a position to ensure the long-term fiscal stability of Oakland County government and preserves its ability to provide necessary public services to its citizens.

Over the last two fiscal years, Oakland County government accomplished the following:

- The County Executive appointed a Budget Task Force, made up of the Deputy County Executives and their assistants (four individuals in total) to work closely with the Management and Budget and Personnel Directors while resolving the budget shortfall;
- Implemented the Incentive Program for Retirement, resulting in 227 employees electing to retire and 173 positions being eliminated, leading to \$8.3 million in salary savings;
- Instituted a freeze on travel, capital purchases, and non-24/7 hiring from August through December 2003, saving \$5.5 million and providing the county with budget flexibility in order to avoid future layoff of employees;
- Authorization was granted to departments to utilize the option of administrative leave time without pay for employees wishing to take time off under this provision. It is estimated this option will provide approximately \$600,000 in annual savings;
- Employee health care benefits were adjusted to use drug formularies on prescription, increase in certain co-pays and, for the first time, existing county employees were required to contribute to their health care premium cost. Anticipated savings from these actions are approximately \$2 million annually.

In total, 150 separate budget actions were taken over the last two fiscal years which resulted in \$33.7 million being reduced from planned GF/GP expenditures. In fact, a number of saving initiatives were accreted in fiscal year 2003, resulting in approximately \$12 million being placed in a Budget Transition Fund. This fund has been used to help balance the fiscal year 2004 and fiscal year 2005 budget, with \$4 million left to assist in future budget efforts.

MAJOR INITIATIVES

Despite the challenges listed above, Oakland County continues to explore opportunities to improve the quality of life for its citizens. Such improvement is obtained, not only through direct service provision, but also through strengthening the financial stability of county government, in order to provide those needed services. Initiatives, for example, that support community and economic development, provide jobs for county citizens which in turn improves the county's tax base. In particular, an initiative recently announced by the County Executive, entitled the *Emerging Sectors Project* is specifically meant to improve Oakland County's economic base in the future thus ensuring the quality of citizen life in Oakland County.

County of Oakland

Letter of Transmittal

The *Emerging Sectors Project* will focus on the identification of the top ten emerging and promising business sectors for the new economy of the 21st century that Oakland County might be able to cultivate into for future job growth and long lasting economic stability. During 2003 research was completed identifying those sectors. Research regarding the top companies in those sectors will continue in 2004. One hundred companies worldwide will be identified. Teams made up of public and private sector individuals will then call upon the identified companies in an effort to attract them to Oakland County.

In addition to the Emerging Sectors Project, other economic and community development projects in place in 2003 include:

Automation Alley – A consortium of high-tech companies launched to expand Oakland County's image as one of America's premier technology clusters. In 2003 the consortium finalized plans for a new technology center. The center will feature a display area where companies can introduce new products into the marketplace. Newer ventures will be able to tap the expertise of Automation Alley companies to solve technology and/or business management issues.

Oakland County Business Roundtable – This group, launched in 1993, capped off another productive year in 2003, providing a wide-range of ideas and recommendations to enhance Oakland County's strong business climate while protecting and preserving the unsurpassed quality of life. To date, 82% of all roundtable suggestions have been implemented. Michigan Governor Granholm stated on December 5, 2002, she viewed Oakland County as a model of how government can partner with the business community; a model she wished to replicate statewide.

Mainstreet Oakland County – In 2001, Oakland County became the first County in the United States, and so far the only county, accepted into the National Mainstreet Program, operated by the National Trust for Historical Preservation in Washington D.C. The purpose of the program is to revitalize downtown and traditional commercial areas. Since its inception in Oakland County, the program has generated over \$175 million in new public and private investment, assisted in the establishment of 242 new businesses, help create 1,561 new jobs, and assisted in generating 1.2 million square feet of new floor space.

The quality of life in Oakland County is also ensured by:

County / Community Bio-Terrorism Preparation – In 2003, Oakland County became the first county in Michigan to formally enter into a working relationship with the Michigan-One Disaster Medical Assistance Team, called DMAT, which is a component of the U.S. Department of Homeland Security. Through this agreement, the county has the authority to activate the 160 member DMAT team to respond to an emergency or disaster within the county's borders. In addition, through the joint efforts of the county and local cities, villages, and townships, there are now more than 200 full certified HazMat (hazardous material) technicians countywide, which is the most of any county in the state.

CLEMIS – The Courts and Law Enforcement Management Information System (CLEMIS), built by Oakland County, is the largest crime data-sharing network in the nation. The system currently includes the "live scan" fingerprint identification system as well as a web based mug shot system. By the summer of 2004, a state-of-the-art video arraignment system will be fully operational in all district courts in Oakland County. This system will minimize the transport of prisoners, mitigate law enforcement costs, and allow for the redeployment of more than 100 police officers back into the community, enhancing the safety of our citizens.

County of Oakland

Letter of Transmittal

COUNT YOUR STEPS – Rising health care cost is a continuing problem for the nation’s economy, both the private and public sectors. Oakland County government experienced a 33% spike in prescription drug cost last year. One of the leading causes of rising health care cost is obesity. Nearly over 300,000 Americans die each year from complications of obesity, such as heart disease, stroke, cancer and diabetes. Childhood obesity is a particular concern, approaching a national epidemic according to the United States Surgeon General.

In order to combat this epidemic, even in a small way, the County Executive has proposed the “Count Your Steps” program. Working with the private sector, \$250,000 has been raised to purchase pedometers. These pedometers will be given to 29,000 third and fourth grade students in Oakland County’s public and non-public schools to wear for a period of five weeks. Students will log their daily steps every night and submit that information to the County Health Department. The five top walkers in each class and the top performing class in each district will be awarded prizes in recognition of their achievement. The students will keep their logbooks for the remainder of the year, with contest winners receiving additional prizes.

“Count Your Steps” is intended to encourage students in Oakland County to become more physically active and develop a healthier lifestyle. These health lifestyles will not only reduce health care cost in the future, but also improve the quality of life for county citizens.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Oakland County for its comprehensive annual financial report (CAFR) for fiscal year ended September 30, 2002. This was the twelfth consecutive year Oakland County received this prestigious award. In order to be awarded the Certificate of Achievement, Oakland County is required to publish an easily readable and efficiently organized CAFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, Oakland County also received the GFOA’s Distinguished Budget Presentation Award for its biennial budget document dated October 1, 2002. This latest award is the ninth in a row. In order to qualify for the Distinguished Budget Presentation Award, Oakland County’s budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operation guide and a communications device. Oakland County was the first governmental entity in the State of Michigan to achieve this honor in 1984, the first year of the program.

County of Oakland Letter of Transmittal

Lastly, Oakland County is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). The fiscal year 2002 PAFR award was the County's sixth consecutive citation. Oakland County is one of two counties in the State of Michigan that holds all three of these awards simultaneously.

Acknowledgements:

The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services Division of the Department of Management and Budget. We would like to express our appreciation to all members of the division who assisted and contributed to the preparation of this report, particularly the Internal Audit Division. Credit must also be given to all Countywide elected officials, including the Sheriff, Prosecuting Attorney, Clerk/Register of Deeds, Treasurer, and Drain Commissioner, as well as the County Board of Commissioners, for their unflinching support for maintaining the highest standards of professionalism in the management of Oakland County's governmental finances.

Respectfully submitted,



L. Brooks Patterson
County Executive



Wm. Art Holdsworth
Deputy Director
Department of Management and Budget



Laurie M. Van Pelt, CPFO
Director, Department of Management and Budget



Timothy J. Soave, CPFO
Manager, Fiscal Services Division
Department of Management and Budget

COUNTY EXECUTIVE

L. Brooks Patterson

BOARD OF COMMISSIONERS

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Martin J. Knollenberg
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Tom Middleton
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Lawrence A. Obrecht

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Jeff Potter
Mike Rogers
John A. Scott
George W. Suarez
Peter Webster
Helaine Zack

OTHER ELECTED OFFICIALS

Clerk/Register of Deeds
G. William Caddell

Treasurer
Patrick M. Dohany

Drain Commissioner
John P. McCulloch

Prosecuting Attorney
David G. Goreyca

Sheriff
Michael J. Bouchard

Chief Circuit Judge
Joan E. Young

Chief Probate Judge
Linda S. Hallmark

Chief District Judge
Julie A. Nicholson

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Tom Middleton, Secretary
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J. David VanderVeen

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Tamara Van Wormer-Tazzia, Vice-Chairperson
James VanLeuven, Secretary
L. Brooks Patterson, County Executive
Patrick M. Dohany, County Treasurer

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Richard Skarritt, Vice-Chairperson
Fred Korzon, Secretary

Hugh D. Crawford
Vincent Gregory

John P. McCulloch
Lawrence A. Obrecht
John Richards

J. David VanderVeen
Suzette Vogt

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Rudy D. Lozano, Vice-Chairperson
Larry P. Crake, Commissioner

DRAIN BOARD

John P. McCulloch, Drain Commissioner
Thomas A. Law, Board Chairperson
Chuck Moss, Finance Committee Chairperson

Personnel as of October 2003

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Oakland County,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

II. Financial Section

The Financial Section contains:

- A. Independent Auditors' Report**
- B. Management's Discussion and Analysis**
- C. Basic Financial Statements**
- D. Notes to General Purpose Financial Statements**
- E. Required Supplementary Information**
- F. Combining and Individual Fund Financial Statements and Schedules – Non-Major Funds**

Report of Independent Auditors

The Board of Commissioners
Oakland County, Michigan

In our opinion, based on the audit and the report of other auditors, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oakland County, Michigan (the "County"), which collectively comprise the County's basic financial statements as listed in the table of contents, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County at September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. We also have audited the aggregate nonmajor governmental funds, the aggregate internal service fund, and the fiduciary fund types as of and for the year ended September 30, 2003, as displayed in the County's basic financial statements. These financial statements are the responsibility of the County's management; our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Component Units, the Road Commission, including the Road Commission Retirement System and the Community Mental Health Authority. The financial statements of the Road Commission reflect total assets of \$607,333,301 as of September 30, 2003 and total revenues of \$118,570,897 for the year then ended. The financial statements of the Community Mental Health Authority reflect total assets of \$26,460,847 as of September 30, 2003 and total revenues of \$210,538,003 for the year ended September 30, 2003. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Component Units, are based solely on the report of the other auditors. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinions.

In accordance with Government Auditing Standards, we have also issued our report dated March 19, 2004 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the required supplementary information other than management's discussion and analysis are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and supplemental information are presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the financial data presented in the introductory section and the statistical section, and, therefore, we express no opinion thereon.

PriceWaterhouseCoopers LLP

March 19, 2004

County of Oakland Management's Discussion and Analysis

The following is a discussion and analysis of Oakland County's (the County's) financial performance, providing an overview of the activities for the fiscal year ending September 30, 2003. This analysis should be read in conjunction with the transmittal letter, beginning on page 1 of this report, and with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

- In total, Oakland County improved its financial position during Fiscal Year 2003.
- Net assets increased by \$63.6 million to \$809 million (excluding component units).
- Governmental activities net assets increased by \$23.2 million to \$281.6 million.
- Business-type activity net assets increased \$40.4 million to \$527.3 million.

Fund Level

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balance of \$180.5 million, with all but \$10.2 million being reserved, designated, or otherwise earmarked for specific purposes.
- The fiscal year 2003 governmental funds combined ending fund balance reflects a decrease of \$11.7 million from the prior fiscal year governmental funds combined ending fund balance.
- This combined decrease, however, is made up of an *increase* in the General Fund ending balance of \$17.9 million, and a decrease of \$27.8 million in the ending fund balance from the non-major governmental funds.
- The increase in the General Fund balance was primarily due to improvement in operations and subsequent reduced expenditures in response to the impact the state government's budget problems had on local units of government.

Capital and Long-term Debt Activities

- The County issued \$10.3 million in new bonds during fiscal year 2003; \$7.7 million to purchase the Oakland Intermediate School District Building and \$2.8 million to advance refund water supply debt.
- The County paid off \$26.2 million in bonds during fiscal year 2003.
- The County is \$6.4 *billion* below its authorized debt limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the County consists of the following components: 1) Introductory Section which includes the *Transmittal Letter*; 2) Financial Section which includes the *Auditor's Report*, the *Management Discussion and Analysis*, the *Basic Financial Statements* (government-wide financial statements, fund financial statements, notes to the financial statements), *Required Supplementary Information* such as a budget to actual comparison for the General Fund, additional *Non-Required Information* including combining financial statements for all non-major governmental funds and proprietary funds; and 3) Statistical Section which provides a ten (10) year history on specific data regarding the County.

County of Oakland Management's Discussion and Analysis

Government-wide Financial Statements (Reporting the County as a Whole)

The set of *basic financial statements* includes the Statement of Net Assets and the Statement of Activities, which report information about the County as a whole, and about its activities. Their purpose is to assist in answering the question, is the County, in its entirety, better or worse off as a result of this fiscal year's activities? These statements, which include all non-fiduciary assets and liabilities, are reported on the *accrual basis of accounting*, similar to a private business. This means revenues are accounted for when they are *earned*, and expenses are accounted for when an *obligation* is incurred; regardless of when the actual cash is received or disbursed.

The Statement of Net Assets (pages 34 and 35) presents all the County's assets and liabilities, recording the difference between the two as "net assets". Over time, increases or decreases in net assets measure whether the County's financial position is improving or deteriorating.

The Statement of Activities (pages 36 and 37) presents information showing how the County's net assets changed during fiscal year 2003. All changes in net assets are reported based on the period for which the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave.

Both statements report the following activities:

- *Governmental Activities* – Most of the County's basic services are reported under this category. Taxes, charges for services, and intergovernmental revenue primarily fund these services. Most of the County's Executive departments, law enforcement, the courts, the Board of Commissioner operations, and other Countywide elected official operations are reported under these activities.
- *Business-type Activities* – These activities operate like private businesses. The County charges fees to recover the cost of the services provided. The Oakland County International Airport and the Medical Care Facility are examples of these activities.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the Board of Commissioners appoints a majority of the organization's policy board and there is a degree of financial accountability to the County. Three organizations are included as component units: the Community Mental Health Authority, the Road Commission for Oakland County, and the Drainage Districts.

As stated previously, the government-wide statements report on an *accrual* basis of accounting. However, the governmental funds report on a *modified accrual basis*. Under modified accrual accounting, revenues are recognized when they are available to pay obligations of the fiscal period, expenditures are recognized when they are due and able to be paid from available resources.

County of Oakland

Management's Discussion and Analysis

Because of the different basis of accounting between the fund statements (described below) and the government-wide statements, pages 40 and 43 present reconciliations between the two statement types. The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the government fund financial statements.
- Capital assets used in government activities (depreciation) are not reported on the government fund financial statements.
- Internal service funds are reported as governmental activities on the government-wide statements, but are reported as proprietary funds on the fund financial statements.
- Long-term contingencies, such as reserves for sick and annual leave (compensated absences), litigation, etc., appear as liabilities on the government-wide statements; however they will not appear on the fund statements unless current resources are used to pay a specific obligation.
- Bond proceeds are reported as liabilities on the government-wide statements, but are recorded as other revenue sources on the governmental fund financial statements.

In addition, it should be noted that the government-wide financial statements include the net value of the County's infrastructure assets such as roads on the county complex, parking lots, sidewalks, heating and water pipes, etc. These values are not included in the fund financial statements.

Fund Financial Statements (Reporting the County's Major Funds)

The fund financial statements, which begin on page 38, provide information on the County's significant (major) funds – not on the County as a whole. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar.

A fund is a fiscal and accounting entity with a self-balancing set of accounts that the County uses to keep track of specific sources of funding and spending for a particular purpose. State law or policy requires some separate funds, such as the Health Fund and Juvenile Maintenance Fund; other funds are required by bond or grant agreements, such as the Friend of the Court Fund. Funds are also utilized to track specific operations, these include the internal services funds (e.g. Motor Pool, Building and Liability Insurance, etc.) as well as enterprise funds such as the Airport and Parks and Recreation.

The *basic financial statements* only report major funds as defined by the Government Accounting Standards Board (GASB) and the State Department of Treasury. All other funds are classified as non-major funds. The County includes detailed information on its non-major funds in other sections of this report.

County of Oakland

Management's Discussion and Analysis

The County's funds are divided into three categories – governmental, proprietary, and fiduciary – and use different accounting approaches:

- **Governmental Funds** – Most of the County's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year, and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the County's programs. These funds are reported using the *modified accrual* basis of accounting as described above. Because this basis of accounting differs from the government-wide statements, additional information is provided reconciling the government fund statements to the government-wide statements.

Governmental funds include the *General Fund*, as well as *Special Revenue Funds* (use of fund balance is restricted), *Capital Projects Funds* (used to report major capital acquisitions and construction), *Debt Service Funds* (accounts for resources used to pay long-term debt principal and interest), and *Permanent Funds* (only investment earnings can be used to support County programs – please note that Oakland County had no permanent funds in fiscal year 2003).

- **Proprietary Funds** – Services, for which the County charges customers (whether outside the County structure or a County department) a fee, are generally reported in proprietary funds. Proprietary funds use the *accrual* basis of accounting used in the government-wide statements and by private business. There are two types of proprietary funds. *Enterprise funds* report activities that provide supplies and services to the general public. An example is the Oakland County International Airport. *Internal Service funds* report activities that provide supplies and services to the County's other operations, such as the Motor Pool fund. Internal Service funds are reported as governmental activities on the government-wide statements.
- **Fiduciary Funds** – The County acts as a trustee or fiduciary for its employee pension plans. It is also responsible for other assets that, because of trust arrangements, can only be used for the trust beneficiaries. The County's fiduciary activities are reported in separate statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets beginning on page 52. These funds, which include pension, VEBA, and agency funds are reported using the accrual basis of accounting. The government-wide statements *exclude* the fiduciary fund activities and balances because these assets are not available to the County to fund its operations.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements. The notes can be found beginning on page 56 of this report.

Required Supplementary Information

Following the basic financial statements is additional Required Supplementary Information (RSI) which further explains and supports the information in the financial statements. RSI includes a budgetary comparison schedule for the General Fund and the major governmental funds as well as pension trend data.

County of Oakland

Management's Discussion and Analysis

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together, by fund type, and are presented in single columns in the basic financial statements, but are not reported individually, as are the major funds, on the government-wide statements.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As previously stated, Oakland County's financial position improved during Fiscal Year 2003. The County's combined net assets increased by \$63.6 million over the course of this fiscal year's operations. The net assets of the governmental activities increased by \$23.2 million as a result of reorganizations and improved operations. The business type activities had an increase of \$40.4 million in net assets, which reflects an increase in total assets and a decrease in total liabilities.

Net Assets as of September 30 (in millions of dollars)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2003	2002	2003	2002	2003	2002
Current assets	\$ 337.4	\$ 344.8	\$ 373.0	\$ 335.8	\$ 710.4	\$ 680.6
Capital and other long-term assets	239.5	241.4	202.5	216.9	442.0	458.3
Total assets	<u>576.9</u>	<u>586.2</u>	<u>575.5</u>	<u>552.7</u>	<u>1,152.4</u>	<u>1,138.9</u>
Current liabilities	82.4	98.8	48.1	65.7	130.5	164.5
Noncurrent liabilities	212.9	229.0	-	-	212.9	229.0
Total liabilities	<u>295.3</u>	<u>327.8</u>	<u>48.1</u>	<u>65.7</u>	<u>343.4</u>	<u>393.5</u>
Net assets						
Invested in capital assets						
Less: Related debt	58.6	21.6	198.9	179.6	257.5	201.2
Restricted	28.5	55.8	20.3	27.0	48.8	82.8
Unrestricted	<u>194.5</u>	<u>181.0</u>	<u>308.2</u>	<u>280.4</u>	<u>502.7</u>	<u>461.4</u>
Total net assets	<u>\$ 281.6</u>	<u>\$ 258.4</u>	<u>\$ 527.4</u>	<u>\$ 487.0</u>	<u>\$ 809.0</u>	<u>\$ 745.4</u>

County of Oakland

Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the County's net assets changed during the fiscal year:

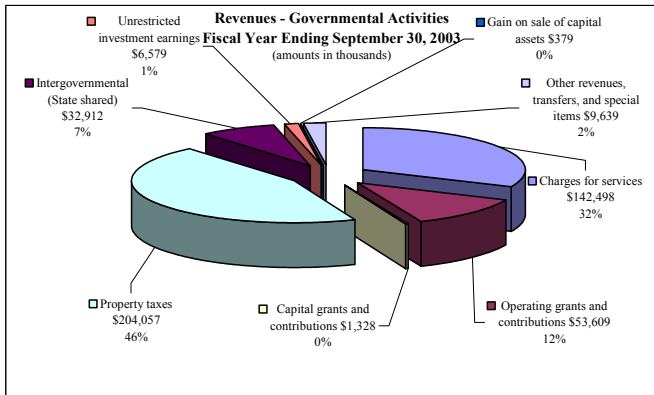
Changes in Net Assets
For the Fiscal Year Ending September 30
(in millions of dollars)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2003	2002	2003	2002	2003	2002
Revenues						
Program Revenues						
Charges for services	\$ 142.5	\$ 131.6	\$ 158.8	\$ 152.1	\$ 301.3	\$ 283.7
Grants and contributions	54.9	58.3	24.0	1.7	78.9	60.0
General Revenues						
Property taxes	204.1	192.3	12.2	11.0	216.3	203.3
Intergovernmental revenue	32.9	35.1	-	-	32.9	35.1
Investment earnings	6.6	7.9	5.3	6.7	11.9	14.6
Other revenue	-	2.9	3.9	.5	3.9	3.4
Gain on sale of assets	.4	.6	-	-	.4	.6
Total revenues	<u>441.4</u>	<u>428.7</u>	<u>204.2</u>	<u>172.0</u>	<u>645.6</u>	<u>600.7</u>
Expenses						
Public safety	151.6	144.5	9.3	9.2	160.9	153.7
Justice administration	81.4	79.9	-	-	81.4	79.9
Citizen services	76.6	78.0	16.7	15.7	93.3	93.7
Public works	18.9	15.3	106.8	108.8	125.7	124.1
Recreation and leisure	2.8	3.0	17.0	16.7	19.8	19.7
Commerce and community development	54.2	44.6	-	-	54.2	44.6
General government	32.8	36.5	1.4	1.9	34.2	38.4
Interest and debt service	6.7	6.6	-	-	6.7	6.6
Unallocated depreciation	2.8	1.0	-	-	2.8	1.0
Total expenses	<u>427.8</u>	<u>409.4</u>	<u>151.2</u>	<u>152.3</u>	<u>579.0</u>	<u>561.7</u>
Excess (deficiency) before contributions and transfers	13.6	19.3	53.0	19.7	66.6	39.0
Other financing uses	(3.0)	-	-	-	(3.0)	-
Transfers	12.6	(67.4)	(12.6)	55.6	-	(11.8)
Increase (decrease) in net assets	23.2	(48.1)	40.4	75.3	63.6	27.2
Net assets						
Beginning (restated)	258.4	306.5	487.0	411.7	745.4	718.2
Ending	<u>\$ 281.6</u>	<u>\$ 258.4</u>	<u>\$ 527.4</u>	<u>\$ 487.0</u>	<u>\$ 809.0</u>	<u>\$ 745.4</u>

County of Oakland Management's Discussion and Analysis

Governmental Activities

The following charts depicts revenues of the governmental activities for the fiscal year:



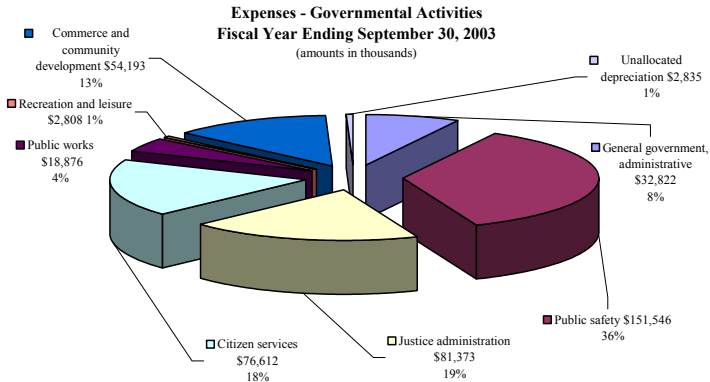
In total, fiscal year 2003 governmental activities revenue collections increased by \$9.7 million from fiscal year 2002. This net increase reflects increases in the two largest revenue sources and decreases in five other revenue types. Property tax revenue, which is not assigned to any particular activity, remains the largest source of support for governmental activities at 46.6%. The \$204.1 million collected in fiscal year 2003 is \$11.8 million higher than the fiscal year 2002 collection. This increase is related to a 4.9% increase in state taxable value of property within Oakland County. Of the 4.9% increase, 1.5% reflected consumer price index adjustment on existing property, 2.8% represents new construction, and .6% reflects adjustments to taxable value due to a sale of property (commonly known as pop-ups). The County's operating millage rate of 4.19 mills remains the third lowest county millage rate in the state.

Charge for services, which reimburses the County for specific activities, is the second largest source of governmental activity revenue at 32.5%. The \$142.5 million collected in fiscal year 2003 represents a \$10.9 million increase from the previous fiscal year. This increase was primarily generated by built-in adjustments for patrol services rates applied to communities under contract with the Sheriff Office, and aggressive charging for inmate housing. These two sources make up \$41.2 million of the \$142.5 million in total charges for revenue. Clerk/Register of Deeds filing fees, particularly related to mortgage refinancing activity, also experienced an increase related to activity. Over 75 percent of the governmental activities are supported by property taxes and charge for services.

County of Oakland Management's Discussion and Analysis

Governmental activities experienced reduced revenue from grants and contributions (\$3.4 million) and intergovernmental revenue (\$2.2 million). The primary reason for these reductions was state budget difficulties translating into state spending reductions to local units of government. Investment income earned \$1.3 million less than the previous fiscal year, reflecting poor interest rate performance. In addition, "other revenue" reported as a net \$3 million loss. Built into this amount is a special item, a \$6 million write off of construction in progress. The write-off reflects software cost involved in the justice information management system implementation.

The following charts depicts expenses of the governmental activities for the fiscal year:



Governmental activity fiscal year expenditures increased by \$18.4 million over the fiscal year 2002 expenditure level. Public Safety continued to be the largest governmental activity, expending \$151.6 million of the \$427.8 million total (36%). Expenditures increased by \$7.1 million primarily as a result of new homeland security measures. Closely linked to Public Safety, Justice Administration is the second largest category at \$81.4 million (19%). The increase in fiscal year 2003 Justice Administration activities was only \$1.5 million from fiscal year 2002. These two categories account for over 50% of the expenditures in governmental activities.

Citizen Services, which includes the public health activities and the care of children who have been declared wards of the Oakland County Circuit Court – Family Division, as well as other activities, is the third largest governmental activity at \$76.6 million (18%). Commerce and community development experienced a \$9.6 million increase, the largest of the activity areas. The increase expenditures reflects additional emphasis on attracting business and trade to Oakland County, as well as increased expenditures for environmental protection related to the handling of hazardous materials.

County of Oakland

Management's Discussion and Analysis

The result of fiscal year 2003 governmental activity was an increase of \$23.2 million in net assets, to \$281.6 million. Of the total governmental activities' net assets, \$58.6 million is invested in fixed assets less related debt, \$28.5 million is reported as restricted, meaning these assets are legally committed for a specific purpose through statute or by another authority outside the County government. The balance of \$194.5 million is listed as unrestricted, having no legal commitment. However, it should be noted that included in total unrestricted amount is \$50.9 million, reflecting one-quarter of the December 2002 property tax collection, which supports calendar year 2003 activities. Because the County's fiscal year begins in October, one-quarter of the annual collection is designated, per M.R. #03159 adopted by the county Board of Commissioners, in the General Fund to support the final three months of calendar year 2003, which is also the first three months of fiscal year 2004.

Business-type Activities

As previously stated, net assets in business-type activities increased by \$40.4 million during Fiscal Year 2003. Overall program revenues increased by \$2.2 million in fiscal year 2003 above the fiscal year 2002 amount. Of this increase, \$22.3 million reflected increased grants and contributions related to capital contributions. Business-type activity expenses remained relatively flat during fiscal year, recording \$1.1 million less expenses than fiscal year 2002 (.72%).

Of the total \$527.4 million of net assets in the business type activities, \$199 million is reported as invested in capital assets less related debt, \$20 million has been restricted for use by legal commitments, and \$308.1 million is reported as unrestricted. However, it is important to note that although reported as unrestricted, many of these assets have been reserved through Board of Commissioners resolutions to be spent on specific activities.

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

As the County completed fiscal year 2003, its governmental funds reported *combined* fund balances of \$180.5 million. This figure reflects a decrease of \$11.7 million from the combined fund balances reported at the end of fiscal year 2002. This overall decrease in governmental fund balance reflects the net result of two particular situations. As discussed below, the General Fund fund balance increased by \$17.9 million during fiscal year 2003. The General Fund increase was offset by a decrease in the non-major governmental funds balance of \$27.8 million. Virtually the entire amount of non-major governmental fund balance decrease reflects the planned use of bond proceeds and other assets to pay construction cost on three capital projects funds: the Project Work Order Fund (\$9.1 million), the 52/3 District Court / Sheriff Substation Fund (\$8.6 million), and the Work Release / Jail Management / Video Conferencing Fund (\$7.7 million). Of the total combined fund balance, \$91.3 million, or 47.5 percent constitutes unreserved fund balance.

General Fund

The General Fund is the chief operating fund of the County. Unless otherwise required by statute, contractual agreement or policy, all County revenues and expenditures are recorded in the General Fund. As of September 30, 2003, the General Fund reported a fund balance of \$112.5 million. This amount reflects an increase of \$17.9 million from the fund balance of September 30, 2002. Of the total fund balance, all but \$482,968 is reserved, designated or earmarked for specific purposes. These designations include the \$50.9 million in property taxes discussed above.

County of Oakland Management's Discussion and Analysis

The General Fund fiscal year 2003 revenues exceeded fiscal year 2003 expenditures by \$67.2 million. However, the General Fund also supports the operations of other funds including the Health Fund, non-major governmental funds (primarily grants) as well as a required match of \$9.6 million for Community Mental Health Authority operations. When these transfers are taken into account, the General Fund balance as of September 30, 2003 was \$17.9 million more than the fund balance as of September 30, 2002. (For detailed information regarding transfers between funds, please refer to note 9 to the financial statements).

The increase in General Fund balance is a result of specific measures taken to reduce expenditures during fiscal year 2003 in response to reduction in state shared revenues and state supported programs. The Oakland County Executive, in cooperation with the Board of Commissioners and other countywide elected officials, implemented several initiatives, which resulted in decreased General Fund expenditures. These initiatives included a hiring freeze and an Incentive Program for Early Retirement resulting in the elimination of 173 authorized positions which were either directly or indirectly funded by the General Fund.

General Fund Budgetary Highlights

Oakland County's budget is a dynamic document. Although adopted in September (prior to the start of the fiscal year), the budget is frequently amended during the course of the fiscal year to reflect changing operational demands.

The General Fund revenue budget was increased by \$15.6 million during fiscal year 2003, from \$338.4 million to \$344.0 million (4.75 percent). A majority of the amendments (\$10.9 million) reflected use of General Fund balance to support one time projects including building and campus security enhancements, automated record systems for the Clerk/Register of Deeds and the Drain Commissioner, and introduction of a "thin client" computing solution. Additional amendments reflected increased charges for service (fees) reflecting increased mortgage refinancing activity in the Clerk/ Register of Deeds (\$2.1 million), and additional law enforcement patrol contracts under the Sheriff's Department (\$.9 million).

Total General Fund revenue equaled \$334.8 million, \$9.2 million below the final amended budget. Included in the final amended budget figure, however, is \$15.4 million in anticipated revenue reflecting the planned use of General Fund balance. Because standard accounting practice makes no provision for the actual transfer of cash (the General Fund cannot pay itself), the use of fund balance appears as a revenue shortfall. When removing the use of General Fund balance from the calculations, General Fund revenue for fiscal year 2003 actually exceeded the final amended budget by \$6.2 million.

Three areas experienced significant revenue variances: Clerk/Register of Deeds revenue exceeded the final amended budget by \$7.3 million, reflecting increased fees for mortgage refinancing activity; Intergovernmental revenues exceeded the final amended budget by \$2.4 million reflecting conservative budgeting due to the uncertainty of state revenues; and investment income was \$3.8 million below the final amended budget due to lower rates of interest.

The County's expenditure budget was increased by \$21.9 million (8 percent above the original budget) during fiscal year 2003. Of this total, \$13.1 million reflects an accounting change to budget payments to two component units, Oakland County Community Mental Health Authority (\$9.6 million) and the Road Commission for Oakland County (\$3.5 million), as expenditures rather than transfers. Some of the remaining amendments include \$5.3 million in budgeted use of General Fund balance and encumbrances, and \$1.6 million to support expansion of law enforcement and homeland security programs.

County of Oakland

Management's Discussion and Analysis

Actual County expenditures for fiscal year 2003 were \$27.4 million below budget. Of this total, \$12.7 million resulted from reductions in authorized positions pursuant to Board of Commissioners' action taken in March 2003. The savings resulting from these reductions, and subsequent reorganizations, were set aside as a section of General Fund balance entitled "Budget Transition Fund." This particular fund balance was used to support a portion of fiscal year 2004 activity. Beyond expenditure reductions related to the deletion of authorized positions, expenditure reductions were also achieved through having authorized positions left vacant or filled below the authorized level. Many of these positions were vacant in late July 2002 when the County Executive ordered a hiring freeze on all non-24 hour operations positions (24 hour operations include jail, Children's Village, Medical Care Facility). Although the hiring freeze was lifted in April 2003, the effects of the freeze were felt throughout the fiscal year.

The adopted budget included \$55.4 million in transfers to other funds and component units. The adopted budget was decreased during fiscal year 2003 by \$6.4 million to \$49.0 million. This reduction includes a decrease related to the accounting change for payments made to component units described above, and increased transfers for specific projects approved by the Board of Commissioners. Many of these projects were improvements in the County's technology base and emergency response preparedness. Actual transfers were within \$.28 million of budget.

In summary, the fiscal year 2003 Final Amended Budget included the use of \$15.4 million in General Fund balance. However, due primarily to expenditure reductions specifically personnel, General Fund fund balance actually increased by \$17.9 million.

Significant Changes – Other Major Funds

In addition to the General Fund, three other *governmental funds* are classified as major: the Public Health Fund, the Water and Sewer Debt Act 342 Fund, and the Water and Sewer Refunding Debt Act 202 Fund. Both the Act 342 Fund and the Act 202 Fund experienced planned significant decreases in fund balance due to debt service payments. The Public Health Fund experienced no major changes.

There are four (4) *enterprise funds* that are classified as major: the Airport Facilities Fund, the Delinquent Tax Revolving Fund, the Parks and Recreation Fund, and the Water and Sewer Trust Fund. Of these four funds, only the Water and Sewer Trust Fund experienced a significant change; increasing its net assets by \$23.5 million during fiscal year 2003, from \$18.4 million to \$41.9 million. This entire increase reflected in capital contributions, recognizing assets, such as well houses, that were previously not recorded in this fund.

County of Oakland
Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal year 2003, the County had invested \$381.7 million, net of accumulated depreciation, in a broad range of capital assets (see table below). This amount of net capital assets reflects an increase of \$37.6 million above the fiscal year 2002 amount. Depreciation charges for this fiscal year totaled \$283.2 million.

Capital Assets as of September 30
(net of depreciation, in millions of dollars)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2003	2002	2003	2002	2003	2002
Land	\$ 7.7	\$ 7.7	\$ 42.0	\$ 38.5	\$ 49.7	\$ 46.2
Land improvements	4.3	5.0	12.7	13.9	17.0	18.9
Buildings and improvements	74.4	75.6	26.1	25.2	100.5	100.8
Equipment and vehicles	28.6	32.3	6.9	9.3	35.5	41.6
Infrastructure	14.0	14.4	94.4	64.9	108.4	79.3
Subtotal	129.0	135.0	182.1	151.8	311.1	286.8
Construction in progress	50.3	25.5	20.3	31.8	70.6	57.3
Total capital assets	<u>\$ 179.3</u>	<u>\$ 160.5</u>	<u>\$ 202.4</u>	<u>\$ 183.6</u>	<u>\$ 381.7</u>	<u>\$ 344.1</u>

The increase in governmental activity net capital assets reflects the purchase of the Oakland Intermediate School District Building (\$7.2 million) as well as continued construction of the Work Release Facility (\$8.1 million), Jail renovations and additions (\$4.5 million), a new sub-station in Rochester Hills (\$2.2 million), and the new Rochester Hills District Court (\$7.5 million). These increases have been partially offset by the closing of seven construction projects as well as one special item, the write-off of \$6.0 million related to the suspension of the Justice Information Management System (JIMS) project. The increase in business type activity net capital assets reflects the inclusion of infrastructure in the Water and Sewer Trust Fund. Please review Note 7 of the financial statements, for additional information regarding capital assets.

County of Oakland

Management's Discussion and Analysis

Long-term Debt - As of September 30, 2003, the County had \$152 million in bonds and notes outstanding. Of this amount, \$3.8 million are bonds with unlimited taxing authority, \$123.2 million are bonds with limited taxing authority, and \$25 million are notes with limited taxing authority. This level obligation is \$15.9 million less than the obligation recorded as of September 30, 2002, including \$8.3 million less in unlimited taxing authority bonds and \$7.6 million less in limited taxing authority bonds. This reduction is due to the pay down of various issues as well as the refinancing of a number of issues, as discussed below. In addition, the County uses its full faith and credit (as a secondary obligator), to back the Drainage District component unit debt.

Outstanding Debt as of September 30, 2003
(in millions of dollars)

	Governmental Activities		Business Type Activities		Total Primary Government		Component Unit		Total County Commitment	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Bonds - Unlimited Tax Authority	\$ 3.8	\$ 12.1	\$ -	\$ -	\$ 3.8	\$ 12.1	\$ -	\$ -	\$ 3.8	\$ 12.1
Bonds - Limited Tax Authority	123.2	130.8	-	-	123.2	130.8	135.3	135.3	258.5	266.1
Total bonds	127.0	142.9	-	-	127.0	142.9	135.3	135.3	262.3	278.2
Notes - Limited Tax Authority	-	-	25.0	25.0	25.0	25.0	-	-	25.0	25.0
Total outstanding debt	\$ 127.0	\$ 142.9	\$ 25.0	\$ 25.0	\$ 152.0	\$ 167.9	\$ 135.3	\$ 135.3	\$ 287.3	\$ 303.2
Debt limit (10% of SEV)									\$ 6,708.5	\$ 6,282.9
Available statutory debt limit									\$ 6,383.6	\$ 5,979.7

Activity during fiscal year 2003 included the issuance of \$7.6 million in limited taxing authority bonds used to purchase the Oakland Intermediate School District Building for the purpose of possible renovation of that facility into a county office building. In addition, in May 2003 the county advance refunded a portion of a limited tax bond for water supply under Public Act 202. Accordingly, the county issued \$2.8 million of refunding bonds to place in trust for future debt service payments on the refunded debt. Finally, \$25 million in limited taxing authority notes, related to the Delinquent Tax Revolving Fund, was issued.

\$51.2 million in outstanding debt was paid during fiscal year 2003, including \$8.3 million in unlimited taxing authority bonds, \$17.9 million in limited taxing authority bonds, and \$25 million limited taxing authority notes.

A more detailed discussion of the County's long-term debt obligations is presented in Note 8 to the financial statements.

Bond Ratings

The County's general obligations are rated AAA by Standards and Poor's as well as Fitch Investors, and Aaa by Moody's Investors Services Incorporated.

Limitations on Debt

State statute limits the County's debt obligations to 10 percent of the current state equalized value (SEV). The County's SEV as of September 30, 2003 was \$67.1 billion.

County of Oakland Management's Discussion and Analysis

ECONOMIC OUTLOOK

Over the past two fiscal years the county has decreased its General Fund/General Purpose operating budget by \$33.7 million. This was accomplished through reductions in planned salary increases, implementation of an Incentive for Retirement Program which lead to the retirement of 220 long term county employees and the subsequent deletion of 173 full and part time positions, implementation of a hiring freeze on all non-24/7 operations, delays in planned capital improvements, and the planned use of fund balance.

However, the State of Michigan continues to have budget problems, which threaten revenues to all local units of government including Oakland County. As of this writing, the State of Michigan is struggling with a \$1 billion budget shortfall for fiscal year 2005. A number of possible reductions are being considered including reductions or suspensions of state revenue sharing payments to local units of government, particularly counties. In total, Michigan counties receive approximately \$184 million annually in statutory revenue sharing. Oakland County receives approximately \$20 million annually. The depth of the state's budget difficulty has increased the possibility of radical reductions in revenue sharing and other state shared revenues. Oakland County, continuing to utilize a long-term financial perspective, is developing contingencies to address a reduction of state shared revenues, and other fiscal concerns, before they become fiscal crises.

CONTACTING THE COUNTY'S DEPARTMENT OF MANAGEMENT AND BUDGET

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If there are questions about this report, or a need for additional information, contact the Department of Management and Budget, Fiscal Services Division at (248) 858-0375.

**Basic
Financial Statements**

County of Oakland
Statement of Net Assets
September 30, 2003

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Totals	
Assets				
Current assets				
Pooled cash and investments	\$ 289,718,216	\$ 277,582,014	\$ 567,300,230	\$ 42,196,015
Cash and cash equivalents	-	-	-	64,663,241
Investments	-	-	-	25,225,000
Receivables (net of allowance for uncollectibles where applicable)				
Delinquent property taxes	3,316,630	48,265,765	51,582,395	-
Special Assessments	-	-	-	4,760,556
Due from other governmental units	24,574,747	21,848,660	46,423,407	1,481,500
Accrued interest receivable	2,802,109	8,775,007	11,577,116	352,734
Accounts receivable	5,452,733	17,646,384	23,099,117	23,335,254
Due from component units	637,745	583,249	1,220,994	-
Due from primary government	-	-	-	72
Restricted assets-cash and cash equivalents	-	-	-	391,152
Internal balances - footnote 19	2,779,179	(2,779,179)	-	-
Due from fiduciary funds	1,112,721	-	1,112,721	-
Inventories and supplies	708,628	969,058	1,677,686	3,004,348
Prepayments and other assets	6,293,093	138,758	6,431,851	1,223,822
Total current assets	337,395,801	373,029,716	710,425,517	166,633,694
Capital assets				
Land and construction in progress	57,972,143	62,344,449	120,316,592	92,722,313
Land improvement, net	4,345,441	12,713,031	17,058,472	784,696,566
Buildings and improvements, net	74,350,301	26,122,124	100,472,425	-
Equipment and vehicles, net	28,584,531	6,900,488	35,485,019	-
Infrastructure, net	14,022,962	94,342,002	108,364,964	-
Total capital assets, net	179,275,378	202,422,094	381,697,472	877,418,879
Contracts receivable	18,402	-	18,402	-
Special assessments receivable	60,250,697	-	60,250,697	190,260,000
Total assets	\$ 576,940,278	\$ 575,451,810	\$1,152,392,088	\$1,234,312,573

(continued)

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

County of Oakland
Statement of Net Assets
September 30, 2003

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Totals	
Liabilities				
Current liabilities				
Vouchers payable	\$ 12,639,615	\$ 4,172,336	\$ 16,811,951	\$ 15,454,227
Accrued payroll	9,325,338	-	9,325,338	122,953
Due to other governmental units	995,072	14,359,659	15,354,731	6,439,109
Due to component units	72	-	72	-
Due to primary government	-	-	-	1,220,994
Accrued interest payable	292,214	151,042	443,256	-
Other accrued liabilities	16,775,095	4,342,371	21,117,466	7,690,818
Contracts payable	295,483	-	295,483	-
Accrued unreported health costs	789,333	-	789,333	-
Accrued sick and annual leave	1,174,944	-	1,174,944	-
Accrued workers' compensation	1,416,635	-	1,416,635	-
Deferred revenue	23,752,949	79,740	23,832,689	25,098,757
Claims and judgments	2,300,000	-	2,300,000	-
Bonds and notes payable	12,705,000	25,000,000	37,705,000	9,317,896
Total current liabilities	<u>82,461,750</u>	<u>48,105,148</u>	<u>130,566,898</u>	<u>65,344,754</u>
Accrued unreported health costs	1,578,667	-	1,578,667	-
Accrued sick and annual leave	10,574,491	-	10,574,491	-
Accrued workers' compensation	10,891,690	-	10,891,690	-
Claims and judgments	15,202,535	-	15,202,535	-
Deferred revenue	60,250,697	-	60,250,697	190,260,000
Bonds and notes payable	114,350,000	-	114,350,000	161,719,271
Other long-term liabilities	-	-	-	5,300,974
Total liabilities	<u>295,309,830</u>	<u>48,105,148</u>	<u>343,414,978</u>	<u>422,624,999</u>
Net assets				
Investment in capital assets, net of related debt	58,629,622	198,922,094	257,551,716	706,772,864
Restricted for				
Capital projects	25,827,921	441,122	26,269,043	26,401,064
Debt service	2,686,961	-	2,686,961	-
Community water and sewer	-	19,927,019	19,927,019	1,288,573
Mental health risk management	-	-	-	7,865,617
Unrestricted	194,485,944	308,056,427	502,542,371	69,359,456
Total net assets	<u>\$ 281,630,448</u>	<u>\$ 527,346,662</u>	<u>\$ 808,977,110</u>	<u>\$ 811,687,574</u>

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

County of Oakland
Statement of Activities
Year Ended September 30, 2003

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Functions/Programs</u>				
Primary government				
Governmental activities				
General government, administrative	\$ 32,821,805	\$ 11,548,896	\$ 72,460	\$ -
Public safety	151,546,402	41,903,525	15,519,406	959,459
Justice administration	81,373,123	26,858,948	338,254	-
Citizen services	76,612,458	7,598,168	17,103,251	-
Public works	18,876,007	28,951,559	436,520	369,031
Recreation and leisure	2,808,343	88,279	84,519	-
Commerce and community development	54,193,367	25,548,227	20,054,932	-
Unallocated depreciation	2,835,206	-	-	-
Interest on debt	6,726,688	-	-	-
Total governmental activities	<u>427,793,399</u>	<u>142,497,602</u>	<u>53,609,342</u>	<u>1,328,490</u>
Business-type activities				
Airports	4,823,282	4,079,620	6,078	265,152
Community safety support	9,340,875	10,552,618	-	959,549
Community tax financing	1,409,967	14,012,054	-	-
Community water and sewer	34,877,178	35,297,873	-	22,249,780
Jail commissary	1,186,284	1,148,072	-	-
Recreation and leisure	17,008,848	8,055,511	9,043	411,290
Sewage disposal systems	71,884,188	75,762,691	-	10,000
Skilled nursing care	10,686,838	9,903,162	15,090	34,168
Total business-type activities	<u>151,217,460</u>	<u>158,811,601</u>	<u>30,211</u>	<u>23,929,939</u>
Total primary government	<u>\$ 579,010,859</u>	<u>\$ 301,309,203</u>	<u>\$ 53,639,553</u>	<u>\$ 25,258,429</u>
Component units				
Drainage districts	\$ 5,031,003	\$ 19,517,350	\$ 323,976	\$ -
Road commission	78,869,895	15,740,418	64,437,767	37,185,074
Community mental health	197,881,866	9,997,905	200,336,852	-
Total component units	<u>\$ 281,782,764</u>	<u>\$ 45,255,673</u>	<u>\$ 265,098,595</u>	<u>\$ 37,185,074</u>
General revenues				
Taxes				
Property taxes				
State shared revenue				
Unrestricted investment earnings				
Gain on sale of capital assets				
Other revenues				
Special items - write off of construction in progress				
Transfers in (out)				
Total general revenue, special items and transfers				
Change in net assets				
Net assets				
Beginning				
Ending				

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

County of Oakland
Statement of Activities
Year Ended September 30, 2003

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			
Governmental Activities	Business Type Activities	Totals	Component Units
\$ (21,200,449)	\$ -	\$ (21,200,449)	\$ -
(93,164,012)	-	(93,164,012)	-
(54,175,921)	-	(54,175,921)	-
(51,911,039)	-	(51,911,039)	-
10,881,103	-	10,881,103	-
(2,635,545)	-	(2,635,545)	-
(8,590,208)	-	(8,590,208)	-
(2,835,206)	-	(2,835,206)	-
(6,726,688)	-	(6,726,688)	-
<u>(230,357,965)</u>	<u>-</u>	<u>(230,357,965)</u>	<u>-</u>
-	(472,432)	(472,432)	-
-	2,171,292	2,171,292	-
-	12,602,087	12,602,087	-
-	22,670,475	22,670,475	-
-	(38,212)	(38,212)	-
-	(8,533,004)	(8,533,004)	-
-	3,888,503	3,888,503	-
-	(734,418)	(734,418)	-
-	31,554,291	31,554,291	-
<u>\$ (230,357,965)</u>	<u>\$ 31,554,291</u>	<u>\$ (198,803,674)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 14,810,323
-	-	-	\$ 38,493,364
-	-	-	\$ 12,452,891
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,756,578</u>
204,057,370	12,196,371	216,253,741	-
32,911,846	-	32,911,846	-
6,579,296	5,262,876	11,842,172	2,046,789
379,413	16,991	396,404	-
3,097,397	3,914,456	7,011,853	-
(6,033,983)	-	(6,033,983)	-
12,575,179	(12,575,179)	-	-
<u>253,566,518</u>	<u>8,815,515</u>	<u>262,382,033</u>	<u>2,046,789</u>
23,208,553	40,369,806	63,578,359	67,803,367
258,421,895	486,976,856	745,398,751	743,884,207
<u>\$ 281,630,448</u>	<u>\$ 527,346,662</u>	<u>\$ 808,977,110</u>	<u>\$ 811,687,574</u>

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

Governmental Fund Financial Statements

Major Funds

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Public Health – This fund is used to account for revenue reserved for the purpose of providing health protection, maintenance, and improvement for the residents of Oakland County.

Water and Sewer Debt Act 342 – This fund is used to account for the accumulation of resources for the payment of bonded debt issued for the construction of water and sewer systems under Public Act 342 of 1939 (currently 35 issues).

Water and Sewer Refunding Debt Act 202 – This fund is used to account for the accumulation of resources for the payment of bonded debt issued for the refinancing of debt obligations for construction of various water and sewer systems (currently 9 issues).

Non-Major Funds

Non-major governmental funds are presented, by fund type, beginning on the pages listed below:
Special Revenue funds, page 110.
Debt Service funds, page 120.
Capital Projects funds, page 124.

**County of Oakland
Balance Sheet
Governmental Funds
September 30, 2003**

	Major Funds		
	General	Public Health	Water and Sewer Debt Act 342
Assets			
Current assets			
Pooled cash and investments	\$ 123,995,612	\$ 1,882,582	\$ 2,613,246
Receivables (net of allowance for uncollectibles where applicable)			
Delinquent property taxes	3,316,630	-	-
Due from other governmental units	3,719,715	213,364	-
Due from component units	282,524	-	-
Accrued interest receivable	1,747,124	-	2,256
Accounts receivable	3,973,518	156,821	-
Due from other funds	14,930,170	49,167	-
Prepayments and other assets	1,584,838	229	-
Total current assets	<u>153,550,131</u>	<u>2,302,163</u>	<u>2,615,502</u>
Advances	14,120	-	-
Special assessments receivable	-	-	25,020,000
Total assets	<u>\$ 153,564,251</u>	<u>\$ 2,302,163</u>	<u>\$ 27,635,502</u>
Liabilities and Fund Balances			
Current liabilities			
Vouchers payable	\$ 9,115,231	\$ 213,057	\$ -
Accrued payroll	9,251,524	-	-
Due to other governmental units	30,768	87,019	181,639
Due to component units	72	-	-
Due to other funds	8,163,714	1,227,255	-
Deferred revenue	9,458,817	-	22,439
Other accrued liabilities	3,533,998	240,377	-
Advances payable - current portion	500,000	-	-
Total current liabilities	<u>40,054,124</u>	<u>1,767,708</u>	<u>204,078</u>
Deferred revenue	-	-	25,020,000
Advances	1,000,000	-	-
Total liabilities	<u>41,054,124</u>	<u>1,767,708</u>	<u>25,224,078</u>
Fund balances			
Reserved			
Encumbrances	1,137,125	534,455	-
Advances	14,120	-	-
Prepayments	1,584,838	-	-
Programs	-	-	-
Debt service	-	-	2,411,424
Unreserved			
General fund	109,774,044	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Total fund balances	<u>112,510,127</u>	<u>534,455</u>	<u>2,411,424</u>
Total liabilities and fund balances	<u>\$ 153,564,251</u>	<u>\$ 2,302,163</u>	<u>\$ 27,635,502</u>

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

**County of Oakland
Balance Sheet
Governmental Funds
September 30, 2003**

	Major Funds		
	Water and Sewer Refunding Debt Act 202	Non-Major Funds	Totals September 30, 2003
Assets			
Current assets			
Pooled cash and investments	\$ 209,399	\$ 74,741,099	\$ 203,441,938
Receivables (net of allowance for uncollectibles where applicable)			
Delinquent property taxes	-	-	3,316,630
Due from other governmental units	-	20,418,898	24,351,977
Due from component units	-	214,681	497,205
Accrued interest receivable	-	466,738	2,216,118
Accounts receivable	-	346,747	4,477,086
Due from other funds	-	13,521,927	28,501,264
Prepayments and other assets	-	11,866	1,596,933
Total current assets	<u>209,399</u>	<u>109,721,956</u>	<u>268,399,151</u>
Advances	-	834,160	848,280
Special assessments receivable	31,550,000	3,680,697	60,250,697
Total assets	<u>\$ 31,759,399</u>	<u>\$ 114,236,813</u>	<u>\$ 329,498,128</u>
Liabilities and Fund Balances			
Current liabilities			
Vouchers payable	\$ -	\$ 2,497,633	\$ 11,825,921
Accrued payroll	-	50,577	9,302,101
Due to other governmental units	-	494,721	794,147
Due to component units	-	-	72
Due to other funds	537	16,881,084	26,272,590
Deferred revenue	96,559	14,175,134	23,752,949
Other accrued liabilities	-	10,674,790	14,449,165
Advances payable - current portion	-	-	500,000
Total current liabilities	<u>97,096</u>	<u>44,773,939</u>	<u>86,896,945</u>
Deferred revenue	31,550,000	3,680,697	60,250,697
Advances payable	-	848,280	1,848,280
Total liabilities	<u>31,647,096</u>	<u>49,302,916</u>	<u>148,995,922</u>
Fund balances			
Reserved			
Encumbrances	-	89,543	1,761,123
Advances	-	834,160	848,280
Prepayments	-	-	1,584,838
Programs	-	25,827,921	25,827,921
Debt service	112,303	163,234	2,686,961
Unreserved			
General fund	-	-	109,774,044
Special revenue funds	-	21,643,363	21,643,363
Capital projects funds	-	16,375,676	16,375,676
Total fund balances	<u>112,303</u>	<u>64,933,897</u>	<u>180,502,206</u>
Total liabilities and fund balances	<u>\$ 31,759,399</u>	<u>\$ 114,236,813</u>	<u>\$ 329,498,128</u>

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

County of Oakland
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Assets
September 30, 2003

Total fund balances for governmental funds		\$ 180,502,206
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land, not being depreciated	\$	7,542,088
Construction in progress, not being depreciated		48,107,515
Land improvements, net of \$2,633,001 depreciation		4,345,441
Buildings and improvements, net of \$52,172,345 depreciation		74,057,474
Equipment and vehicles, net of \$4,137,198 depreciation		5,348,013
Infrastructure, net of \$4,350,850 depreciation		<u>13,010,368</u>
		152,410,899
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.		
Capital lease receivable		3,500,000
Internal service funds are used by management to charge the cost of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.		72,564,557
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Assets. This is the net effect of these balances on the statement.		
Bonds and notes payable	(127,055,000)	
Accrued interest payable	<u>(292,214)</u>	
		<u>(127,347,214)</u>
Net assets of governmental activities		<u>\$ 281,630,448</u>

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

County of Oakland
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2003

	Major Funds		
	General	Public Health	Water and Sewer Debt Act 342
Revenues			
Taxes	\$ 204,057,370	\$ -	\$ -
Special assessments	-	-	13,991,488
Federal grants	80,209	-	-
State grants	-	3,642,619	-
Other intergovernmental revenues	35,691,130	-	-
Charges for services	79,897,903	3,261,610	45,425
Contributions	-	-	-
Investment income	3,894,854	-	54,487
Indirect cost recovery	9,220,915	-	-
Other	1,953,363	488	-
Total revenues	<u>334,795,744</u>	<u>6,904,717</u>	<u>14,091,400</u>
Expenditures			
Current operations			
County executive	57,504,435	29,419,576	-
Clerk/register of deeds	11,945,563	-	-
Treasurer	3,481,676	-	-
Justice administration	53,237,483	-	-
Law enforcement	115,823,079	-	-
Legislative	5,002,440	-	-
Drain commissioner	4,112,073	-	-
Non-departmental	16,526,922	-	-
Total current operations	<u>267,633,671</u>	<u>29,419,576</u>	<u>-</u>
Capital outlay	-	-	-
Intergovernmental	-	-	1,605,454
Debt service			
Principal payments	-	-	12,065,000
Interest and fiscal charges	-	-	2,033,069
Total expenditures	<u>267,633,671</u>	<u>29,419,576</u>	<u>15,703,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,162,073</u>	<u>(22,514,859)</u>	<u>(1,612,123)</u>
Other financing sources (uses)			
Transfers in	10,422,169	22,831,717	201,467
Transfers out	(59,724,305)	(49,115)	(25,872)
Payment to bond escrow agent	-	-	(2,605,000)
Proceeds from issuance of bonds	-	-	2,770,000
Discount on bonds sold	-	-	(27,700)
Total other financing sources (uses)	<u>(49,302,136)</u>	<u>22,782,602</u>	<u>312,895</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	17,859,937	267,743	(1,299,228)
Fund balances			
October 1, 2002	<u>94,650,190</u>	<u>266,712</u>	<u>3,710,652</u>
September 30, 2003	<u>\$ 112,510,127</u>	<u>\$ 534,455</u>	<u>\$ 2,411,424</u>

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

County of Oakland
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2003

	Major Funds		
	Water and Sewer Refunding Debt Act 202	Non-Major Funds	Totals September 30, 2003
Revenues			
Taxes	\$ -	\$ -	\$ 204,057,370
Special assessments	5,701,826	7,363,201	27,056,515
Federal grants	-	33,711,323	33,791,532
State grants	-	24,483,689	28,126,308
Other intergovernmental revenues	-	2,665,860	38,356,990
Charges for services	2,635	20,630,394	103,837,967
Contributions	-	138,092	138,092
Investment income	12,761	1,173,959	5,136,061
Indirect cost recovery	-	-	9,220,915
Other	-	1,109,326	3,063,177
Total revenues	<u>5,717,222</u>	<u>91,275,844</u>	<u>452,784,927</u>
Expenditures			
Current operations			
County executive	-	62,383,282	149,307,293
Clerk/register of deeds	-	478,374	12,423,937
Treasurer	-	2,292,360	5,774,036
Justice administration	-	24,173,239	77,410,722
Law enforcement	-	5,782,953	121,606,032
Legislative	-	4,019,420	9,021,860
Drain commissioner	-	-	4,112,073
Non-departmental	-	61,157	16,588,079
Total current operations	-	99,190,785	396,244,032
Capital outlay	-	35,680,591	35,680,591
Intergovernmental	932,322	11,795,797	14,333,573
Debt service			
Principal payments	4,245,000	7,280,000	23,590,000
Interest and fiscal charges	1,461,367	3,264,942	6,759,378
Total expenditures	<u>6,638,689</u>	<u>157,212,115</u>	<u>476,607,574</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(921,467)</u>	<u>(65,936,271)</u>	<u>(23,822,647)</u>
Other financing sources (uses)			
Transfers in	170,000	32,897,551	66,522,904
Transfers out	-	(2,277,461)	(62,076,753)
Payments to bond escrow agent	-	-	(2,605,000)
Proceeds from issuance of bonds	-	7,560,000	10,330,000
Discount on bonds sold	-	(47,837)	(75,537)
Total other financing sources (uses)	<u>170,000</u>	<u>38,132,253</u>	<u>12,095,614</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(751,467)</u>	<u>(27,804,018)</u>	<u>(11,727,033)</u>
Fund balances			
October 1, 2002	<u>863,770</u>	<u>92,737,915</u>	<u>192,229,239</u>
September 30, 2003	<u>\$ 112,303</u>	<u>\$ 64,933,897</u>	<u>\$ 180,502,206</u>

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

County of Oakland

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities September 30, 2003

Net change in fund balance - total governmental funds \$ (11,727,033)

Governmental funds report capital outlay as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Land improvements	\$ 1,261,170	
Buildings and improvements	2,009,579	
Equipment and vehicles	2,874,642	
Construction in progress	29,141,685	
Depreciation expense	<u>(6,277,006)</u>	
		29,010,070

Payment received on capital lease from a business-type fund provide current financial resources and therefore revenue to governmental funds. The payment received reduces a capital lease receivable in the Statement of Net Assets. (425,000)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (9,503,899)

Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets. This is the amount proceeds exceed repayments.

Bond proceeds	(10,330,000)	
Bond refunding	2,605,000	
Repayment of bond principal	23,590,000	
Accrued interest	<u>(10,585)</u>	

		<u>15,854,415</u>
Change in net assets of governmental activities		<u>\$ 23,208,553</u>

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

Proprietary Fund Financial Statements

Major Funds

County Airports – This fund was established to account for operations of the County’s Oakland County International, Oakland/Troy, and Oakland/Southwest airports. Revenues are primarily derived from leases, hangar rentals, landing fees, and other rental or service charges.

Delinquent Tax Revolving – This fund is used to account for money advanced by the County to cities, townships, villages and County funds for unpaid property taxes, and the subsequent collections of delinquencies from taxpayers.

Parks and Recreation – This fund is used to account for revenue earmarked for the operation of the County parks (currently 11). Principal revenues are from a voter-approved millage and user charges.

Water and Sewer Trust – This fund is used to account for monies received from those County residents whose water and sewer systems are maintained for their townships or municipalities by Oakland County.

Non-Major Funds

Non-major proprietary funds are presented, by fund type, beginning on the pages listed below:
Internal Service funds, page 128.
Enterprise funds, page 138.

**County of Oakland
Statement of Net Assets
Proprietary Funds
September 30, 2003**

Business-Type Activities - Enterprise Funds				
Major				
	County Airports	Delinquent Tax Revolving	Parks and Recreation	Water and Sewer Trust
Assets				
Current assets				
Pooled cash and investments	\$ 13,108,331	\$ 163,062,296	\$ 14,253,001	\$ 12,522,901
Delinquent property taxes	-	48,265,765	-	-
Due from other governmental units	-	1,170,164	246,667	31,833
Due from component units	-	-	-	481
Accrued interest receivable	102,466	7,856,398	124,034	112,203
Accounts receivable (net of allowance for uncollectibles where applicable)	193,933	-	383,007	14,379,912
Due from other funds	-	-	20,472	737,201
Current portion of advances receivable	-	937,500	-	-
Inventories and supplies	-	-	42,299	410,920
Prepayments and other assets	94,326	-	5,420	-
Total current assets	13,499,056	221,292,123	15,074,900	28,195,451
Contracts receivable	-	-	-	-
Advances	-	3,587,500	-	-
Capital assets				
Land and construction in progress	26,097,330	-	18,291,257	-
Land improvements, net	12,713,031	-	-	-
Building and improvements, net	7,632,847	-	14,571,136	-
Equipment and vehicles, net	335,460	-	1,591,672	294,515
Infrastructure, net	-	-	28,168,009	21,733,999
Total capital assets, net	46,778,668	-	62,622,074	22,028,514
Total assets	60,277,724	224,879,623	77,696,974	50,223,965
Liabilities				
Current liabilities				
Vouchers payable	7,726	506,034	448,342	1,702,213
Accrued payroll	-	-	-	-
Due to other governmental units	223,305	-	-	1,345,090
Due to other funds	1,105	3,359,262	6,384	3,052,751
Deferred revenue	-	-	76,440	-
Capital lease obligation-current portion	-	-	450,000	-
Notes payable	-	25,000,000	-	-
Accrued interest payable	-	151,042	-	-
Current portion of workers' compensation	-	-	-	-
Current portion of unreported health costs	-	-	-	-
Current portion of sick and annual leave	-	-	-	-
Current portion of claims and judgments	-	-	-	-
Current portion of advances payable	-	-	-	-
Contracts payable	-	-	-	-
Other accrued liabilities	362,529	365,478	107,146	2,141,939
Total current liabilities	594,665	29,381,816	1,088,312	8,241,993
Capital lease obligations	-	-	3,050,000	-
Accrued workers' compensation	-	-	-	-
Accrued unreported health costs	-	-	-	-
Accrued sick and annual leave	-	-	-	-
Claims and judgments	-	-	-	-
Advances	-	-	-	-
Total liabilities	594,665	29,381,816	4,138,312	8,241,993
Net assets				
Invested in capital assets, net of related debt	46,778,668	-	59,122,074	22,028,514
Restricted for programs	441,122	-	-	19,927,019
Unrestricted	12,463,269	195,497,807	14,436,588	26,439
Total net assets	\$ 59,683,059	\$ 195,497,807	\$ 73,558,662	\$ 41,981,972

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

**County of Oakland
Statement of Net Assets
Proprietary Funds
September 30, 2003**

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Non-Major Funds	Totals September 30, 2003	
Assets			
Current assets			
Pooled cash and investments	\$ 74,635,485	\$ 277,582,014	\$ 86,276,278
Delinquent property taxes	-	48,265,765	-
Due from other governmental units	20,399,996	21,848,660	222,770
Due from component units	582,768	583,249	140,540
Accrued interest receivable	579,906	8,775,007	585,991
Accounts receivable (net of allowance for uncollectibles where applicable)	2,689,532	17,646,384	975,647
Due from other funds	3,442,137	4,199,810	2,971,067
Current portion of advances receivable	-	937,500	-
Inventories and supplies	515,839	969,058	708,628
Prepayments and other assets	39,012	138,758	4,696,160
Total current assets	<u>102,884,675</u>	<u>380,946,205</u>	<u>96,577,081</u>
Contracts receivable	-	-	18,402
Advances	-	3,587,500	-
Capital assets, net			
Land and construction in progress	17,955,862	62,344,449	2,322,540
Land improvements, net	-	12,713,031	-
Building and improvements, net	3,918,141	26,122,124	292,827
Equipment and vehicles, net	4,678,841	6,900,488	23,236,518
Infrastructure, net	44,439,994	94,342,002	1,012,594
Total capital assets, net	<u>70,992,838</u>	<u>202,422,094</u>	<u>26,864,479</u>
Total assets	<u>173,877,513</u>	<u>586,955,799</u>	<u>123,459,962</u>
Liabilities			
Current liabilities			
Vouchers payable	1,508,021	4,172,336	813,694
Accrued payroll	-	-	23,237
Due to other governmental units	12,791,264	14,359,659	200,925
Due to other funds	1,584,487	8,003,989	282,841
Deferred revenue	3,300	79,740	-
Capital lease obligation-current portion	-	450,000	-
Notes payable	-	25,000,000	-
Accrued interest payable	-	151,042	-
Current portion of workers' compensation	-	-	1,416,635
Current portion of unreported health costs	-	-	789,333
Current portion of sick and annual leave	-	-	1,174,944
Current portion of claims and judgments	-	-	2,300,000
Current portion of advances payable	-	-	437,500
Contracts payable	-	-	295,483
Other accrued liabilities	1,365,279	4,342,371	2,325,930
Total current liabilities	<u>17,252,351</u>	<u>56,559,137</u>	<u>10,060,522</u>
Capital lease obligations	-	3,050,000	-
Accrued workers' compensation	-	-	10,891,690
Accrued unreported health costs	-	-	1,578,667
Accrued sick and annual leave	-	-	10,574,491
Claims and judgments	-	-	15,202,535
Advances	-	-	2,587,500
Total liabilities	<u>17,252,351</u>	<u>59,609,137</u>	<u>50,895,405</u>
Net assets			
Invested in capital assets, net of related debt	70,992,838	198,922,094	26,864,479
Restricted for programs	-	20,368,141	-
Unrestricted	85,632,324	308,056,427	45,700,078
Total net assets	<u>\$ 156,625,162</u>	<u>\$ 527,346,662</u>	<u>\$ 72,564,557</u>

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

County of Oakland
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
September 30, 2003

	Business-Type Activities - Enterprise Funds			
	Major			
	County Airports	Delinquent Tax Revolving	Parks and Recreation	Water and Sewer Trust
Operating revenues				
Charges for services	\$ 4,079,620	\$ 14,012,054	\$ 7,912,193	\$ 35,297,873
Other	14,217	-	2,521	529,428
Total operating revenues	<u>4,093,837</u>	<u>14,012,054</u>	<u>7,914,714</u>	<u>35,827,301</u>
Operating expenses				
Salaries	1,000,674	30,158	6,997,975	5,776,623
Fringe benefits	412,571	12,204	2,153,262	2,014,412
Contractual services	1,436,040	1,176,954	3,583,204	22,774,614
Commodities	67,526	-	534,833	1,529,674
Depreciation	1,646,727	-	2,470,989	548,505
Internal services	259,744	-	987,870	1,639,799
Intergovernmental	-	-	-	593,551
Total operating expenses	<u>4,823,282</u>	<u>1,219,316</u>	<u>16,728,133</u>	<u>34,877,178</u>
Operating income (loss)	<u>(729,445)</u>	<u>12,792,738</u>	<u>(8,813,419)</u>	<u>950,123</u>
Nonoperating revenues (expenses)				
Property taxes	-	-	12,196,371	-
Contributions	6,078	-	9,043	-
Interest revenue	252,835	3,074,225	279,298	290,299
Interest expense and paying agent fees	-	(190,652)	(147,100)	-
Gain on sale of property and equipment	-	-	16,991	-
Total nonoperating revenues	<u>258,913</u>	<u>2,883,573</u>	<u>12,354,603</u>	<u>290,299</u>
Income (loss) before transfers, contributions and special items	<u>(470,532)</u>	<u>15,676,311</u>	<u>3,541,184</u>	<u>1,240,422</u>
Transfers, contributions and special items				
Write off of CIP	-	-	-	-
Capital contributions	265,153	-	411,290	22,249,780
Transfers in	-	-	-	43,880
Transfers out	-	(14,146,511)	-	-
Total transfers, contributions and special items	<u>265,153</u>	<u>(14,146,511)</u>	<u>411,290</u>	<u>22,293,660</u>
Change in net assets	<u>(205,379)</u>	<u>1,529,800</u>	<u>3,952,474</u>	<u>23,534,082</u>
Net assets				
October 1, 2002	<u>59,888,438</u>	<u>193,968,007</u>	<u>69,606,188</u>	<u>18,447,890</u>
September 30, 2003	<u>\$ 59,683,059</u>	<u>\$ 195,497,807</u>	<u>\$ 73,558,662</u>	<u>\$ 41,981,972</u>

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

County of Oakland
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
September 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>		Governmental Activities - Internal Service Funds
	Non-Major Funds	Totals September 30, 2003	
Operating revenues			
Charges for services	\$ 97,509,861	\$ 158,811,601	\$ 150,043,348
Other	3,368,290	3,914,456	39,719
Total operating revenues	<u>100,878,151</u>	<u>162,726,057</u>	<u>150,083,067</u>
Operating expenses			
Salaries	7,394,998	21,200,428	17,892,463
Fringe benefits	2,812,224	7,404,673	7,318,709
Contractual services	69,728,562	98,699,374	119,705,169
Commodities	3,611,183	5,743,216	5,414,533
Depreciation	7,198,499	11,864,720	8,371,314
Internal services	2,486,333	5,373,746	4,745,132
Intergovernmental	-	593,551	-
Total operating expenses	<u>93,231,799</u>	<u>150,879,708</u>	<u>163,447,320</u>
Operating income (loss)	<u>7,646,352</u>	<u>11,846,349</u>	<u>(13,364,253)</u>
Nonoperating revenues (expenses)			
Property taxes	-	12,196,371	-
Contributions	15,090	30,211	-
Interest revenue	1,366,219	5,262,876	1,443,235
Interest expense and paying agent fees	-	(337,752)	(51,840)
Gain on sale of property and equipment	-	16,991	373,914
Total nonoperating revenues	<u>1,381,309</u>	<u>17,168,697</u>	<u>1,765,309</u>
Income (loss) before transfers, contributions and special items	<u>9,027,661</u>	<u>29,015,046</u>	<u>(11,598,944)</u>
Transfers, contributions and special items			
Write off of CIP	-	-	(6,033,983)
Capital contributions	1,003,716	23,929,939	-
Transfers in	1,704,045	1,747,925	8,622,786
Transfers out	(176,593)	(14,323,104)	(493,758)
Total transfers, contributions and special items	<u>2,531,168</u>	<u>11,354,760</u>	<u>2,095,045</u>
Change in net assets	<u>11,558,829</u>	<u>40,369,806</u>	<u>(9,503,899)</u>
Net assets			
October 1, 2002	<u>145,066,333</u>	<u>486,976,856</u>	<u>82,068,456</u>
September 30, 2003	<u>\$ 156,625,162</u>	<u>\$ 527,346,662</u>	<u>\$ 72,564,557</u>

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

County of Oakland
Statement of Cash Flows
Proprietary Funds
September 30, 2003

	Business-Type Activities - Enterprise Fund			
	Major			
	County Airports	Delinquent Tax Revolving	Parks and Recreation	Water and Sewer Trust
Cash flows from operating activities				
Cash received from users	\$ 4,165,186	\$ 15,768,763	\$ 7,867,963	\$32,009,217
Cash paid to suppliers	(2,193,656)	(11,104,637)	(7,206,166)	(29,547,834)
Cash paid to employees	(1,000,674)	(30,158)	(7,052,066)	(5,871,332)
Net cash provided by (used in) operating activities	<u>970,856</u>	<u>4,633,968</u>	<u>(6,390,269)</u>	<u>(3,409,949)</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	(14,146,511)	-	-
Contributions	6,078	-	9,043	-
Contracts/loans	-	-	-	-
Amounts received on contracts	-	-	-	-
Interest received on contracts	-	-	-	-
Issuance of short-term borrowings	-	25,000,000	-	-
Repayments received on advances	-	937,500	-	-
Property taxes	-	-	12,196,371	-
Interest paid on short-term borrowings	-	(39,610)	-	-
Payments on short-term borrowings	-	(25,000,000)	-	-
Net cash provided by (used in) noncapital financing activities	<u>6,078</u>	<u>(13,248,621)</u>	<u>12,205,414</u>	<u>-</u>
Cash flows from capital and related financing activities				
Transfers from other funds	-	-	-	43,880
Capital contributions	-	-	3,333	-
Proceeds on sale of capital assets	-	-	16,991	-
Acquisition of capital assets	(193,062)	-	(6,334,943)	(129,464)
Payments on capital lease obligation	-	-	(425,000)	-
Interest and fees paid on capital lease obligation	-	-	(147,100)	-
Amount paid on advances and equipment contracts	-	-	-	-
Interest paid on advances and equipment contracts	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(193,062)</u>	<u>-</u>	<u>(6,886,719)</u>	<u>(85,584)</u>
Cash flows from investing activities				
Interest on investments	211,665	3,363,556	158,588	212,353
Proceeds from sale and maturities of investments	<u>10,279,650</u>	<u>133,307,624</u>	<u>-</u>	<u>12,075,058</u>
Net cash provided by (used in) investing activities	<u>10,491,315</u>	<u>136,671,180</u>	<u>158,588</u>	<u>12,287,411</u>
Net increase (decrease) in cash and cash equivalents	11,275,187	128,056,527	(912,986)	8,791,878
Pooled cash and investments				
October 1, 2002	<u>1,833,144</u>	<u>35,005,769</u>	<u>15,165,987</u>	<u>3,731,023</u>
September 30, 2003	<u>\$13,108,331</u>	<u>\$163,062,296</u>	<u>\$14,253,001</u>	<u>\$12,522,901</u>

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

County of Oakland
Statement of Cash Flows
Proprietary Funds
September 30, 2003

	Business-Type Activities		Governmental Activities - Internal Service Funds
	Enterprise Funds		
	Non-Major Funds	Totals September 30, 2003	
Cash flows from operating activities			
Cash received from users	\$ 99,945,935	\$ 159,757,064	\$ 149,823,822
Cash paid to suppliers	(92,419,472)	(142,471,765)	(137,660,072)
Cash paid to employees	(7,474,180)	(21,428,410)	(18,016,751)
Net cash provided by (used in) operating activities	<u>52,283</u>	<u>(4,143,111)</u>	<u>(5,853,001)</u>
Cash flows from noncapital financing activities			
Transfers from other funds	1,797,364	1,797,364	2,765,965
Transfers to other funds	(176,593)	(14,323,104)	(493,758)
Contributions	15,090	30,211	-
Contracts/loans	-	-	(30,670)
Amounts received on contracts	-	-	6,134
Interest received on contracts	-	-	281
Issuance of short-term borrowings	-	25,000,000	-
Repayments received on advances	-	937,500	-
Property taxes	-	12,196,371	-
Interest paid on short-term borrowings	-	(39,610)	-
Payments on short-term borrowings	-	(25,000,000)	-
Net cash provided by (used in) noncapital financing activities	<u>1,635,861</u>	<u>598,732</u>	<u>2,247,952</u>
Cash flows from capital and related financing activities			
Transfers from other funds	6,308	50,188	5,856,821
Capital contributions	10,000	13,333	-
Proceeds on sale of capital assets	8,909	25,900	384,426
Acquisition of capital assets	(1,978,347)	(8,635,816)	(4,899,376)
Payments on capital lease obligation	-	(425,000)	-
Interest and fees paid on capital lease obligation	-	(147,100)	-
Amount paid on advances and equipment contracts	-	-	(732,500)
Interest paid on advances and equipment contracts	-	-	(51,840)
Net cash used in capital and related financing activities	<u>(1,953,130)</u>	<u>(9,118,495)</u>	<u>557,531</u>
Cash flows from investing activities			
Interest on investments	847,449	4,793,611	1,181,855
Proceeds from sale and maturities of investments	<u>6,568,961</u>	<u>162,231,293</u>	<u>64,803,865</u>
Net cash provided by (used in) investing activities	<u>7,416,410</u>	<u>167,024,904</u>	<u>65,985,720</u>
Net increase (decrease) in cash and cash equivalents	7,151,424	154,362,030	62,938,202
Pooled cash and investments			
October 1, 2002	67,484,061	123,219,984	23,338,076
September 30, 2003	<u>\$ 74,635,485</u>	<u>\$ 277,582,014</u>	<u>\$ 86,276,278</u>

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

**County of Oakland
Statement of Cash Flows
Proprietary Funds
September 30, 2003**

	Business-Type Activities - Enterprise Fund			
	Major			
	County Airports	Delinquent Tax Revolving	Parks and Recreation	Water and Sewer Trust
Operating income (loss)	\$ (729,445)	\$ 12,792,738	\$ (8,813,419)	\$ 950,123
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	1,646,727	-	2,470,989	548,505
(Increase) decrease in delinquent property taxes receivable	-	2,583,314	-	-
(Increase) decrease in due from other governmental units	-	(826,605)	-	202,224
(Increase) decrease in due from component units	-	-	-	(68)
(Increase) decrease in accounts receivable	71,349	-	(27,589)	(3,935,085)
(Increase) decrease in due from other funds	-	-	(20,123)	(85,155)
(Increase) decrease in inventories and supplies	-	-	(15,147)	(197,473)
(Increase) decrease in prepayment and other assets	(17,986)	-	5,812	35
Increase (decrease) in vouchers payable	5,383	(60,688)	96,664	(37,513)
Increase (decrease) in accrued payroll	-	-	(54,091)	(94,709)
Increase (decrease) in due to other govern- mental units	(6,686)	-	-	545,151
Increase (decrease) in due to other funds	(3,795)	(8,114,494)	(7,356)	(1,014,550)
Increase (decrease) in deferred revenue	-	-	961	-
Increase (decrease) in current portion of workers' compensation	-	-	-	-
Increase (decrease) in current portion of unreported health costs	-	-	-	-
Increase (decrease) in current portion of sick and annual leave	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-
Increase (decrease) in other accrued liabilities	5,309	(1,740,297)	(26,970)	(291,434)
Increase (decrease) in accrued workers' compensation	-	-	-	-
Increase (decrease) in unreported health costs	-	-	-	-
Increase (decrease) in accrued sick and annual leave	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 970,856</u>	<u>\$ 4,633,968</u>	<u>\$ (6,390,269)</u>	<u>\$(3,409,949)</u>

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

**County of Oakland
Statement of Cash Flows
Proprietary Funds
September 30, 2003**

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Non-Major Funds	Totals September 30, 2003	
Operating income (loss)	\$ 7,646,352	\$ 11,846,349	\$ (13,364,253)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	7,198,499	11,864,720	8,371,314
(Increase) decrease in delinquent property taxes receivable	-	2,583,314	-
(Increase) decrease in due from other governmental units	(391,606)	(1,015,987)	(57,593)
(Increase) decrease in due from component units	(228,599)	(228,667)	(107,093)
(Increase) decrease in accounts receivable	(705,281)	(4,596,606)	(22,619)
(Increase) decrease in due from other funds	401,770	296,492	(71,940)
(Increase) decrease in inventories and supplies	87,817	(124,803)	(206,459)
(Increase) decrease in prepayment and other assets	(25,577)	(37,716)	27,578
Increase (decrease) in vouchers payable	(11,630,255)	(11,626,409)	(486,980)
Increase (decrease) in accrued payroll	(79,182)	(227,982)	(124,288)
Increase (decrease) in due to other govern- mental units	(2,861,193)	(2,322,728)	171,830
Increase (decrease) in due to other funds	621,947	(8,518,248)	(122,097)
Increase (decrease) in deferred revenue	(5,200)	(4,239)	(1,600)
Increase (decrease) in current portion of workers' compensation	-	-	112,214
Increase (decrease) in current portion of unreported health costs	-	-	789,333
Increase (decrease) in current portion of sick and annual leave	-	-	1,174,944
Increase (decrease) in current portion of claims and judgments	-	-	2,300,000
Increase (decrease) in other accrued liabilities	22,791	(2,030,601)	402,856
Increase (decrease) in accrued workers' compensation	-	-	(535,223)
Increase (decrease) in unreported health costs	-	-	(789,333)
Increase (decrease) in accrued sick and annual leave	-	-	(2,316,138)
Increase (decrease) in claims and judgments	-	-	(997,454)
Net cash provided by (used in) operating activities	<u>\$ 52,283</u>	<u>\$ (4,145,111)</u>	<u>\$ (5,853,001)</u>

Noncash transactions

Enterprise Funds

Major funds:

Noncash and capital related financing activities included \$22,249,780 of capital assets contributed in the Water and Sewer Trust fund, \$240,956 of capital assets contributed in the Parks and Recreation fund; and \$265,153 of capital assets contributed in the County Airports fund.

Nonmajor funds:

Noncash and capital related financing activities included \$34,167 of capital assets contributed in the Medical Care Facility fund; and \$959,549 of capital assets contributed in the CLEMIS fund.

Internal Service Funds

Noncash capital and related financing included \$20,507 for purchase of assets included in payables in the Information Technology fund; \$27,267 for purchase of assets included in payables in the Motor Pool fund, and \$6,134 for contracts receivable included in Accounts Receivable in the Office Equipment fund, and write-off of \$6,033,983 of construction in progress in the Information Technology fund.

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

Fiduciary Fund Financial Statements

Pension (and Other Post Employment Benefits) Trust Funds – Employee Pension Trust funds accept payments made by the County, invest fund resources, and calculate and pay pensions to beneficiaries.

Agency Funds – These funds account for assets held by the County in a trustee capacity. Disbursements from these funds are contingent upon the trust agreement or applicable legislative enactment for each particular fund. Agency funds are generally clearance devices for monies collected for other, held briefly, and then disbursed to authorized recipients.

Combining schedules for fiduciary funds are presented, by fund type, beginning on the pages listed below:

Pension (and Other Postemployment Benefits) Trust funds, page 146.

Agency funds, page 148.

County of Oakland
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2003

	Pension (and Other Post Employment Benefits) Trust Funds (1)	Agency Funds
Assets		
Cash and cash equivalents	\$ 11,742,516	\$ 754,141
Pooled cash and investments	-	174,302,465
Investments, at fair value		
Common stock	483,544,748	-
U.S. government securities	242,271,491	-
Corporate bonds	209,092,246	-
Money markets	27,812,347	-
Real estate	7,293,770	-
Other	542,992	-
Total investments	<u>970,557,594</u>	<u>-</u>
Receivables - interest and dividends	4,969,498	226,924
Receivables - other	14,084	66,131
Prepaid expenses	27,409	-
Total assets	<u>987,311,101</u>	<u>175,349,661</u>
Liabilities		
Vouchers payable	393,621	-
Due to other governmental units	-	155,110,363
Due to other funds	985,160	127,561
Other accrued liabilities	17,992,667	20,111,737
Total liabilities	<u>19,371,448</u>	<u>175,349,661</u>
Net assets held in Trust for Pension and other Postemployment healthcare benefits	<u>\$ 967,939,653</u>	<u>\$ -</u>

(1) Road Commission Component Unit financial information is reported as of December 31, 2002.

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

County of Oakland
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended September 30, 2003

	Pension (and Other Post Employment Benefits) Trust Funds (1)
Additions	
Contributions	
Employer	\$ 25,046,637
Plan members	1,110,913
Total contributions	<u>26,157,550</u>
Investment income	103,395,863
Less: Investment expense	(869,804)
Net investment income	<u>102,526,059</u>
Total additions	<u>128,683,609</u>
Deductions	
Benefits	44,838,863
Retirement incentive	6,448,756
Administrative expenses	2,103,576
Total deductions	<u>53,391,195</u>
Net increase	<u>75,292,414</u>
Net assets held in trust for pension and other post employment healthcare benefits	
October 1, 2002	<u>892,647,239</u>
September 30, 2003	<u>\$967,939,653</u>

(1) Road Commission Component Unit financial information is reported as of December 31, 2002.

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

Combining Component Unit Financial Statements

Component Units

Drainage Districts – This component unit consists of many individual districts created for the purpose of alleviating drainage problems. This involves the construction, maintenance, and financing necessary to account for the cost of the drainage district.

Road Commission – This component unit is responsible for the construction and maintenance of the County's system of roads and bridges, and is principally funded by the State-collected vehicle fuel and registration taxes under Public Act 51.

Community Mental Health Authority – This component unit is responsible for providing services related to mental health and development disability needs of County residents.

Combining schedules for Drainage Districts Funds are presented, by fund type, beginning on page 155.

County of Oakland
Combining Statement of Net Assets
Component Units
September 30, 2003

	Drainage Districts	Road Commission	Community Mental Health Authority	Total Component Units
Assets				
Current assets				
Pooled cash and investments	\$ 42,196,015	\$ -	\$ -	\$ 42,196,015
Cash and cash equivalents	-	45,378,974	19,284,267	64,663,241
Investments	-	25,225,000	-	25,225,000
Receivables (net of allowance for uncollectibles where applicable)				
Special assessments	-	4,760,556	-	4,760,556
Due from other governmental units	882,107	-	599,393	1,481,500
Accrued interest receivable	266,044	78,374	8,316	352,734
Accounts receivable	7,061	21,782,261	1,545,932	23,335,254
Due from primary government	72	-	-	72
Restricted assets - cash and cash equivalents	-	391,152	-	391,152
Inventories and supplies	-	3,004,348	-	3,004,348
Prepayments and other assets	-	828,699	395,123	1,223,822
Total current assets	<u>43,351,299</u>	<u>101,449,364</u>	<u>21,833,031</u>	<u>166,633,694</u>
Capital assets, net				
Assets being depreciated	274,184,813	505,883,937	4,627,816	784,696,566
Assets not being depreciated	92,722,313	-	-	92,722,313
Total capital assets, net	<u>366,907,126</u>	<u>505,883,937</u>	<u>4,627,816</u>	<u>877,418,879</u>
Special assessments receivable	190,260,000	-	-	190,260,000
Total assets	<u>600,518,425</u>	<u>607,333,301</u>	<u>26,460,847</u>	<u>1,234,312,573</u>
Liabilities				
Current liabilities				
Vouchers payable	4,481,091	7,317,011	3,656,125	15,454,227
Accrued payroll	-	-	122,953	122,953
Due to other governmental units	4,612,811	-	1,826,298	6,439,109
Due to primary government	1,079,543	113,373	28,078	1,220,994
Deferred revenue and advances	-	24,887,323	211,434	25,098,757
Current portion of long term debt	7,065,000	1,975,000	277,896	9,317,896
Other accrued liabilities	963,959	6,332,039	394,820	7,690,818
Total current liabilities	<u>18,202,404</u>	<u>40,624,746</u>	<u>6,517,604</u>	<u>65,344,754</u>
Deferred revenue	190,260,000	-	-	190,260,000
Bonds and notes payable	146,672,167	11,875,000	3,172,104	161,719,271
Other long-term liabilities	-	5,300,974	-	5,300,974
Total liabilities	<u>355,134,571</u>	<u>57,800,720</u>	<u>9,689,708</u>	<u>422,624,999</u>
Net assets				
Invested in capital assets, net of related debt	213,169,959	492,425,089	1,177,816	706,772,864
Restricted for				
Programs	-	-	7,865,617	7,865,617
Capital projects	26,401,064	-	-	26,401,064
Debt service	1,288,573	-	-	1,288,573
Unrestricted	4,524,258	57,107,492	7,727,706	69,359,456
Total net assets	<u>\$ 245,383,854</u>	<u>\$ 549,532,581</u>	<u>\$ 16,771,139</u>	<u>\$ 811,687,574</u>

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

**County of Oakland
Statement of Activities
Component Units
Year Ended September 30, 2003**

	Expenses	Program Revenues				Drainage Districts	Road Commission	Community Mental Health Authority	Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions					
Functions/Programs									
Drainage Districts	\$ 5,031,003	\$ 19,517,350	\$ 323,976	\$ -	\$ 14,810,323	\$ -	\$ -	\$ -	\$ 14,810,323
Road Commission	78,869,895	15,740,418	64,437,767	37,185,074	-	38,493,364	-	-	38,493,364
Community Mental Health	197,881,866	9,997,905	200,336,852	-	-	-	12,452,891	-	12,452,891
Total component units	\$ 281,782,764	\$ 45,255,673	\$ 265,098,595	\$ 37,185,074	\$ 14,810,323	\$ 38,493,364	\$ 12,452,891	\$ -	\$ 65,756,578
General Revenues									
Unrestricted investment earnings			635,905		635,905	1,207,638	203,246		2,046,789
Change in net assets			15,446,228		15,446,228	39,701,002	12,656,137		67,803,367
Net assets									
Beginning			229,937,626		229,937,626	509,831,579	4,115,002		743,884,207
Ending			245,383,854		245,383,854	549,532,581	16,771,139		811,687,574

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

County of Oakland
Notes to Basic Financial Statements
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1. Summary of Significant Accounting Policies

The general-purpose financial statements of Oakland County (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The more significant of the County's accounting policies are described below.

The Financial Reporting Entity

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The accompanying financial statements present Oakland County (the Primary Government) and its component units. The County's Parks and Recreation Commission is not legally separate from the County, nor does it possess separate corporate powers. As such, the financial data of the County's Parks and Recreation Commission have been included with the financial data of the Primary Government. The financial data of the component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Unit

A blended component unit is a legally separate entity from the County, but is so intertwined with the County that it is, in substance, the same as the County. It is reported as part of the County and blended into the appropriate funds.

- **Oakland County Building Authority (the Authority)** – A five-person authority is appointed by the Oakland County Board of Commissioners, and its activity is dependent upon Board actions. The purpose of the Authority is to finance, through tax-exempt bonds, the construction of public buildings for use by the County, with the bonds secured by lease agreements with the County and retired through lease payments from the County. The Oakland County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of the County's public buildings. The Authority's activity is reported in various Debt Service funds (designated by the caption "Building Authority"), and the Building Improvement Fund, a capital projects fund.

Separate financial statements for the Authority are not published.

County of Oakland
Notes to Basic Financial Statements
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Discretely Presented Component Unit

The discretely presented component unit is an entity that is legally separate from the County but for which the County is financially accountable, or its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. These component units are reported in separate columns to emphasize that they are legally separate from the County.

- **Road Commission for Oakland County (Road Commission)** – The Road Commission is governed by three appointees of the County Board of Commissioners who are not County Board members. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges, and is principally funded by State-collected vehicle fuel and registration taxes under Public Act 51. The County has budgetary control and appropriation authority over its activities; however, such has not been exercised. The Road Commission's primary activities, which are as of and for the year ended September 30, 2003, is reported discretely as a governmental fund type - Special Revenue fund. The Road Commission Retirement System, which is as of and for the year ended December 31, 2002, is reported discretely as a fiduciary fund type - Pension Trust fund.

Complete financial statements of the Road Commission which includes the Road Commission Retirement System and the separately issued Road Commission Retirement System statements can be obtained from its administrative offices as follows:

Road Commission for Oakland County
31001 Lahser Road
Beverly Hills, Michigan 48025

- **Drainage Districts** – This component unit, consists of approximately 182 individual districts created for the purpose of alleviating drainage problems. This involves the construction, maintenance, and financing necessary to account for the cost of the drainage district. The individual districts, each a separate legal entity with power to assess the benefiting communities, is governed by the Drain Board for Oakland County; the Oakland County Drain Commissioner, the Chairman of the Oakland County Board of Commissioners, and the Chairperson of the Finance Committee of the Board of Commissioners. Assessments are made against the applicable municipalities within each district, including the County and the State of Michigan for road drainage.

The financial activities of the Drainage Districts as of and for the year ended September 30, 2003 is reported discretely as a governmental fund type. There are no separately issued financial statements of this component unit, although financial information for the specific drainage districts may be obtained from:

Oakland County Drain Commissioner
#1 Public Works Drive
Waterford, Michigan 48328

County of Oakland
Notes to Basic Financial Statements
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- **The Oakland County Community Mental Health Authority (the Authority)** – The Authority is governed by a twelve-member board representative of providers of mental health services. One-third of the board is to be consumers of mental health services, agencies and occupations having a working involvement with mental health services and the general public. Not more than four members may be members of the County Board of Commissioners, and no more than one-half of the total board members may be State, County or local officials. The Authority is responsible for providing services related to mental health and development disability needs of County residents. The activities of the Authority are funded through grants, allocations, fees and County appropriations. This is the fourth year of existence for the Authority, and the financial information is reported in the County’s CAFR for the year ended September 30, 2003 discretely as a business type activity – Enterprise fund.

Complete financial statements of the Authority can be obtained from its administrative offices as follows:

Oakland County Community Mental Health Authority
2011 Executive Hills Blvd.
Auburn Hills, MI 48326

Basic (Government-Wide) and Fund Financial Statements – GASB Statement #34

GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that net assets be classified for accounting and reporting purposes into the following three categories:

- **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction or improvement of those assets.
- **Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net assets** consists of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated, to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources which are imposed by management, but can be removed or modified.

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous financial reporting model emphasized fund types (the total of all funds of a particular type), in the new financial reporting model the focus is on either the County as a whole, or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

County of Oakland
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The government-wide Statement of Activities reflects both the gross and net costs per functional category (General Government, Public Safety, Justice Administration, Citizen Services, Public Works, Recreation and Leisure, and Commerce and Community Development), which are otherwise being supported by general government revenues (property taxes and certain intergovernmental revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and grants both operating and capital related. The program revenues must be directly associated with the function otherwise they are reported as general revenue. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function or activity) is normally covered by the County's general revenues. Historically, the previous financial reporting model did not summarize or present net cost by function or activity.

The County does not currently employ an indirect cost allocation system. An administrative service fee is charged by the General Fund to the other operating funds, that is eliminated like a reimbursement (reducing the revenue and expenditure in the General Fund), to address General Fund services (finance, personnel, purchasing, legal, technology management, etc.) provided.

This government-wide focus is more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column. The County reports the following major governmental funds: General Fund, Public Health, Water and Sewer Debt Act 342, and Water and Sewer Refunding Debt Act 202.

The governmental funds major fund statement in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the fund based business-type major fund financial statements into the full accrual governmental column of the government-wide presentation.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the County's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity. When appropriate, surplus or deficits in the internal service funds are allocated back to the various users within the entity-wide Statement of Activities.

The County's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type. Since, by definition, these assets are being held for the benefit of third parties (pension participants and others) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements.

County of Oakland
Notes to Basic Financial Statements
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The focus of the entity wide financial statements under the new reporting model is to present the County as a whole. The focus of the Fund Financial Statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category), and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Basis of Presentation – Fund Accounting

Funds are used to report the County's financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Fund Types

The General Fund is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Revenues are primarily derived from property taxes, state and federal distributions, and charges for services.

Special Revenue Funds are used to ensure that specified resources (other than expendable trusts and funds for major capital improvements) are used as required by legal, regulatory, and/or administrative provisions. Included within the Special Revenue funds are programs for care of children, drain maintenance, and certain grant operations involving public health, employment training, community development, environmental infrastructure programs and other grants.

Debt Service Funds account for the financing resources and payment of current principal and interest on debt. Debt Service funds account for servicing of general long-term debt of various building authority debt issues, and debt associated with local water and sewer obligations upon which there are County guarantees.

Capital Projects Funds account for the acquisition, construction, and renovation of major capital facilities other than those financed by proprietary funds.

Proprietary Fund Types

Internal Service Funds account for goods and services provided to departments, funds, and governmental units on a cost-reimbursement basis. Included within the Internal Service funds are certain fringe benefits provided to County employees which included health, workers compensation, unemployment compensation, information technology, various equipment revolving funds, and central service type operations.

Enterprise Funds, business type activities, report operations for services to the general public, financed primarily by user charges intended to recover the cost of services provided, and include three airports, a medical care facility, four sewage disposal systems, parks and others.

County of Oakland

Notes to Basic Financial Statements

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, provides governments with two options for reporting their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance. The Community Mental Health Authority component unit also has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule are 1) indirect cost allocations charges from the County's General Fund to various other functions of the government, and 2) activities between funds reported as governmental activities and funds reported as business type activities.

Amounts reported as program revenues include 1) charges for customers for goods supplied or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources, as well as taxes, are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Fund Types

Fiduciary Funds (Pension Trust and Agency funds) account for assets held by the County in a trustee capacity or as an agent for others.

Basis of Accounting

- **Primary government** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, except for certain miscellaneous receivables and special assessments, and current liabilities are included on the balance sheet. Governmental funds are used to account for all or most of the County's general activities, including the collection and disbursement of earmarked resources and the servicing of long-term debt.

Proprietary and Pension Trust Funds are accounted for on a flow-of-economic-resources measurement focus. All assets and liabilities are included on the Statement of Net Assets with the balance classified as net assets. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

County of Oakland
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- The financial statements have been prepared in conformity with generally accepted accounting principles. Governmental funds use the modified accrual basis of accounting, which recognizes revenues in the accounting period in which they become measurable and available. Significant revenues susceptible to accrual include property taxes, expenditure-reimbursement type grants, certain intergovernmental revenues, and operating transfers. Expenditures are recorded when the related fund liability is incurred, except interest on long-term debt, which is recorded when paid.

Proprietary and Pension Trust Funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Agency funds, which report only a statement of fiduciary net assets, use the accrual basis of accounting.

Discretely-Presented Component Units

The Road Commission uses the current financial resources measurement focus for its governmental fund type activities. The governmental fund type is used to account for all of the Road Commission's activities, including the collection and disbursement of earmarked resources and the servicing of long-term debt. Revenues and expenditures are recorded under the modified accrual basis of accounting, and, as such, revenue is recorded when measurable and available, and earned. Project-related revenue is recognized as related costs are incurred, except for interest on long-term debt, which is recorded when paid.

The Road Commission's Retirement system activity (Pension Trust Fund) uses the economic resources measurement focus. All assets and liabilities are included as of the balance sheet date. Revenues and expenses are accounted for under the accrual basis of accounting, and, as such, revenue is recognized when earned and expenses are recorded when liabilities are incurred.

The Drainage Districts uses the current financial resources measurement focus for its activities. The governmental fund type is used to account for all of the Drainage Districts' activities, including the financing of the cost of construction and maintenance of Drainage Districts and servicing of long-term debt. Revenues and expenditures are recorded under the modified accrual basis of accounting, and as such, revenue is recorded when measurable and available, and earned. Project-related revenue is recognized as related costs are incurred, except for interest on long-term debt, which is recorded when paid.

The Community Mental Health Authority uses the accrual method of accounting for its (Proprietary funds) activities. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets

Budgets and budgetary accounting are on the modified accrual basis, which is consistent with generally accepted accounting principles in that property tax revenue is recognized when made available by Board resolution. The budget was legally adopted by the Board of Commissioners prior to September 30, 2002 and presented in a separate document. Appropriation budgets were adopted for the General and certain Special Revenue funds. Appropriations lapse at the end of the year. Project-length financial plans are budgeted for the remainder of the Special Revenue funds and for all Debt Service and Capital Projects funds. Budget and actual comparisons for such funds are not reported in the financial statements because annual budgets are not prepared.

County of Oakland
Notes to Basic Financial Statements
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Encumbrances are recorded at the time that purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Unliquidated encumbrances at the end of the year are set aside as reserved within fund balance. In the succeeding year, the encumbrances are re-appropriated by the Board of Commissioners to cover the unliquidated encumbrances included in fund equity.

Pooled Cash and Investments

The County implemented a cash and investment pool in fiscal year 2003 for all funds except the pension trust funds and two agency funds (Jail Inmate Trust, and District Court Trust) in order to maximize investment earnings. Investments of the pool are not segregated by fund but each contributing fund's balance is treated as equity in the pool. For funds not in the pool, cash equivalents are considered to be demand deposits and short-term investments with an original maturity date of three months or less from the date of acquisition.

Cash overdrafts occurring in funds participating in pooled cash accounts at September 30, 2003 have been reclassified as a "Due to other funds," and a corresponding "Due from other funds" was established in the General Fund. Similarly, negative accrued interest receivable caused by negative cash balances are also reclassified at year-end as interfund liabilities.

The County's investments are stated at fair value, which is determined by using quoted market rates, if the investment is traded on a recognized stock exchange. There are no derivative instruments or products in the County's non-pension investment portfolio at September 30, 2003.

Pooled investment income is allocated to all funds based on the respective share of their average daily balances. Interest charges for funds with negative balances are reported as negative interest income.

Interfund Receivables/Payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term receivables and payables resulting from such transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a reservation of fund balance.

Inventories

Inventories in proprietary funds, except for the Facilities Maintenance and Operations fund, an Internal Service fund, are stated at the lower of cost or market using the first-in, first-out method. Inventories in the Facilities Maintenance and Operations fund are stated at lower of cost or market using the average-cost basis.

Prepayments

Payments made for services that will benefit periods beyond September 30, 2003 are recorded as prepayments.

County of Oakland
Notes to Basic Financial Statements
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Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., roads, drains, and similar items), are reported in the government-wide statements and applicable proprietary fund financial statements. Capital assets that are used for governmental activities are only capitalized in the government-wide statements and fully expended in the government funds. The County established capitalization thresholds for capital assets of \$5,000. Capital assets are stated at cost or, if donated, at estimated fair market value at the time of donation. In some instances, capital asset historical costs were not available; therefore, the costs of these assets at the dates of acquisitions have been estimated. Expenditures materially extending the life of capital assets are capitalized. Interest incurred during construction is only capitalized in proprietary funds. Capital assets are depreciated over their useful lives, using the straight-line depreciation method. Infrastructure ("public domain") assets, including roads, bridges, sanitary sewers, drains, curbs, and gutters, are capitalized.

The County's estimated useful life of the major classes of property and equipment follows:

Class	Years
Land improvements	10-15
Buildings and improvements	35-45
Furniture, equipment and vehicles	3-10
Sewage disposal systems	40-50
Infrastructure	10-75

Capital assets used in the general operation of the Road Commission are depreciated under various methods, including straight-line and sum-of-the-years-digits. Capital assets of the Community Mental Health Authority whose value exceeds \$5,000 are capitalized and depreciated on a straight-line basis over estimated useful lives of five to thirty years.

Compensated Absences

Compensated absences (vested sick and annual leave) of the Primary Government that are allowed to accumulate are charged to operations in the Fringe Benefit fund (an Internal Service fund) as the benefits accrue. Compensated absences for the Road Commission are accrued when incurred in the government wide financial statements. A liability for these amounts is reported in the governmental funds only for employee terminations as of year end. Compensated absences of the Community Mental Health Authority are reported as expenses and liabilities of the Authority when incurred.

No liability is recorded for non-vesting accumulating rights to receive sick pay benefits for the Primary Government and Component Units.

Fund Equity

Reserves represent portions of fund equity not available for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

County of Oakland
Notes to Basic Financial Statements
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Deferred Revenue

Deferred revenue is reported on the County's combined balance sheet. Amounts are classified as deferred when they do not meet the available criteria, such as grants received before the expenditure is incurred.

Property taxes levied December 1, 2002 (when they become a lien against the property) are used to finance the expenditures of the period of January 1, 2003 through December 31, 2003. Property tax revenues available for appropriated expenditures for the period October 1, 2003 through December 31, 2003 (25% of levy) are shown as unreserved/ designated fund balance on the accompanying balance sheet.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general-purpose financial statements, September 30, 2003. These estimates and assumptions also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. Legal Compliance - Budgets

The Board of Commissioners has established the legal level of control by control groups, as outlined in the County's General Appropriations Act. This act states that expenditures shall not exceed the total appropriations for controllable personnel expenditures (salaries, overtime, and fringes), controllable operating expenditures, and non-controllable operating expenditures (Internal Service fund charges), respectively, by department. Budgets are adopted and presented on the GAAP basis of accounting.

The Board of Commissioners is authorized to make amendments to the various budgets as deemed necessary. Current year supplemental budgetary appropriations were not material. Funds which receive an appropriation and can therefore be defined as those with an appropriated, annual, legally adopted budget are the General Fund and the following Special Revenue funds: Public Health, Juvenile Maintenance, and Social Welfare-Foster Care. The budgetary comparison for the General Fund and the Public Health fund (major special revenue fund) is presented in the Required Supplementary Information. The Juvenile Maintenance and Social Welfare Foster Care funds are presented in the Special Revenue Funds section.

Transfers within and between budgeted funds and departments may be made by the Fiscal Officer (Director of Management and Budget Department) in the following instances:

- (a) Transfers may be made from the non-departmental overtime reserve account and fringe benefit adjustment account to the appropriate departmental budget as specific overtime requests are reviewed and approved by the Fiscal Officer. Additionally, overtime appropriations may be transferred between divisions within a department at the request of the department head, if authorized by the Fiscal Officer or designee.

County of Oakland
Notes to Basic Financial Statements
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- (b) Transfers may be made from the non-departmental appropriation reserve accounts for maintenance department charges and miscellaneous capital outlay to the appropriate departmental budgets as specific requests for these items are reviewed and approved by the Fiscal Officer.
- (c) Transfers may be made from the non-departmental appropriation reserve accounts, emergency salaries, and summer help as specific requests for these items are reviewed and approved by the Director of the Personnel Department.

At year end the Board of Commissioners adopts a resolution which authorizes and closes amounts exceeding the original appropriation against the balances in other appropriations and closes the remaining balance to the General Fund's "Undesignated Fund Balance."

During the year, the County incurred expenditures over certain appropriations which are presented at the legal level of control as follows:

	Appropriation	Expenditures	Excess expenditures
General Fund			
County Executive			
Human Services			
Controllable personnel expenditures	\$ 170,432	\$ 171,034	\$ 602
Noncontrollable operating expenditures	16,398	19,089	2,691
Clerk/Register of Deeds			
Noncontrollable operating expenditures	2,218,288	2,426,036	207,748
Justice Administration			
Probate Court			
Controllable operating expenditures	661,327	694,472	33,145
Law Enforcement			
Sheriff			
Controllable personnel expenditures	72,829,543	74,193,700	1,364,157
Special Revenue Funds			
Juvenile Maintenance Fund			
Justice Administration			
Circuit Court			
Controllable operating expenditures	7,048,490	8,281,013	1,232,523

These excess expenditures were closed against other appropriation balances in accordance with the County's policy and approved by a Board of Commissioners resolution in fiscal year 2004.

3. Deposits and Investments

At September 30, 2003, the book value of the County's deposits was \$411,698,164 with a corresponding bank balance of \$343,778,258. Qualifying deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Of the bank's balance, \$1,500,000 is insured, and the remaining \$342,278,258 is uninsured and uncollateralized and in the County's name.

County of Oakland
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The Drainage Districts component units cash and investments is maintained in pooled accounts of the County, therefore it is not possible to determine the corresponding bank balances nor the amount of insurance that would be allocated to the Drainage Districts deposits amounting to \$42,196,015.

At September 30, 2003, the book value of the Road Commission's deposits was \$61,763,992, with a corresponding bank balance of \$63,029,291. Of the bank's balance, \$1,321,906 is insured by the FDIC and the remaining \$61,707,385 is uninsured and uncollateralized and in the County's name.

The carrying amount of the Community Mental Health Authority component unit was \$2,861,902 as of September 30, 2003 with a corresponding bank balance of \$3,525,104. Of the bank's balance \$105,676 was covered by the FDIC and the remaining \$3,419,428 was neither insured nor collateralized.

Investments

Investments, except those of the Retirement Systems and Deferred Compensation Plan, are administered by the Treasurer under guidelines established by Act 20 of the Michigan Public Acts of 1943, as amended. Significant policies include:

All County investments of the County are held in the County's name and tax ID number.

Investments are in U.S. Government obligations, banker's acceptances, repurchase agreements, certificates of deposit, and commercial paper top rated by not less than two of the four rating services: Standard and Poor's, Moody's Investors Services, Fitch Investors Services, and Duff and Phelps.

- Only federal and state-chartered banks and savings institutions which are members of the FDIC are utilized.
- State law requires the use of in-state banks.
- The County maintains a cash and investment pool that is available for use by all funds. Share values are \$1, with interest rates floating daily. These are not considered external investment pools. Investment income is allocated to funds based on their share of the average daily cash balances, including negative interest for funds with cash overdrafts.
- Pension investments are made in accordance with P.A. 55 of 1982, as amended, and are limited to no more than 65 percent common stock. No investments, loans, or leases are with parties related to the pension plan.

Under the provisions of State statutes, the Oakland County Employees' Retirement Plan lends securities, including U.S. Government securities, corporate bonds, and common stock, to broker-dealers for collateral that will be returned for the same securities in the future. The County's custodial bank (agent) manages the securities lending program and receives cash and securities, including banker's acceptances, commercial paper, mutual funds, and repurchase agreements, as collateral. The custodial bank does not have the ability to pledge or sell collateral securities unless the borrower defaults. Borrowers are required to deliver collateral for each loan equal to not less than 100 percent of the market value of the loaned securities.

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The County did not impose any restrictions during the year ended September 30, 2003 on the amount of the loans that the agent made on its behalf. There were no failures by any borrowers to return loaned securities or pay distribution thereon. Furthermore, there were no losses during the period resulting from a default of the borrowers or the custodial banks.

The County and the borrower maintain the right to terminate all securities lending transactions on demand. Because the loans can be terminated at will, their duration does not generally match the duration of the investments. On September 30, 2003, the County had no credit risk exposure to borrowers. The collateral held and the market value of securities on loan for the County as of September 30, 2003 were \$98,137,844 and \$95,715,308, respectively.

Investments of the County and Road Commission's Public Employees' Retirement System (PERS) are administered by their respective boards. Investments are held in street name by safekeeping agents under formal trust agreements or in the Retirement Systems' names.

Included in the Primary Government's Pension Trust fund investments in corporate and public utility bonds are Collateralized Mortgage Obligations (CMOs) with a market value of \$17,259,441 at September 30, 2003. Such investments include FNMA- and FHLB-issued certificates. The portfolio of CMOs matures at various dates through the year 2043 and is backed by investments in various assets, including mortgages. The market value of such investments is affected by, among other factors, changes in interest rates, including the effect of prepayments, marketability, and default rates on assets underlying the securities.

In accordance with GASB Statement No. 3, investments are also classified into three categories of credit risk, as follows:

- Category 1: Insured or registered, or securities held by the County or its agent in the County's name.
- Category 2: Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the County's name.
- Category 3: Uninsured and unregistered, with securities held by the counter-party or by its trust department or agent, but not in the County's name.

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Notes to Basic Financial Statements
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The following is a summary of investments by risk category for the primary government and component units (excluding fiduciary fund type). The investments for the Primary Government include amounts the County Treasurer holds in a custodial capacity, but are not funds of the Primary Government. These include the Drainage Districts component unit, \$42,196,015, the Public Transportation Authority, \$(4,956), and the Business Finance Corporation, \$1,056,090:

	<u>Category</u>			<u>Carrying Amount (Fair Value)</u>
	1	2	3	
Governmental and Business Type				
Primary Government				
Commercial paper	\$ 103,093,079	\$ -	\$ -	\$ 103,093,079
U.S. government securities	187,895,800	-	-	187,895,800
Total	<u>\$ 290,988,879</u>	<u>\$ -</u>	<u>\$ -</u>	290,988,879
Cash on hand				205,910
Deposits				229,126,429
Money market mutual funds/ pools				<u>90,226,161</u>
Total				610,547,379
Less: Amounts in investment not belonging to primary government				<u>43,247,149</u>
Total Primary Government				<u>\$ 567,300,230</u>
Road Commission Component Unit				
Commercial paper	\$ -	\$ 2,400,288	\$ -	\$ 2,400,288
Cash on hand	-	-	-	72,599
Deposits	-	-	-	61,283,392
Money market mutual funds/ pools	-	-	-	<u>7,238,847</u>
Total	<u>\$ -</u>	<u>\$ 2,400,288</u>	<u>\$ -</u>	<u>\$ 70,995,126</u>
Community Mental Health Authority				
Repurchase agreements	\$ -	\$ -	\$ 16,422,367	\$ 16,422,367
Deposits	-	-	-	<u>2,861,902</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,422,367</u>	<u>\$ 19,284,269</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

The following is a summary of investments by risk category for the fiduciary fund type of the primary government and component units:

	<u>Category</u>			<u>Carrying Amount (Fair Value)</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Fiduciary Funds				
Pension Trust and Agency Funds				
Primary Government				
U.S. government securities	\$ 198,725,624	\$ -	\$ -	\$ 198,725,624
Common stock	414,140,582	-	-	414,140,582
Corporate bonds	178,770,905	-	-	178,770,905
Money market mutual funds/ pools	27,812,347	-	-	27,812,347
Total	<u>\$ 819,449,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 819,449,458</u>
Real estate				7,293,770
Deposits				182,571,735
Total				<u>\$ 1,009,314,963</u>
Road Commission Component Unit -				
Pension Fund				
U.S. government securities	\$ -	\$ 5,996,439	\$ -	\$ 5,996,439
U.S. agency obligations	-	37,549,428	-	37,549,428
Corporate bonds	-	30,321,341	-	30,321,341
Corporate stocks	-	69,404,166	-	69,404,166
Other	-	542,992	-	542,992
Total	<u>\$ -</u>	<u>\$ 143,814,366</u>	<u>\$ -</u>	<u>\$ 143,814,366</u>
Deposits				480,600
Money market mutual funds/ pools				3,746,787
Total *				<u>\$ 148,041,753</u>
Total reporting entity - Fiduciary funds only				<u>\$ 1,157,356,716</u>

* Amounts represent balances in the Retirement System as of December 31, 2002.

4. Receivables

Property Taxes

Taxes are levied on December 1 on the taxable value of real and personal property as established the preceding December 31. Taxes become a lien on the property December 1 and are due and payable on that date through February 28 of the following year. Taxes become delinquent and are subject to penalty on March 1. Taxable value is determined by using such factors as State equalized, assessed, and capped values, along with a value change multiplier. Equalized values for the 2002 levy totaled \$62,829,530,422, with taxable values of \$50,694,763,579. The operating tax rate for the 2002 levy, collected in 2003, was 4.1900 mills, with an additional 0.2453 mills voted for Parks and Recreation.

Delinquent Taxes

The Treasurer purchases, at face amount, real property tax receivables that are delinquent on March 1. These receivables (\$48,265,765) at September 30, 2003 are pledged for the repayment of notes, the proceeds of which were used to liquidate the amounts of delinquent real property taxes due to the County and other governmental agencies. Subsequent collections of delinquent taxes, which include interest, penalties, fees, and investment earnings, amounting to \$17,086,279 in 2003, are used to service the notes payable.

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

5. Allowances for Uncollectible Receivables

At September 30, 2003, the allowances for uncollectible receivables were as follows:

General fund	\$ 362,842
Enterprise funds	
Medical Care Facility	23,872
Airport Facilities	58,383
Radio Communications	53,493
Water and Sewer Trust	1,262
Total	<u>\$ 499,852</u>

6. Investment Income – Pension Trust Funds

The following is a breakdown of the Investment Income for the primary government for the year ended September 30, 2003:

	Employees Retirement	VEBA Trust
Interest and dividends	\$ 23,181,599	\$ 5,417,523
Unrealized/ Realized gain on sale of investments (net)	<u>74,141,198</u>	<u>13,442,138</u>
Total	<u>\$97,322,797</u>	<u>\$18,859,661</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

7. Capital Assets

An analysis of property and equipment as reported in the Statement of Net Assets, and related accumulated depreciation, at September 30, 2003, for governmental activities follows:

	Balance October 1, 2002	Additions	Disposals	Balance September 30, 2003
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 7,672,088	\$ -	\$ -	\$ 7,672,088
Construction in progress	<u>25,545,082</u>	<u>34,973,247</u>	<u>(10,218,274)</u>	<u>50,300,055</u>
Total capital assets, not being depreciated	<u>33,217,170</u>	<u>34,973,247</u>	<u>(10,218,274)</u>	<u>57,972,143</u>
Capital assets, being depreciated				
Land improvements	5,717,272	1,261,170	-	6,978,442
Buildings and improvements	125,541,792	2,009,579	-	127,551,371
Equipment and vehicles	75,363,136	7,031,911	(2,835,886)	79,559,161
Infrastructure	<u>20,530,901</u>	<u>-</u>	<u>-</u>	<u>20,530,901</u>
Total capital assets, being depreciated	<u>227,153,101</u>	<u>10,302,660</u>	<u>(2,835,886)</u>	<u>234,619,875</u>
Less: Accumulated depreciation				
Land improvements	673,051	1,959,950	-	2,633,001
Buildings and improvements	49,895,574	3,305,496	-	53,201,070
Equipment and vehicles	43,075,239	9,054,976	(1,155,585)	50,974,630
Infrastructure	<u>6,180,041</u>	<u>327,898</u>	<u>-</u>	<u>6,507,939</u>
Total accumulated depreciation	<u>99,823,905</u>	<u>14,648,320</u>	<u>(1,155,585)</u>	<u>113,316,640</u>
Total capital assets, being depreciated, net	<u>(99,823,905)</u>	<u>(14,648,320)</u>	<u>1,155,585</u>	<u>(113,316,640)</u>
Governmental activities capital assets, net	<u>\$ (66,606,735)</u>	<u>\$ 20,324,927</u>	<u>\$ (9,062,689)</u>	<u>\$ (55,344,497)</u>
Depreciation expense was charged to functions as follows:				
Public Safety		\$ 1,839,281		
Justice administration		752,069		
Citizens services		333,099		
Public infrastructure		517,351		
Unallocated depreciation		2,835,206		
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>8,371,314</u>		
Total depreciation expense-governmental activities		<u>\$ 14,648,320</u>		

Included in disposals above is the write-off of \$6,033,983 of construction in progress in the Information Technology fund. This was for the Jail Information Management System and consisted primarily of costs incurred for development of computer software.

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

A summary of business-type property and equipment at September 30, 2003, follows:

	Balance October 1, 2002	Additions	Disposals	Balance September 30, 2003
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 38,470,578	\$ 3,566,172	\$ (2,000)	\$ 42,034,750
Construction in progress	<u>31,797,020</u>	<u>7,472,145</u>	<u>(18,959,466)</u>	<u>20,309,699</u>
Total capital assets, not being depreciated	<u>70,267,598</u>	<u>11,038,317</u>	<u>(18,961,466)</u>	<u>62,344,449</u>
Capital assets, being depreciated				
Land improvements	23,067,971	-	(1,195)	23,066,776
Buildings and improvements	38,704,099	2,035,181	(38,390)	40,700,890
Equipment and vehicles	28,074,986	2,280,873	(434,455)	29,921,404
Infrastructure	<u>176,650,523</u>	<u>39,627,380</u>	<u>(18,303)</u>	<u>216,259,600</u>
Total capital assets, being depreciated	<u>266,497,579</u>	<u>43,943,434</u>	<u>(492,343)</u>	<u>309,948,670</u>
Less: Accumulated depreciation				
Land improvements	9,097,275	1,257,665	(1,195)	10,353,745
Buildings and improvements	13,575,114	1,042,043	(38,391)	14,578,766
Equipment and vehicles	18,808,125	4,616,423	(403,632)	23,020,916
Infrastructure	<u>111,730,044</u>	<u>10,187,554</u>	<u>-</u>	<u>121,917,598</u>
Total accumulated depreciation	<u>153,210,558</u>	<u>17,103,685</u>	<u>(443,218)</u>	<u>169,871,025</u>
Total capital assets, being depreciated, net	<u>113,287,021</u>	<u>26,839,749</u>	<u>(49,125)</u>	<u>140,077,645</u>
Business-type activities capital assets, net	<u>\$ 183,554,619</u>	<u>\$ 37,878,066</u>	<u>\$ (19,010,591)</u>	<u>\$ 202,422,094</u>
Depreciation expense was charged to functions as follows:				
Airports		\$ 1,646,727		
Community safety support		4,012,430		
Community water and sewer		548,505		
Recreation and leisure		2,470,989		
Sewage disposal systems		3,109,584		
Skilled nursing care		<u>76,485</u>		
Total depreciation expense - business-type activities		<u>\$ 11,864,720</u>		

In addition to the depreciation expense, during 2003, the accumulated depreciation for the Water and Sewer enterprise fund was increased by the amount of \$5,238,965 for assets contributed.

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

An analysis of property and equipment, and related accumulated depreciation where applicable, at September 30, 2003, for component units follows:

Component Units	Balance October 1, 2002	Additions	Disposals	Balance September 30, 2003
Drainage Districts				
Capital assets, not being depreciated				
Construction in Progress	\$ 62,742,232	\$ 29,980,081	\$ -	\$ 92,722,313
Capital assets, being depreciated				
Infrastructure	316,177,053	7,163,236	-	323,340,289
Less: Accumulated depreciation				
Infrastructure	46,748,273	2,407,203	-	49,155,476
Total capital assets, being depreciated, net	269,428,780	4,756,033	-	274,184,813
Governmental activity capital assets, net	<u>\$ 332,171,012</u>	<u>\$ 34,736,114</u>	<u>\$ -</u>	<u>\$ 366,907,126</u>
Road Commission				
Capital assets, not being depreciated				
Land and other	\$ 100,020,104	\$ 5,531,072	\$ -	\$ 105,551,176
Construction in Progress	-	421,080	-	421,080
Total capital assets, not being depreciated	100,020,104	5,952,152	-	105,972,256
Capital assets, being depreciated				
Buildings and storage bins	11,879,791	512,410	(34,541)	12,357,660
Road equipment	40,838,706	2,955,335	(2,817,841)	40,976,200
Other equipment	5,821,118	410,509	(1,024,610)	5,207,017
Infrastructure	548,372,825	54,345,480	-	602,718,305
Brine wells and gravel pits	1,390,879	-	(320,057)	1,070,822
Total capital assets, being depreciated	608,303,319	58,223,734	(4,197,049)	662,330,004
Less: Accumulated depreciation for				
Buildings and storage bins	(6,869,192)	(369,383)	34,542	(7,204,033)
Road equipment	(28,429,486)	(4,901,293)	2,787,253	(30,543,526)
Other equipment	(3,544,887)	(408,331)	1,020,348	(2,932,870)
Infrastructure	(197,613,189)	(23,502,465)	-	(221,115,654)
Brine wells and gravel pits	(573,220)	(72,184)	23,164	(622,240)
Total accumulated depreciation	(237,029,974)	(29,253,656)	3,865,307	(262,418,323)
Total capital assets, being depreciated, net	371,273,345	28,970,078	(331,742)	399,911,681
Governmental activity capital assets, net	<u>\$ 471,293,449</u>	<u>\$ 34,922,230</u>	<u>\$ (331,742)</u>	<u>\$ 505,883,937</u>
Community Mental Health Authority				
Capital assets, not being depreciated				
Land and other	\$ -	\$ 839,000	\$ -	\$ 839,000
Capital assets, being depreciated				
Equipment and vehicles	1,163,055	257,962	-	1,421,017
Building	-	2,611,000	-	2,611,000
Building Renovations	-	832,448	-	832,448
Total capital assets, being depreciated	1,163,055	3,701,410	-	4,864,465
Less: Accumulated depreciation for				
All depreciable assets	(842,699)	(232,950)	-	(1,075,649)
Total capital assets, being depreciated, net	320,356	3,468,460	-	3,788,816
Business type activity capital assets, net	<u>\$ 320,356</u>	<u>\$ 4,307,460</u>	<u>\$ -</u>	<u>\$ 4,627,816</u>

**County of Oakland
Notes to Basic Financial Statements
September 30, 2003**

8. Long-Term Debt

The County issues bonds authorized by various State acts. Each act provides specific covenants for specific purposes.

	Interest rate	October 1, 2002	Additions	Reductions	September 30, 2003	General long-term debt	Enterprise fund	General obligation	With governmental commitment
Primary Government									
Bonds with unlimited taxing authority									
Water - Act 185 - Act 202	3.50%-7.5%	\$ 185,000	\$ -	\$(2,125,000)	\$ 3,635,000	\$ 3,635,000	\$ -	\$ -	\$ 3,635,000
Water and sewer - Act 185 - Act 202	3.50%-7.70%	6,105,000	-	(2,470,000)	200,000	200,000	-	-	200,000
Sewage disposal - Act 342	4.00%-6.50%	12,130,000	-	(8,295,000)	3,835,000	3,835,000	-	-	3,835,000
Bonds with limited taxing authority									
Building authority - Act 31	2.50%-5.60%	52,700,000	7,560,000	(2,025,000)	58,235,000	58,235,000	-	\$ 8,235,000	-
Building authority refunding - Act 202	4.37%-4.75%	11,400,000	-	(2,785,000)	8,615,000	8,615,000	-	8,615,000	-
Sewage disposal - Act 342	3.50%-8.50%	11,920,000	-	(1,740,000)	10,180,000	10,180,000	-	-	10,180,000
Water supply refunding - Act 342	4.40%-7.00%	14,670,000	-	(7,620,000)	7,250,000	7,250,000	-	-	7,250,000
Water supply refunding - Act 202	4.40%-4.70%	365,000	2,770,000	(190,000)	2,945,000	2,945,000	-	-	2,945,000
Michigan Bond Authority - Act 202	3.00%-5.20%	31,755,000	-	(3,130,000)	28,605,000	28,605,000	-	-	28,605,000
Michigan Bond Authority Sewage Disposal Bonds	2.25%	7,800,000	-	(410,000)	7,390,000	7,390,000	-	-	7,390,000
		\$ 130,290,000	\$ 10,330,000	\$ (17,500,000)	\$ 123,220,000	\$ 123,220,000	\$ -	\$ 66,850,000	\$ 56,370,000
		\$ 142,920,000	\$ 10,330,000	\$ (26,195,000)	\$ 127,055,000	\$ 127,055,000	\$ -	\$ 66,850,000	\$ 60,205,000
	Variable	\$ 25,000,000	\$ 25,000,000	\$ (25,000,000)	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ -
Tax notes - limited taxing authority - business type activities									
Component units									
Drainage Districts									
Drain bonds - Act 40 limited taxing authority	3.60%-8.00%	\$ 90,015,000	\$ 1,970,000	\$(14,775,000)	\$ 77,210,000	\$ 77,210,000	\$ -	\$ 2,864,870	\$ 34,345,170
Drain refunding - Act 202	3.75%-6.70%	35,135,000	11,625,000	(2,430,000)	44,330,000	44,330,000	-	-	41,717,395
Michigan Bond Authority Drain bonds	2.00%-2.50%	\$ 80,141,679	\$ 23,185,488	\$(1,130,000)	\$ 72,197,167	\$ 72,197,167	-	\$ 1,437,772	\$ 70,759,395
Total Drainage District		\$ 135,291,679	\$ 36,780,488	\$(18,335,000)	\$ 153,737,167	\$ 153,737,167	\$ -	\$ 6,915,207	\$ 146,823,960

*Delinquent tax notes interest is a variable floating rate set once a week and paid down monthly.

County of Oakland

Notes to Basic Financial Statements

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The County has pledged its full faith and credit on debt totaling \$319,642,167. The General Fund is obligated if payments received on assessments levied against benefiting municipalities are insufficient to meet principal and interest requirements of this debt when due.

By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2003, the debt limit was \$6,708,544,178, general obligation debt was \$98,765,207.

The aforementioned bonds are to be repaid as summarized in the following paragraphs.

Building Authority – Act 31

Act 31 provides for an authority to issue bonds to build and equip various public buildings, which are then leased to the County. Proceeds from these leases are used to repay the bonds. The collection of lease payments and retirement of debt is reflected in the respective Debt Service fund. At September 30, 2003, there were 6 issues outstanding, totaling \$58,235,000, maturing in the years 2004-2023, which represents debt originally issued in the years 1990-2003 totaling \$69,610,000.

Sewage Disposal, Water and Sewer, and Water Supply Bonds – Acts 185 and 342

Acts 185 and 342 provide for a contract between the County and local municipalities which defines a schedule of annual payments to be made by the municipality to meet principal and interest obligations. Such contractual payments may be funded by revenues produced by utility or tax revenues. The County is obligated upon the default of the local municipality, and therefore, such obligation is shown as "with governmental commitment." Assessments are shown in their entirety with the corresponding deferred revenue in the Debt Service funds for each act. At September 30, 2003, there were 23 issues outstanding, totaling \$21,265,000, maturing in the years 2004-2018. This represents debt originally issued in the amount of \$92,470,000 issued in the years 1968-1999.

Refunding Bonds – Act 202

Act 202 provides for the refunding of bonds based on covenants contained in the act. The bonds will be repaid from assessments levied against the benefiting municipalities for water and sewer debt, or leases for Building Authority debt. At September 30, 2003, there were 10 issues outstanding, totaling \$40,165,000, maturing in the years 2004-2014. This represents debt originally issued in the years 1993-2003 totaling \$57,475,000.

Michigan Bond Authority Sewage Disposal Bonds

In October 1996, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to \$9,350,000 for the White Lake Township Sewage Disposal System project. The amount of \$9,350,000 was received from the State Revolving Loan fund as of the end of fiscal year 1999. The amount outstanding for this issue at September 30, 2003 was \$7,390,000, which matures in the years 2004-2018.

County of Oakland
Notes to Basic Financial Statements
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Tax Notes – Section 87B of Act 206

By agreement with various taxing authorities, the County purchases (at face value) real property taxes which are returned delinquent each March 1. The assets of the Delinquent Tax Revolving fund (an Enterprise fund) including receivables, in the amount of \$224,879,623 at September 30, 2003, are pledged as collateral for payment of the tax notes. The proceeds of these notes were used to liquidate the amounts due the County's General Fund and other governmental agencies for purchase of their delinquent real property tax receivables and to provide an amount for note repayment. The amount outstanding at September 30, 2003 was \$25,000,000. Subsequent collections on delinquent taxes receivable, plus interest penalties and collection fees thereon, and investment earnings are used to service the debt.

Drain Bonds – Act 40 (Component Unit)

Act 40 provides for the creation of a Drain Board, which has the power to assess State, County, and local levels of government for principal and interest payments. Such assessments are to be funded from General Fund revenues of the respective municipality. The County portion of the assessment is identified as a general obligation. Further, the County is obligated if assessments levied against benefiting municipalities are insufficient to meet principal and interest requirements when due. Such obligations are shown as "with governmental commitment." At September 30, 2003, there were 17 issues outstanding, totaling \$37,210,000, maturing in the years 2004-2024. This represents original debt issued for \$46,015,000 in the years 1993-2003.

Drain Refunding Bonds – Act 202 (Component Unit)

Act 202 provides for the refunding of bonds based on covenants contained in the act. The County initiates the refunding of various drain bonds issued under Act 40 on behalf of the drainage districts component unit. Bonds will be repaid from assessments levied against the benefiting municipalities. At September 30, 2003, there were 16 issues outstanding, totaling \$44,330,000, maturing in the years 2004-2016. This represents debt originally issued in the years 1991-2003 in the amount of \$60,600,000.

Michigan Bond Authority Drain Bonds (Component Unit)

As of 1999, the County had received \$9,339,609 from the authorized issuance of bonds to the Michigan Municipal Bond Authority Revolving Loan fund for the Combined Sewer Overflow Project. In October 2000, the County additionally authorized the issuance of bonds for up to \$17,880,000 for the George W. Kuhn Drainage District. Through September 30, 2003, the drainage district received \$17,340,968 from the State Revolving Loan Fund. Further, the County authorized an additional \$82,200,000 for Segment II of the George W. Kuhn Drainage District. Through September 30, 2003, the drainage district received \$49,386,199 from the State Revolving Loan Fund for Segment II. At September 30, 2003, there were 6 issues outstanding, totaling \$72,197,167, maturing in the years 2004-2022. Subsequent to September 30, 2003, the George W. Kuhn Drainage District received \$9,857,232 in additional proceeds from the State Revolving Loan Fund.

County of Oakland
Notes to Basic Financial Statements
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Advance Refunding of General Obligation Limited Tax Bonds

In September 1999, the County advance-refunded a portion of a general obligation limited tax bond issue with general obligation limited tax refunding drain bond issues, pursuant to authorization contained in Act 202, Public Acts of Michigan of 1943. The County issued \$3,535,000 of refunding bonds to provide resources placed in trust for the purpose of generating resources for the payment of future debt service payments of the refunded debt. Accordingly, the trust account assets and liability for the refunded bonds are not included in the County's financial statements. At September 30, 2003, there was an in-substance defeasance of \$3,225,000 for the Birmingham CSO Drainage District Series 1994B drain bonds maturing in the years 2004 through 2016, inclusively.

In August 2001, the County advance-refunded a portion of three general obligation limited tax bond issues with general obligation limited tax refunding drain bond issues on behalf of the Drainage Districts component unit, pursuant to authorization contained in Act 202, Public Acts of Michigan of 1943. The County issued \$8,775,000, \$2,375,000, and \$7,830,000 respectively of refunding bonds to provide resources placed in trust for the purpose of generating resources for the payment of future debt service payments of the refunded debt. Accordingly, the trust account assets and liability for the refunded bonds are not included in the Drainage Districts' component unit nor the County's financial statements. At September 30, 2003, there was an in-substance defeasance of \$8,175,000 for the Birmingham CSO Drainage District Series 1995C drain bonds maturing in the years 2004 through 2016 inclusively; \$2,150,000 for the Bloomfield Village CSO Drainage District Series 1994B drain bonds maturing in the years 2004 through 2016 inclusively, and \$7,300,000 for the Bloomfield Village CSO Drainage District Series 1994D drain bonds maturing in the years 2004 through 2016 inclusively.

In May 2003, the county advance refunded a portion of a general obligation limited tax bond issue with general obligation limited tax refunding water supply bond issue. The county issued \$2,770,000 of refunding bonds to provide resources placed in trust for the purpose of generating resources for the payment of future debt service payments of the refunded debt. Accordingly, the trust account assets and liability for the refunded bonds are not included in the County's financial statements. At September 30, 2003, there was an in-substance defeasance of \$2,605,000 for the City of Orchard Lake Village System, Series 1994 water supply bonds, maturing in the years 2004 through 2014 inclusively. The advance refunding was undertaken to reduce the debt service payments over the next 11 years by \$366,975 and to obtain an economic gain (difference between the present value of the debt service requirements of the refunded and refunding bonds) of \$313,307.

Additionally, in 2003 bonds were called as a result of resources provided by the Township of West Bloomfield in the form of prepaid assessment rolls. Debt amounting to \$1,186,000 and \$2,340,000 for the West Bloomfield Township Water Supply System, Section 12 and West Bloomfield Township Water System, Section 13 and 14 respectively was eliminated. This results in a saving to the township of \$1,275,120 for interest payments during fiscal years 2004 through 2014.

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In May, 2003, the County advance-refunded a portion of three general obligation limited tax bond issues with general obligation limited tax refunding drain bond issues on behalf of the Drainage Districts component unit, pursuant to authorization contained in Act 202, Public Acts of Michigan of 1943. The County issued \$1,285,000, \$1,810,000, \$1,670,000, respectively of refunding bonds to provide resources placed in trust for the purpose of generating resources for the payment of future debt service payments of the refunded debt. Accordingly, the trust account assets and liability for the refunded bonds are not included in the Drainage Districts' component unit nor the County's financial statements. At September 30, 2003, there was an in-substance defeasance of \$1,200,000 for the Crake Drainage District Series 1991B drain bonds maturing in the years 2004 through 2011 inclusively; \$1,775,000 for the Caddell Drainage District Series 1994K drain bonds maturing in the years 2004 through 2014 inclusively; \$2,150,000 for the Pebble Creek Drainage District Series 1991D drain bonds maturing in the years 2004 through 2011 inclusively. The advance refundings were undertaken to reduce the debt service payments over the next 8 to 12 years by \$677,307 in aggregate, and to obtain an economic (present value) gain of \$528,095.

In July, 2003, the County advance refunded a portion of four general obligation limited tax bond issues with general obligation limited tax refunding drain bond issues on behalf of the Drainage Districts component unit, pursuant to authorization contained in Act 202, Public Acts of Michigan of 1943. The County issued \$1,645,000, \$1,125,000, and \$4,090,000 respectively of refunding bonds to provide resources placed in trust for the purpose of generating resources for the payment of future debt service payments of the refunded debt. Accordingly, the trust account assets and liability for the refunded bonds are not included in the Drainage Districts component unit, nor the County's Financial Statements. At September 30, 2003, there is an in-substance defeasance of \$1,650,000 for the Chester Drainage District Series 1995A drain bonds maturing in the years 2005 through 2014 inclusively; \$1,050,000 for the Bloomfield Hills CSO Drainage District Series 1994A drain bonds maturing the years 2005 through 2016 inclusively; and \$650,000 and \$3,225,000 for the Acacia Park CSO Drainage District Series 1994B and Series 1995C drain bonds respectively maturing in the years 2005 through 2015 inclusively. The advance refundings were undertaken to reduce the debt service payments over the next 10 to 13 years by \$1,239,466 in aggregate, and to obtain an economic (present value) gain of \$1,036,731.

Changes in Other Long-Term Liabilities

Long-term liabilities liability activity for the fiscal year ended September 30, 2003 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities					
Accrued unreported health costs	\$ 2,368,000	\$ -	\$ -	\$ 2,368,000	\$ 789,333
Accrued sick and annual leave	12,890,629		(1,141,194)	11,749,435	1,174,944
Accrued worker's compensation	12,731,334	2,130,964	(2,553,973)	12,308,325	1,416,635
Claims and judgments	16,199,989	3,946,973	(2,644,427)	17,502,535	2,300,000
	<u>\$ 44,189,952</u>	<u>\$ 6,077,937</u>	<u>\$ (6,339,594)</u>	<u>\$ 43,928,295</u>	<u>\$ 5,680,912</u>
Governmental activity long-term liabilities					

County of Oakland
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Community Mental Health Authority Long-Term Liabilities

Additionally, the Community Mental Health Authority has incurred debt in the form of a mortgage for purchase of a building. The County has not pledged it full faith and credit on this mortgage.

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2003 are as follows:

2004	\$ 440,736
2005	440,736
2006	440,736
2007	440,736
2008	440,736
2009 and after	<u>2,203,678</u>
	4,407,358
Amount representing interest	<u>(957,358)</u>
	<u>\$ 3,450,000</u>

County of Oakland
Notes to Basic Financial Statements
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9. Interfund Balances

Interfund receivables and payables at September 30, 2003 were:

Fund	Interfund receivables	Fund	Interfund payables
General	\$ 14,930,170	General	\$ 8,163,714
Special Revenue		Special Revenue	
Public Health	\$ 49,167	Public Health	\$ 1,227,255
Juvenile Maintenance	355,145	Juvenile Maintenance	2,184,473
Restricted Funds	127,782	Social Welfare	19,189
Environmental Infrastructure	3,359,262	Water and Sewer Act 342	6,806,985
Water and Sewer Act 342	6,728,272	Drains - Act 40 Chapter 4 & 18	
Drains-Act 40 Chapter 4 & 18		Maintenance	171,302
Maintenance	49,006	Friend of the Court Grant	2,703,670
Friend of the Court Grant	1,303,814	Lake Levels Act 146	34,928
Multi-Organizational Grants	157,315	Lake Improvements Act 345	45,712
Judicial Grants	1,871	Pollution Control Grants	43,609
Law Enforcement Grants	642,086	Multi-Organizational Grants	407,950
Human Service Grants	393,757	Workforce Development Grants	55,127
Other Grants	14,402	Judicial Grants	138,580
COPS More Grant	6,883	Law Enforcement Grants	1,518,957
Oakland Brownfield Initiative	6	Human Service Grants	51,108
Pollution Control Grants	2	Other Grants	2,550,748
		Human Service Coordinating	
		Council	5,682
		COPS More Grant	26,188
		Oakland Brownfield Initiative	7,806
Total special revenue	<u>13,188,770</u>	Total special revenue	<u>17,999,269</u>
Debt Service		Debt Service	
		Water and Sewer Refunding	
		Act 202	537
Capital Projects		Capital Projects	
Project Work Orders	26,014	Project Work Order	81,727
Work Release/Jail Mgt/Video		Work Release/Jail Mgt/Video	
Conferencing	8,626	Conferencing	3,010
Drain Commissioner Revolving	347,684	Lake Levels Act 146	24,090
		Lake Improvements Act 345	243
Total capital projects	<u>382,324</u>	Total capital projects	<u>109,070</u>
Internal Service		Internal Service	
Facilities Maintenance and		Facilities Maintenance and	
Operations	26,042	Operations	2,763
Information Technology	161,566	Information Technology	195,550
Drain Equipment	26,784	Drain Equipment	1,330
Motor Pool	29,889	Motor Pool	39,228
Mailing, Copier and Printing	4,177	Mailing, Copier & Printing	1,065
Telephone Communications	1,369	Telephone Communications	570
Fringe Benefits	2,344,739	Fringe Benefits	1,208
Sheriff Aviation	376,501	Sheriff Aviation	41,127
Total internal service	<u>2,971,067</u>	Total internal service	<u>282,841</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

Fund	Interfund receivables	Fund	Interfund payables
Enterprise		Enterprise	
Evergreen-Farmington S.D.S.	\$ 2,941,109	Medical Care Facility	\$ 756,897
S.O.C.S.D.S.	49,014	Fire Records Management	109,568
Clinton-Oakland S.D.S.	100,014	County Airports	1,105
Parks and Recreation	20,472	Evergreen-Farmington S.D.S.	202,345
CLEMIS	352,000	S.O.C.S.D.S.	163,728
Water and Sewer Trust	737,201	Clinton-Oakland S.D.S.	241,363
		Huron-Rouge S.D.S.	14,440
		Parks and Recreation	6,384
		Farmers Market	6,761
		Delinquent Tax Revolving	3,359,262
		CLEMIS	39,128
		Water and Sewer Trust	3,052,751
		Jail Inmate Commissary	50,257
	<u>4,199,810</u>		<u>8,003,989</u>
Total enterprise		Total enterprise	
Fiduciary		Fiduciary	
		Contractor's Retainage	125,397
		District Court Trust	2,164
		VEBA Trust	985,160
	<u>-</u>		<u>1,112,721</u>
Total fiduciary		Total fiduciary	
Total due from other funds	<u>\$ 35,672,141</u>	Total due to other funds	<u>\$ 35,672,141</u>

County of Oakland
Notes to Basic Financial Statements
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Receivables and payables between funds of the Primary Government and the Component Units at September 30, 2003 were:

Fund	Due From Component Unit	Fund	Due to Component Unit
Primary Government		Primary Government	
General	<u>\$ 282,524</u>	General	<u>\$ 72</u>
Special Revenue			
Water and Sewer Act 342	13		
Drains Act 40 Chapter 4 & 18			
Maintenance	<u>1,834</u>		
Total Special Revenue	<u>1,847</u>		
Capital Projects			
Drain Commissioner Revolving	212,807		
Lake Levels Act 146	<u>27</u>		
Total Capital Projects	<u>212,834</u>		
Internal Service			
Facilities Maintenance and Operations	100,134		
Information Technology	12,887		
Drain Equipment	16,195		
Micrographics	144		
Mailing, Copier and Printing	10,967		
Fringe Benefits	<u>213</u>		
Total Internal Service	<u>140,540</u>		
Enterprise			
Evergreen-Farmington S.D.S.	582,768		
Water and Sewer Trust	<u>481</u>		
Total enterprise	<u>583,249</u>		
Total Primary Government	<u>1,220,994</u>	Total Primary Government	<u>72</u>
Due from Primary Government		Due to Primary Government	
Drainage Districts	72	Drainage Districts	1,079,543
		Road Commission	113,373
		Community Mental Health	
		Authority	<u>28,078</u>
Total Component Unit	<u>72</u>	Total Component Unit	<u>1,220,994</u>
Total	<u>\$1,221,066</u>	Total	<u>\$1,221,066</u>

County of Oakland
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Advances to/from other funds (including current and long-term portions) at September 30, 2003 were:

Fund	Advances receivable	Fund	Advances payable
General	<u>\$ 14,120</u>	General	<u>\$ 1,500,000</u>
Special Revenue		Special Revenue	
		Lake Levels Act 146	<u>21,357</u>
Capital Projects		Capital Projects	
Building Improvement	800,000	Office Building Renovation	800,000
Long-term Revolving	<u>34,160</u>	Lake Levels Act 146	<u>26,923</u>
Total capital projects	<u>834,160</u>	Total capital projects	<u>826,923</u>
Internal Service		Internal Service	
		Sheriff Aviation	<u>3,025,000</u>
Enterprise			
Delinquent Tax Revolving	<u>4,525,000</u>	Total advances payable	<u>\$ 5,373,280</u>
Total advances receivable	<u>\$ 5,373,280</u>		

Interfund transfers between the funds within the Primary Government recorded in the accompanying financial statements as operating transfers in/out for the year ended September 30, 2003 were:

Fund	Transfers In	Fund	Transfers Out
General	<u>\$ 10,422,169</u>	General	<u>\$ 59,724,305</u>
Special Revenue		Special Revenue	
Public Health	22,831,717	Public Health	49,115
Juvenile Maintenance	16,263,139	Restricted Funds	615,970
Property Tax Forfeiture	938,451	Water and Sewer Act 342	1,445,595
Restricted Funds	5,468	Human Services Grants	31,373
Environmental Infrastructure	5,000,000		
Lake Levels Act 146	11,540		
Drains - Act 40 Chapter 4 & 18			
Maintenance	<u>49,006</u>		
Total special revenue	<u>45,099,321</u>	Total special revenue	<u>2,142,053</u>
Debt Service		Debt Service	
Water and Sewer Act 342	201,467	Water and Sewer Act 342	25,872
Water and Sewer Refunding Act 202	170,000	Building Authority West	
Water and Sewer Act 185	1,100,000	Wing Ext.	523
Building Authority Work Rel/ Jail Mgmt/Video	1,921,137		
Building Authority Office Building Renovation	169,011		
Building Authority 52/3 Dist Ct & Sheriff Substation	1,362,025		
Building Authority Refunding Series 1992	1,807,419		
Building Authority Computer Center	109,937		
Building Authority Refunding Series 1998	<u>1,445,606</u>		
Total debt service	<u>8,286,602</u>	Total debt service	<u>26,395</u>
Capital Projects		Capital Projects	
Building Improvement	2,000,000	Building Improvement	184,000
Project Work Orders	<u>714,812</u>		
Total capital projects	<u>2,714,812</u>	Total capital projects	<u>184,000</u>

County of Oakland
Notes to Basic Financial Statements
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Fund	Transfers In	Fund	Transfers Out
Internal Service		Internal Service	
Facilities Maintenance and Operations	\$ 186,000	Facilities Maintenance and Operations	\$ 132,000
Information Technology	5,834,730	Information Technology	5,000
Drain Equipment	2,095,879	Drain Equipment	356,758
Motor Pool	<u>506,177</u>		
Total internal service	<u>8,622,786</u>	Total internal service	<u>493,758</u>
Enterprise		Enterprise	
Fire Records Management	279,365	Delinquent Tax Revolving	14,146,511
Water and Sewer Trust	43,880	CLEMIS	18,500
Radio Communications	10,372	Radio Communications	107,836
CLEMIS	<u>1,414,308</u>	Jail Inmate Commissary	<u>50,257</u>
Total enterprise	<u>1,747,925</u>	Total enterprise	<u>14,323,104</u>
Total transfers in	<u>\$ 76,893,615</u>	Total transfers out	<u>\$ 76,893,615</u>

10. Fund Equities

At September 30, 2003, a deficit existed in the following funds:

Capital Projects Fund	
Lake Levels Act 146	\$ 55,954
Internal Service Fund	
Sheriff Aviation	2,720,076

The deficit in the Lake Levels Act 146 fund is the result of two issues. The first is the result of advance funding required to complete the construction and maintenance of lake level control structures (dams, etc.). A special assessment roll has been authorized for this purpose, and the deficit will be satisfied with that revenue, \$55,954 in this instance, over future accounting periods. The second issue consists of preliminary costs for the Waumegah Lake Augmentation Well Project. In anticipation of this project, a separate capital project fund was established. However, it has been determined that the project will not be a County project. The costs incurred will be recovered as part of the annual assessment roll established for maintenance of the Waumegah Lake Level.

The negative unrestricted net assets in the Sheriff Aviation fund reflects two separate interfund advances from the Delinquent Tax Revolving fund to purchase two helicopters. The negative unrestricted net assets will be eliminated as the advances are repaid to the Delinquent Tax Revolving fund.

County of Oakland
Notes to Basic Financial Statements
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Reserved, designated, and undesignated fund balances and net assets at September 30, 2003 including the Road Commission and Drainage Districts component units, were as follows:

	Reserved	Unreserved	
		Designated	Undesignated
Primary Government			
General Fund			
Encumbrances	\$ 1,137,125	\$ -	\$ -
Prepays	1,584,838	-	-
Long-term advances	14,120	-	-
Future operating requirements	-	96,202,858	-
Capital outlay	-	7,838,218	-
Other programs	-	5,250,000	-
Uncommitted	-	-	482,968
	<u>\$ 2,736,083</u>	<u>\$ 109,291,076</u>	<u>\$ 482,968</u>
Special Revenue Funds			
Encumbrances	\$ 623,998	\$ -	\$ -
Construction and maintenance	-	4,709,242	-
Specific programs	-	16,934,121	-
	<u>\$ 623,998</u>	<u>\$ 21,643,363</u>	<u>\$ -</u>
Debt Service Funds			
Debt service - general obligations	<u>\$ 2,686,961</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Projects Funds			
Long-term advances	\$ 834,160	\$ -	\$ -
Work projects	25,827,921	6,218,795	-
Uncommitted	-	-	10,156,881
	<u>\$ 26,662,081</u>	<u>\$ 6,218,795</u>	<u>\$ 10,156,881</u>
		Unreserved	
	Reserved	Designated	Undesignated
Component Units			
Road Commission			
Governmental Fund			
Inventories and supplies	\$ 3,004,348	\$ -	\$ -
Construction and maintenance	14,342,595	22,982,082	-
Subsequent year's budget	-	2,527,450	-
Long-term portion of provision for uninsured losses	-	2,032,000	-
Compensated absences	-	3,268,974	-
Uncommitted	-	-	1,494,546
	<u>\$ 17,346,943</u>	<u>\$ 30,810,506</u>	<u>\$ 1,494,546</u>
Drainage Districts			
Governmental Fund			
Construction and maintenance	\$ 30,925,322	\$ -	\$ -
Debt Service	1,288,573	-	-
	<u>\$ 32,213,895</u>	<u>\$ -</u>	<u>\$ -</u>

County of Oakland
Notes to Basic Financial Statements
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11. Employee Benefits

Primary Government

The County provides various benefits to its employees. Expenditures in 2003 for these benefits approximated the following: medical insurance, \$24,869,000; dental insurance, \$2,790,000; optical insurance, \$285,000; annual and sick leave, \$1,358,000; disability, \$1,866,000; tuition reimbursement, \$334,000; Social Security, \$15,472,000; workers' compensation, \$1,447,000; and unemployment claims, \$280,000.

Road Commission

The Road Commission provides medical, dental, and optical insurance to its employees. Expenditures in 2003 for these benefits approximated \$7,189,400. Workers' compensation expense in 2003 approximated \$989,900.

12. Defined Benefit Pension Plans

Plan Description

The County has two single-employer defined benefit pension plans, substantially covering all full-time employees. One covers most County employees, exclusive of the Road Commission (referred to as the County's Public Employees' Retirement System (PERS)); the other covers employees of the Road Commission.

Both plans provide retirement, disability, and death benefits to plan members and their beneficiaries.

The County does not issue a stand-alone report for its County PERS.

Basis of Accounting

Both the County and Road Commission Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable, in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at an estimated fair value, or amortized cost.

Funding Policy/Contributions

The County policy is to fund normal costs of the Plan by contributions which are based on actuarially determined rates, expressed as percentages of annual covered payroll, and which are sufficient to accumulate assets to pay benefits when due. The current year and prior-period rates for the County plan were 0.0 percent and 0.0 percent, respectively, of annual covered payroll, which was determined through actuarial valuation performed at September 30, 2002 and September 30, 2001, respectively. There were no contributions from County funds for the years 2000 through 2003.

County of Oakland
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Sheriff's deputies contribute at a rate of 3 percent of their annual pay for the first 14 years of service and 5 percent thereafter. Command officers contribute 5 percent. General County Option A members who have elected improved benefits contribute 1 percent of their pay after 14 years of service. Contributions received from these employees for the year ended September 30, 2003 and September 30, 2002 amounted to \$1,044,995 and \$987,731, respectively.

The contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions. All administrative costs of the plan are financed directly by the Oakland County Retirement Systems.

The Road Commission policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Administrative costs of the plan are financed by the Road Commission for Oakland County.

The contribution rate for the Road Commission plan is 6.1% of annual covered payroll, which was determined through actuarial valuation performed at December 31, 2001. Contributions from Road Commission funds for the year ended December 31, 2002 amounted to \$1,573,200. The contribution requirements of the Road Commission are established and may be amended by the Board of Road Commissioners in accordance with Road Commission policies, union contracts, and plan provisions.

Benefits

Members of both plans may retire at age 55 (except Sheriff's deputies, who may retire with 25 years of service regardless of age) with 25 years of service or at age 60 with 8 years of service. Members vest after 8 years of service.

Eligible employees under the County plan are provided benefits based on 2%, 2.2% for years in excess of 14 years (Sheriff's deputies, 2.2% for the first 14 years of service, and 2.5% for thereafter, command officers 2.5%) of the final average compensation times the number of years of credited service. Eligible employees under the Road Commission are provided benefits based on 2.25% of final average earnings. Maximum County and Road Commission retirement is 75% of final average compensation, defined as the average of the highest five consecutive years during the last ten years.

Duty disability benefits provided by the County are computed as a regular retirement, with additional service credited until attainment of age 60, less an amount offset by workers' compensation payments, with a maximum payment of 75% of final average compensation. Non-duty disability benefits after ten years of service are computed as a regular retirement. The Road Commission provides similar benefits, except that for a duty disability benefit with additional years' services is added for those years from the date of the employee's retirement to the date the member could have satisfied an age and service requirement for retirement. Death benefits are provided to beneficiaries after ten years of service, based on years of service.

Classes of Employees

The County PERS covers the majority of full-time employees of the County, excepting the Road Commission, whose employees are covered by the Road Commission PERS.

County of Oakland
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The Plans' membership consists of the following at September 30, 2002 for the County PERS and December 31, 2002 for the Road Commission PERS, the dates of the latest actuarial valuations:

	County	Road Commission	Total
Retirees and beneficiaries receiving benefits	1,489	362	1,851
Terminated plan members entitled to, but not yet receiving benefits	266	46	312
Active plan members	<u>1,265</u>	<u>544</u>	<u>1,809</u>
Total	<u>3,020</u>	<u>952</u>	<u>3,972</u>

The County established a defined contribution plan for County employees, and all new employees and eligible part-time employees hired on or after July 1, 1994 are covered by the defined contribution plan, as the County's PERS is no longer available to new employees.

During fiscal year 2003, the County offered a retirement incentive for qualifying employees to retire. This incentive amounted to \$6.4 million and was paid from the Oakland County Employees Retirement Fund.

Annual Pension Cost

In 1998, the County contributed \$6,421,492, which exceeded the required contribution of \$4,414,888 (due to an adjustment in 1997 when the fiscal year change caused a nine-month "stub" year). As a result, the County had a negative net pension obligation (asset) of \$2,006,604. The required County contribution for the year ended September 30, 2000 based on the September 30, 1998 actuarial evaluation was 0% of covered payroll, expressed in dollars as \$365,699 which was not paid due to the prior period overpayment. The recommended rate of contribution for the year ended September 30, 2003 based on the actuarial evaluation of September 30, 2001 is again 0% of covered payroll, expressed in dollars as \$0. The contribution amount was determined using the aggregate actuarial cost method, whereby the excess of the actuarial present value of projected benefits of the plan members as a group over the actuarial value of assets is allocated on a level basis over the earnings of the members between the valuation date and assumed retirement. The aggregate actuarial cost method does not produce an accrued liability or separately amortize an unfunded actuarial liability. The pension liability (asset) for the Plan at adoption was \$0 and was determined in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, which was adopted on January 1, 1997. The current negative net pension obligation (NPO) (asset) is calculated as follows:

	2003	2002	2001
Overpayment at beginning of year	\$ (727,024)	\$ (694,906)	\$ (646,424)
Interest on NPO	<u>(54,527)</u>	<u>(52,118)</u>	<u>(48,482)</u>
Total NPO	(781,551)	(747,024)	(694,906)
Annual pension cost	<u>-</u>	<u>-</u>	<u>-</u>
NPO at end of year	<u>\$ (781,551)</u>	<u>\$ (747,024)</u>	<u>\$ (694,906)</u>

County of Oakland
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The Road Commission's annual pension costs for the year ended December 31, 2002 of \$1,573,200 for the plan was equal to the required and actual contribution. The required Road Commission contribution was determined as part of the December 31, 2000 and 2001 actuarial evaluations, using the "entry-age" actuarial cost method. Plan investments are valued at fair market value, based on quoted market prices.

Trend Information

The three-year trend information for the Road Commission PERS is as follows:

	Fiscal year ended December 31,		
	2002	2001	2000
Annual pension cost (APC)	\$ 1,573,200	\$ 2,235,000	\$ 2,494,250
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

Required supplementary information, which includes: a Schedule of Employer Contributions, and significant actuarial assumptions, for both the County and the Road Commission, and a Schedule of Funding Progress for the Road Commission, is presented immediately following the notes.

Fund Balance Reserved for Employees' Pension Benefits

Fund balances reserved for employees' pension benefits includes legally required reserves. Fund balance as of September 30, 2003 consists of the following reserves:

	County	Road Commission	Total
Annuity reserve	\$ 5,783,218	\$ 353,718	\$ 6,136,936
Pension reserve	228,638,122	56,157,715	284,795,837
Pension accumulated reserve	436,267,403	74,942,936	511,210,339
Total fund balance	<u>\$ 670,688,743</u>	<u>\$ 131,454,369</u>	<u>\$ 802,143,112</u>

Annuity reserve represents the cumulative contribution for retirees, disabled members, or surviving spouses who have elected monthly annuity benefits. Pension reserve represents the funded pension benefits available for retired lives and is funded by actuarially determined transfers from the pension accumulated reserve. Pension accumulated reserve represents the accumulated reserve for pension payable by the County and Road Commission.

County of Oakland
Notes to Basic Financial Statements
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13. Defined Contribution Plans

The County maintains a defined contribution plan, Oakland Performance Retirement System (OPRS), which qualifies under Internal Revenue Code section 401(a). Employees in the County PERS were afforded the opportunity to transfer to the OPRS through December 31, 1995, retroactive to January 1, 1995. Employees who elected to transfer to the OPRS had their individually actuarially determined earned retirement benefits in the County PERS, determined as of January 1, 1995, plus accrued interest at the rate of 7.5% from January 1, 1995 until the date of election to transfer, transferred into the OPRS. The total amount transferred from the County PERS to the OPRS through December 31, 1996 was \$57,152,091. The County reopened the opportunity for transfer from the County PERS to the OPRS in 1997 and again in 1998. In 1997, 158 employees elected to transfer, and an additional 42 employees in 1998. This resulted in an additional transfer of \$31,881,325; a total of \$89,033,416 was transferred from the County PERS to the OPRS through September 30, 1998. In 1999, establishment of the Community Mental Health Authority component unit resulted in the transfer out of 247 employees from the County OPRS. In 2000, the option was open once again, and 100 employees elected to transfer to the OPRS, which resulted in an additional transfer of \$18,361,717. Total membership in the OPRS as of September 30, 2003 was 2,573, which includes 812 employees who elected to transfer from the PERS in 1995 through 2000 and 1,761 current employees hired since July 1, 1994.

The OPRS maintains a schedule of vesting, with the participants becoming fully vested upon completion of six years of continuous service. Employees transferring from the County PERS were allowed a permanent selection of employee contributions of 0% or 3% of their salary, with the employer matching the contribution respectively with 6% or 9% for general employees, or 7% or 10% for employees in certain bargaining units. For employees hired on or after July 1, 1994, the employer contributes 5% of the employee's salary. Effective December 1999, employees were offered an opportunity to increase contribution with county match of 2% for new hire and 1% for all others. In December 2000, the employee and county match were increased 1%. All employees are able to contribute up to 10% of their salary on a voluntary after-tax basis. All contributions are remitted to a third-party plan administrator.

The County's payroll for employees covered by the OPRS for the year ended September 30, 2003 was \$121,370,251, and the County's total payroll was \$199,961,611. The required contributions, which matched those actually made, were \$5,046,000 by employees and \$11,356,580 by the County, representing 4.2% and 9.4% of covered payroll, respectively.

The contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions.

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

The Community Mental Health Authority component unit participates in a qualified defined contribution pension plan under IRS code section 401(a) managed by a third-party administrator. This pension plan was established by the Authority to provide benefits at retirement to the Authority's employees. Plan members are not required to contribute to the plan but have the option of contributing up to 5% of covered salary depending on the date of hire, transfer from Oakland County and union contracts. The Authority is required to contribute from 5% to 6% of covered payroll. Contributions made by the Authority progressively vest over seven years. Plan provisions and contribution requirements are established and may be amended by the Authority. Employer and employee contributions were made in the amount of \$224,297 and \$58,590 respectively for the fiscal year ending September 30, 2003.

The Authority has also elected to participate in a qualified defined contribution pension plan under IRS code section 401(a) in lieu of social security contributions for full time and eligible part time employees. The plan requires contributions from qualified employees at a rate of 6.2% and a matching contribution from the Authority at a rate of 6.2%. Both employee and employer contributions are 100% vested at the time of contribution. Employer and employee contributions were made in the amount of \$238,918 each for the year ended September 30, 2003 and \$248,667 and \$239,583, respectively, for the year ended September 30, 2002.

14. Post-Employment Benefits

The Oakland VEBA Trust (the Trust), formerly titled Oakland County Retirees' Health Care Trust, provides medical care benefit insurance coverage to retired employees or survivors of deceased employees who were hired on or before September 20, 1985, or hired on or after September 21, 1985, and had 15 years of service (for family coverage) or 8 to 14 years of service (for retired members only).

For employees whose employment ends prior to retirement, the Trust provides benefits to those with 15 to 19 years of service (for members only) or 20 years of service (for family coverage).

In 2003 the County provided 1,720 retirees, medical insurance and reimbursed them for Medicare premiums under the Trust. In 2003, the County disbursed \$14,354,473 for this purpose.

Post-employment benefits are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions.

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

Contributions are determined by independent consulting actuaries using the "individual entry age" actuarial cost method. Actuarial valuations for the County are as of September 30, 2002. The County's Trust has an estimated unfunded liability that was determined as part of an actuarial valuation as of September 30, 2002, the most recent date for which actuarial data are available, and is as follows:

Retirees and beneficiaries	\$ 178,610,180
Vested terminated employees who will be eligible when they collect retirement (age 60 in most cases) and their beneficiaries	37,218,931
Active employees and beneficiaries	<u>255,285,436</u>
Total	471,114,547
Net assets available for benefits, at fair value	<u>154,273,962</u>
Unfunded accrued liability	<u>\$ 316,840,585</u>

Unfunded actuarial accrued liabilities are being amortized as a fixed percentage of payroll over a period of 27 years.

The consulting actuary determines contribution requirements and actuarial present values for benefits by applying actuarial assumptions to the benefit provisions of the Trust and the following assumptions regarding future experiences: a long-term rate of investment return of 7.5%, future rate of increase in health care costs of 7.0%, and a salary inflation rate of 5.25%. They also use varied rates of mortality among employees, retirees, and beneficiaries. The County's contribution rate is 13.59% of payroll. In 2003, the County contributed \$23,473,437 and earned \$18,859,661 of interest income, with retirees contributing \$65,918 toward the cost of hospitalization riders.

The Road Commission provides healthcare benefits to all full-time employees and life insurance benefits to duty disability employees upon retirement, pursuant to agreements with various collective bargaining units or other action of the Oakland County Board of Road Commissioners. Currently, approximately 490 retirees and their spouses are eligible. The Road Commission includes retirees and their spouses in its health care plan, with no contribution required by the participant in most circumstances. Expenditures for post-employment benefits are on a "pay as you go" basis and accordingly are recognized as the life insurance premiums and medical costs become due. Approximately \$2,246,000 was charged to operations during the year ended September 30, 2003.

15. Deferred Compensation Plan

In fiscal year 1998, both the County and the Road Commission adopted GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. During fiscal year 1999, as required by the statement, the County and Road Commission each placed all Deferred Compensation Plan assets with a trustee, relinquishing all fiduciary accountability for the assets. Accordingly, the related assets and liabilities of the plan are not reported in the County and Road Commission financial statements.

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

16. Risk Management

The County is exposed to various risks of loss related to property loss, employee injuries, general liability claims, and torts, as well as medical benefits provided to employees. The County has purchased insurance to cover losses to its buildings and contents in the amount of \$412,994,239. Liability insurance has been purchased for: airport operations in the amount of \$50,000,000, fleet operations in the amount of \$5,000,000, and employee bonds in the amount of \$3,000,000. Workers' compensation umbrella coverage in excess of \$500,000 to the statutory limit has also been purchased. The County is uninsured for all risks except as noted. The Road Commission has similar risks and is uninsured for these claims within certain limits. Depending on the type of claim, the per-occurrence limit ranges from \$300,000 to \$1,258,000 and the aggregate limit ranges from legal limits for workers' compensation to \$15,000,000 for general liability. The County and Road Commission estimate the liability for all the above-mentioned claims that have been incurred through September 30, 2003, including both claims that have been reported, as well as those that have not yet been reported, and estimates of both future payments of losses and related claim adjustment expenses.

Estimated liabilities for unpaid claims are based on historical claim payments, including related legal and administrative expenses. Neither the County nor the Road Commission has experienced settlements in excess of insurance coverage during the past three years.

The County records estimates in the Fringe Benefits and the Liability Insurance funds, both Internal Service funds, and the Road Commission records these estimates in the Governmental fund type. Changes in the estimated claims liabilities are as follows:

	September 30,	
	2003	2002
Primary Government		
Beginning-of-period liability	\$ 44,189,952	\$ 45,829,465
Estimated claims incurred, claim adjustment expenses and changes in estimates		
Provisions for current-year events	34,281,998	34,819,866
Decrease in provisions for prior-year events	(923,196)	(2,891,089)
Total incurred claims, claim adjustment expenses and changes in estimates	<u>33,358,802</u>	<u>31,928,777</u>
Claim payments and claim adjustment expenses		
Related to current-year events	(30,111,583)	(31,472,777)
Related to prior-year events	(3,508,876)	(2,095,513)
Total claim payments and claim adjustment expenses	<u>(33,620,459)</u>	<u>(33,568,290)</u>
End-of-period liability	<u>\$ 43,928,295</u>	<u>\$ 44,189,952</u>
Road Commission - Component Unit		
Beginning-of-year liability	\$ 5,165,888	\$ 4,940,000
Estimated claims incurred and changes in estimates	9,782,872	8,382,706
Claim payments	(9,714,760)	(8,156,818)
End-of-year liability	<u>\$ 5,234,000</u>	<u>\$ 5,165,888</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

The Community Mental Health Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, workers' compensation, and medical benefits to employees. During the year ended September 30, 2003, the Authority carried commercial insurance to cover all risk of loss with premiums amounting to \$135,778. The Authority had no settled claims resulting from these risks that exceeded their commercial coverage, for the past three fiscal years.

17. Leases

The County (primary government) leases certain office facilities and other equipment under non-cancelable operating leases. The Community Mental Health Authority (component unit) moved its operation into a building purchased in fiscal year 2003, therefore, operating leases for the land and building were eliminated. Total costs for such leases for the County and the Community Mental Health Authority for the year ended September 30, 2003 were \$1,424,486 and \$477,473 respectively. The future minimum lease payments as of September 30, 2003 are as follows:

Fiscal year	Primary government
2004	\$ 1,094,855
2005	760,866
2006	403,754
2007	403,754
2008	157,604
Thereafter	<u>1,694,243</u>
	<u>\$ 4,515,076</u>

Additionally, the County leases portions of certain buildings to various governmental agencies. The amount received from these leases for the fiscal year ended September 30, 2003 amounted to \$450,837, recorded in the Facilities Maintenance & Operations fund, internal service fund type.

18. Commitments and Contingencies

The County, the Drainage Districts, and the Road Commission are involved in legal actions in which plaintiffs seek damages of indeterminable amounts which may exceed insurance coverage where applicable. Litigation is subject to many uncertainties, and the outcome of individual matters cannot be predicted. Accordingly, a reasonable range of liability to the County, the Drainage Districts, or Road Commission pertaining to these matters cannot be determined. Management has taken steps to protect the County and believes any liability resulting from cases in which it is involved will not materially affect its financial position.

The County, the Drainage Districts, and the Road Commission received funds from various federal and State units to finance specific activities. The final determination of revenue is subject to the acceptance of project costs by the granting agency, usually after a compliance audit. To the extent that costs are disallowed by the granting agency, County, the Drainage Districts, and Road Commission resources would be required to reimburse the grant funds. Management believes that disallowed costs, if any, would be immaterial.

County of Oakland
Notes to Basic Financial Statements
September 30, 2003

The County has 2 projects in process as of September 30, 2003. The first, design and construction of Work Release Facility including Jail Management System and Video Conferencing System with a cost of \$10,449,000 as of September 30, 2003 and a remaining contract commitment of \$104,000. The second, design and construction of 52/3 District Court and Sheriff Substation with a cost of \$9,563,000 as of September 30, 2003 and a remaining contract commitment of \$3,731,000.

The Community Mental Health Authority resolved a dispute with the State of Michigan over disallowed cost during fiscal year 2003. The matter was settled without need to pay back any previously disallowed cost.

The County, along with many other units of government in the State of Michigan, is a participant in litigation which appeals a ruling regarding the State Tax Commission's rate table calculations of personal property taxes for public utilities. The outcome is not known at this time, however the County has established a designated fund balance of \$9 million to cover potential tax tribunal claims should that appeal be denied.

19. Statement of Net Assets – Reconciliation of Internal Balances

* The internal balances amount on the Statement of Net Assets (page 34) is reconciled as follows:

Governmental Activities

Governmental Funds	
Due from other funds	\$ 28,501,264
Long-term advances receivable	848,280
Due to other funds	(26,272,590)
Current and long-term advances payable	(2,348,280)
Internal Service Funds	
Due from other funds	2,971,067
Due to other funds	(282,841)
Current and long-term advances payable	(3,025,000)
Transferred to due to/ due from fiduciary funds	
Due from fiduciary funds	(1,112,721)
Capital lease receivable for Parks and Recreation, not reported in funds	<u>3,500,000</u>
Governmental activities, internal balances	<u>\$ 2,779,179</u>

Business-Type Activities

Proprietary Funds	
Due from other funds	\$ 4,199,810
Current and long-term advances receivable	4,525,000
Due to other funds	(8,003,989)
Current and long-term capital lease payable	<u>(3,500,000)</u>
Business-type activities, internal balances	<u>\$ (2,779,179)</u>

REQUIRED SUPPLEMENTARY INFORMATION

County of Oakland
Primary Government – Retirement System
Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
Six-Year Historical Trend Information – Unaudited

Actuarial valuation date September 30,	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Covered payroll	UAAL as a percentage of covered payroll
1997	*# \$ 569,951,791	\$ 539,167,269	\$ (30,784,522)	105.7%	\$ 73,222,952	0.0%
1998	* 632,758,322	539,845,227	(92,913,095)	115.6%	72,112,212	0.0%
1999	* 716,127,212	567,224,551	(148,902,661)	123.9%	73,990,858	0.0%
2000	* 775,243,552	573,768,933	(201,474,619)	135.1%	69,175,806	0.0%
2001	789,236,897	580,370,868	(208,866,029)	136.0%	67,115,144	0.0%
2002	723,402,622	602,229,408	(121,173,214)	120.1%	67,665,611	0.0%

* Plan amended.

Schedule of employer contributions:

Year ended September 30,	Annual required contribution	Percentage contributed
1997	\$ 6,019,810	100%
1998	4,414,888	145%
1999	1,215,589	-
2000	365,699	-
2001	-	-
2002	-	-

For the nine-month period ended September 30, 1997. Beginning with 1998, contributions are for fiscal year ended September 30.

The information presented in the supplemental schedule was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actual valuation follows:

Actuarial cost method	Aggregate actuarial cost beginning in 1995; individual entry-age normal cost previously 3-year average of adjusted market values
Asset valuation method	
Actuarial assumptions	
Investment rate of return	7.5%
Projected salary increases	5.25% to 12.25%
Cost-of-living adjustments	1.5% non-compounding annually

* Includes pay inflation at 5.25%

Note: The aggregate actuarial cost method does not produce an accrued liability or separately amortize an unfunded actuarial liability. The AAL values shown are actually present values of future benefit payments (both accrued and future).

County of Oakland
Component Unit – Road Commission Retirement System
Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
Six-Year Historical Trend Information – Unaudited

Schedule of funding progress:

Actuarial valuation date December 31	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded ratio	Unfunded AAL (UAAL)	Covered payroll	UAAL as a percentage of covered payroll
1997	\$ 104,468,909	\$ 98,402,461	106.2%	\$ (6,066,448)	\$ 24,429,429	0.0%
1998	117,790,193	102,590,655	114.8%	(15,199,538)	24,177,412	0.0%
1999	131,926,367	116,292,106	113.4%	(15,634,261)	25,345,063	0.0%
2000	143,780,578	122,490,587	117.4%	(21,289,991)	25,409,923	0.0%
2001	150,647,599	127,603,386	118.1%	(23,044,213)	26,570,231	0.0%
2002	149,363,853	132,828,911	112.4%	(16,534,942)	26,759,461	0.0%

Schedule of employer contributions:

Year ended December 31,	Annual required contribution	Percentage contributed
1997	\$ 3,296,973	99.8%
1998	3,008,040	107.2%
1999	2,566,035	111.5%
2000	1,840,456	135.5%
2001	2,108,248	106.0%
2002	1,739,618	90.4%

The information presented in the supplemental schedule was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Individual entry-age normal cost
Amortization method	Level percent of payroll contributions, closed
Remaining amortization period	16 years
Asset valuation method	5-year smoothed market
Actuarial assumptions	
Investment rate of return	7.5%
Projected salary increases*	4.5% to 8.0%
Cost-of-living adjustments	None

* Includes pay inflation at 4.5%

County of Oakland
Required Supplementary Information
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2003

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Revenues				
Taxes				
Current property taxes	\$ 205,351,050	\$ 205,351,050	\$ 203,668,815	\$ (1,682,235)
Delinquent taxes - prior years	705,000	705,000	285,911	(419,089)
Trailer tax	95,000	95,000	102,644	7,644
Total	<u>206,151,050</u>	<u>206,151,050</u>	<u>204,057,370</u>	<u>(2,093,680)</u>
Other intergovernmental revenues				
Cigarette tax distribution	900,000	900,000	1,030,557	130,557
Circuit judges' salaries	868,756	868,756	799,832	(68,924)
Community corrections	403,000	464,000	541,872	77,872
Probate judges' salaries	543,864	543,864	588,900	45,036
District judges' salaries	472,098	472,098	468,671	(3,427)
State revenue sharing	18,700,000	18,700,000	20,703,155	2,003,155
State reimbursement - P.A. 228	2,313,400	2,013,400	2,017,175	3,775
State court fund - P.A. 189	6,100,000	6,100,000	6,341,449	241,449
Convention facility liquor tax	2,900,000	2,900,000	2,819,512	(80,488)
Other	355,561	355,561	380,007	24,446
Total	<u>33,556,679</u>	<u>33,317,679</u>	<u>35,691,130</u>	<u>2,373,451</u>
Charges for services				
County Executive	78,500	78,500	71,798	(6,702)
Management and Budget	2,531,082	2,571,382	2,637,255	65,873
Central Services	65,000	65,000	52,767	(12,233)
Facilities Management	25,000	25,000	-	(25,000)
Human Resources	800	800	18,777	17,977
Public Services	1,045,385	1,045,385	910,328	(135,057)
Community and Economic Development	432,500	790,700	522,619	(268,081)
Clerk/Register of Deeds	13,243,900	15,335,324	22,610,160	7,274,836
Treasurer	2,134,928	2,134,928	2,930,136	795,208
Circuit Court	3,469,100	3,670,150	3,737,854	67,704
District Court	10,312,081	10,857,251	11,166,909	309,658
Probate Court	524,100	524,100	534,954	10,854
Prosecuting Attorney	249,369	227,500	229,900	2,400
Sheriff	30,197,204	31,109,773	31,938,491	828,718
Legislative	99,800	99,800	79,054	(20,746)
Drain Commissioner	566,493	876,493	859,946	(16,547)
Non-Departmental	2,302,380	2,302,380	1,596,955	(705,425)
Total	<u>67,277,622</u>	<u>71,714,466</u>	<u>79,897,903</u>	<u>8,183,437</u>

(continued)

County of Oakland
Required Supplementary Information
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2003

	General Fund			
	Original Budget	Final Amended Budget	Actual	Variance with Final Amended Budget
Revenues, continued				
Investment income	\$ 7,747,450	\$ 7,745,358	\$ 3,894,854	\$ (3,850,504)
Indirect cost recovery	7,589,054	7,589,054	9,220,915	1,631,861
Federal grants	1,369,317	1,369,317	80,209	(1,289,108)
Prior years balances	4,502,035	15,411,547	-	(15,411,547)
Other revenue	228,725	712,274	1,953,363	1,241,089
Total revenues	<u>328,421,932</u>	<u>344,010,745</u>	<u>334,795,744</u>	<u>(9,215,001)</u>
Expenditures				
County Executive				
Administration				
Controllable personnel expenditures	5,614,648	5,341,499	5,272,679	68,820
Controllable operating expenditures	962,811	2,112,737	1,798,843	313,894
Non-controllable operating expenditures	1,208,424	1,280,137	1,195,971	84,166
Total Administration	<u>7,785,883</u>	<u>8,734,373</u>	<u>8,267,493</u>	<u>466,880</u>
Management and Budget				
Controllable personnel expenditures	14,822,289	14,457,094	13,572,118	884,976
Controllable operating expenditures	658,981	641,397	312,721	328,676
Non-controllable operating expenditures	3,269,195	5,433,541	5,346,836	86,705
Total Management and Budget	<u>18,750,465</u>	<u>20,532,032</u>	<u>19,231,675</u>	<u>1,300,357</u>
Central Services				
Controllable personnel expenditures	1,345,641	1,320,435	1,209,384	111,051
Controllable operating expenditures	46,994	49,995	28,478	21,517
Non-controllable operating expenditures	871,621	947,707	935,656	12,051
Total Central Services	<u>2,264,256</u>	<u>2,318,137</u>	<u>2,173,518</u>	<u>144,619</u>
Facilities Management				
Controllable personnel expenditures	1,258,032	1,207,419	1,180,665	26,754
Controllable operating expenditures	229,625	123,765	108,100	15,665
Non-controllable operating expenditures	178,991	132,463	132,445	18
Total Facilities Management	<u>1,666,648</u>	<u>1,463,647</u>	<u>1,421,210</u>	<u>42,437</u>
Human Resources				
Controllable personnel expenditures	3,296,951	3,193,530	3,024,355	169,175
Controllable operating expenditures	663,775	697,236	624,256	72,980
Non-controllable operating expenditures	697,463	1,160,391	1,137,165	23,226
Total Personnel	<u>4,658,189</u>	<u>5,051,157</u>	<u>4,785,776</u>	<u>265,381</u>

(continued)

County of Oakland
Required Supplementary Information
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2003

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended budget	Actual	
Expenditures (continued)				
County Executive (continued)				
Human Services				
Controllable personnel expenditures	\$ 170,432	\$ 170,432	\$ 171,034	\$ (602)
Controllable operating expenditures	4,716,856	2,259,731	2,250,794	8,937
Non-controllable operating expenditures	16,682	16,398	19,089	(2,691)
Total Human Services	<u>4,903,970</u>	<u>2,446,561</u>	<u>2,440,917</u>	<u>5,644</u>
Public Services				
Controllable personnel expenditures	8,919,374	8,768,127	8,508,301	259,826
Controllable operating expenditures	1,901,707	2,100,489	1,874,459	226,030
Non-controllable operating expenditures	3,194,109	3,444,243	3,286,469	157,774
Total Public Services	<u>14,015,190</u>	<u>14,312,859</u>	<u>13,669,229</u>	<u>643,630</u>
Community and Economic Development				
Controllable personnel expenditures	4,168,349	4,086,211	3,392,099	694,112
Controllable operating expenditures	1,676,526	2,095,681	1,094,531	1,001,150
Non-controllable operating expenditures	1,028,707	1,163,516	1,027,987	135,529
Total Community and Economic Development	<u>6,873,582</u>	<u>7,345,408</u>	<u>5,514,617</u>	<u>1,830,791</u>
Total County Executive	<u>60,918,183</u>	<u>62,204,174</u>	<u>57,504,435</u>	<u>4,699,739</u>
Clerk/Register of Deeds				
Controllable personnel expenditures	6,981,559	7,092,723	6,687,033	405,690
Controllable operating expenditures	1,630,010	2,938,655	2,832,494	106,161
Non-controllable operating expenditures	2,089,505	2,218,288	2,426,036	(207,748)
Total Clerk/Register of Deeds	<u>10,701,074</u>	<u>12,249,666</u>	<u>11,945,563</u>	<u>304,103</u>
Treasurer				
Controllable personnel expenditures	2,652,540	2,546,420	2,295,232	251,188
Controllable operating expenditures	236,061	193,930	164,214	29,716
Non-controllable operating expenditures	868,669	1,025,570	1,022,230	3,340
Total Treasurer	<u>3,757,270</u>	<u>3,765,920</u>	<u>3,481,676</u>	<u>284,244</u>

(continued)

County of Oakland
Required Supplementary Information
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2003

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Expenditures (continued)				
Justice Administration				
Circuit Court				
Controllable personnel expenditures	\$ 19,720,156	\$ 19,615,642	\$ 18,658,273	\$ 957,369
Controllable operating expenditures	13,170,604	12,741,657	11,727,223	1,014,434
Non-controllable operating expenditures	<u>4,027,346</u>	<u>4,717,514</u>	<u>4,595,153</u>	<u>122,361</u>
Total Circuit Court	<u>36,918,106</u>	<u>37,074,813</u>	<u>34,980,649</u>	<u>2,094,164</u>
District Court				
Controllable personnel expenditures	9,340,422	9,537,338	9,152,178	385,160
Controllable operating expenditures	2,734,244	2,892,569	2,750,320	142,249
Non-controllable operating expenditures	<u>1,541,920</u>	<u>1,819,779</u>	<u>1,505,418</u>	<u>314,361</u>
Total District Court	<u>13,616,586</u>	<u>14,249,686</u>	<u>13,407,916</u>	<u>841,770</u>
Probate Court				
Controllable personnel expenditures	3,673,907	3,604,475	3,375,100	229,375
Controllable operating expenditures	654,981	661,327	694,472	(33,145)
Non-controllable operating expenditures	<u>900,350</u>	<u>847,029</u>	<u>779,346</u>	<u>67,683</u>
Total Probate Court	<u>5,229,238</u>	<u>5,112,831</u>	<u>4,848,918</u>	<u>263,913</u>
Total Justice Administration	<u>55,763,930</u>	<u>56,437,330</u>	<u>53,237,483</u>	<u>3,199,847</u>
Law Enforcement				
Prosecuting Attorney				
Controllable personnel expenditures	13,005,109	12,710,867	12,250,859	460,008
Controllable operating expenditures	2,134,163	2,088,610	2,039,911	48,699
Non-controllable operating expenditures	<u>1,947,696</u>	<u>2,054,744</u>	<u>1,884,856</u>	<u>169,888</u>
Total Prosecuting Attorney	<u>17,086,968</u>	<u>16,854,221</u>	<u>16,175,626</u>	<u>678,595</u>
Sheriff				
Controllable personnel expenditures	72,977,734	72,829,543	74,193,700	(1,364,157)
Controllable operating expenditures	9,539,489	11,292,423	10,455,365	837,058
Non-controllable operating expenditures	<u>15,613,791</u>	<u>15,652,856</u>	<u>14,998,388</u>	<u>654,468</u>
Total Sheriff	<u>98,131,014</u>	<u>99,774,822</u>	<u>99,647,453</u>	<u>127,369</u>
Total Law Enforcement	<u>115,217,982</u>	<u>116,629,043</u>	<u>115,823,079</u>	<u>805,964</u>

(continued)

County of Oakland
Required Supplementary Information
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2003

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Expenditures (continued)				
Legislative				
Board of Commissioners				
Controllable personnel expenditures	\$ 2,892,973	\$ 2,858,769	\$ 2,701,821	\$ 156,948
Controllable operating expenditures	1,278,741	1,228,416	1,106,269	122,147
Non-controllable operating expenditures	<u>1,270,019</u>	<u>1,202,254</u>	<u>1,194,350</u>	<u>7,904</u>
Total Legislative	<u>5,441,733</u>	<u>5,289,439</u>	<u>5,002,440</u>	<u>286,999</u>
Drain Commissioner				
Controllable personnel expenditures	2,793,704	2,851,958	2,716,352	135,606
Controllable operating expenditures	461,798	703,358	371,950	331,408
Non-controllable operating expenditures	<u>880,585</u>	<u>1,114,016</u>	<u>1,023,771</u>	<u>90,245</u>
Total Drain Commissioner	<u>4,136,087</u>	<u>4,669,332</u>	<u>4,112,073</u>	<u>557,259</u>
Non-departmental				
Controllable operating expenditures	8,349,639	31,264,459	14,496,957	16,767,502
Non-controllable operating expenditures	<u>8,751,014</u>	<u>2,479,231</u>	<u>2,029,965</u>	<u>449,266</u>
Total non-departmental	<u>17,100,653</u>	<u>33,743,690</u>	<u>16,526,922</u>	<u>17,216,768</u>
Total expenditures	<u>273,036,912</u>	<u>294,988,594</u>	<u>267,633,671</u>	<u>27,354,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,385,020</u>	<u>49,022,151</u>	<u>67,162,073</u>	<u>18,139,922</u>
Other Financing Sources (Uses)				
Transfers in				
Special Revenue Funds				
Restricted Funds	<u>609,193</u>	<u>609,193</u>	<u>610,502</u>	<u>1,309</u>
Debt Service Funds				
Building Authority West Wing Extension	<u>-</u>	<u>-</u>	<u>523</u>	<u>523</u>
Internal Service Funds				
Information Technology	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Enterprise Funds				
Delinquent Tax Revolving	14,319,814	14,319,814	9,755,887	(4,563,927)
Jail Inmate Commissary	<u>95,221</u>	<u>95,221</u>	<u>50,257</u>	<u>(44,964)</u>
Total enterprise funds	<u>14,415,035</u>	<u>14,415,035</u>	<u>9,806,144</u>	<u>(4,608,891)</u>
Total Transfers In	<u>15,024,228</u>	<u>15,029,228</u>	<u>10,422,169</u>	<u>(4,607,059)</u>

(continued)

County of Oakland
Required Supplementary Information
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2003

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Other Financing Sources (Uses) (continued)				
Transfers out				
Special Revenue Funds				
Public Health	\$ (24,890,075)	\$ (23,611,277)	\$ (22,831,717)	\$ 779,560
Juvenile Maintenance	(16,242,631)	(15,931,240)	(16,263,138)	(331,898)
Social Welfare Foster Care	(15,000)	(15,000)	-	15,000
Drains-Act 40 Chapter 4 & 18				
Maintenance	(49,006)	(49,006)	(49,006)	-
Environmental Infrastructure	(5,000,000)	(5,000,000)	(5,000,000)	-
Lake Levels Act 146	-	(11,540)	(11,540)	-
Oakland Enhancement	(55,700)	(55,700)	-	55,700
Total special revenue funds	<u>(46,252,412)</u>	<u>(44,673,763)</u>	<u>(44,155,401)</u>	<u>518,362</u>
Debt Service Funds				
Building Authority Refunding Series 1992	(1,807,919)	(1,807,919)	(1,807,419)	500
Building Authority Computer Center	(109,937)	(109,937)	(109,937)	-
Building Authority West Wing Extension	(1,445,606)	(1,445,606)	-	1,445,606
Building Authority Work Release Facility	(1,921,168)	(1,921,168)	-	1,921,168
Building Authority 52/3 District Court & Sheriff Substation	(1,446,545)	(1,446,545)	-	1,446,545
Building Authority Refunding Series 1998	-	-	(1,445,606)	(1,445,606)
Total debt service funds	<u>(6,731,175)</u>	<u>(6,731,175)</u>	<u>(3,362,962)</u>	<u>3,368,213</u>
Capital Projects Funds				
Building Improvement	(2,000,000)	(2,000,000)	(2,000,000)	-
Project Work Orders	(650,000)	(777,312)	(363,812)	413,500
Total capital projects funds	<u>(2,650,000)</u>	<u>(2,777,312)</u>	<u>(2,363,812)</u>	<u>413,500</u>
Internal Service Funds				
Information Technology	(2,500,000)	(5,770,779)	(5,770,780)	(1)
Drain Equipment	(7,159)	(2,095,879)	(2,095,879)	-
Facilities Maintenance and Operations	(54,000)	(186,000)	(186,000)	-
Motor Pool	(22,665)	(64,211)	(41,546)	22,665
Total internal service funds	<u>(2,583,824)</u>	<u>(8,116,869)</u>	<u>(8,094,205)</u>	<u>22,664</u>

(continued)

County of Oakland
Required Supplementary Information
Budgetary Comparison Schedule
Major Governmental Funds
Year Ended September 30, 2003

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Other Financing Sources (Uses) (continued)				
Transfers out (continued)				
Enterprise Funds				
CLEMIS	\$ (1,408,000)	\$ (1,414,308)	\$ (1,414,308)	\$ -
Radio Communications	(4,335)	(14,707)	(10,372)	4,335
Water and Sewer	-	(43,880)	(43,880)	-
Fire Records Management	-	(279,365)	(279,365)	-
Total enterprise funds	<u>(1,412,335)</u>	<u>(1,752,260)</u>	<u>(1,747,925)</u>	<u>4,335</u>
Total transfers out - primary government	<u>(59,629,746)</u>	<u>(64,051,379)</u>	<u>(59,724,305)</u>	<u>4,327,074</u>
Transfers out to component units				
Road Commission for Oakland County	(1,500,000)	-	-	-
Community Mental Health Authority	<u>(9,279,502)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers out to component units	<u>(10,779,502)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(55,385,020)</u>	<u>(49,022,151)</u>	<u>(49,302,136)</u>	<u>(279,985)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	17,859,937	17,859,937
Fund balance				
October 1, 2002	<u>94,650,190</u>	<u>94,650,190</u>	<u>94,650,190</u>	<u>-</u>
September 30, 2003	<u>\$ 94,650,190</u>	<u>\$ 94,650,190</u>	<u>\$112,510,127</u>	<u>\$ 17,859,937</u>

**County of Oakland
 Required Supplementary Information
 Budgetary Comparison Schedule
 Major Governmental Funds
 Year Ended September 30, 2003**

	Public Health			Variance with final amended budget
	Original budget	Final Amended budget	Actual	
Revenues				
State grants	\$ 4,509,696	\$ 4,509,696	\$ 3,642,619	\$ (867,077)
Charges for services	2,032,140	3,132,774	3,261,610	128,836
Prior years balances	-	266,712	-	(266,712)
Other	-	-	488	488
Total revenues	<u>6,541,836</u>	<u>7,909,182</u>	<u>6,904,717</u>	<u>(1,004,465)</u>
Expenditures				
Current operations				
County Executive				
Human Services				
Controllable personnel expenditures	24,289,936	23,615,520	21,973,470	1,642,050
Controllable operating expenditures	3,747,974	4,460,678	4,266,512	194,166
Non-controllable operating expenditures	<u>3,394,001</u>	<u>3,395,145</u>	<u>3,179,594</u>	<u>215,551</u>
Total Human Services	<u>31,431,911</u>	<u>31,471,343</u>	<u>29,419,576</u>	<u>2,051,767</u>
Total County Executive	<u>31,431,911</u>	<u>31,471,343</u>	<u>29,419,576</u>	<u>2,051,767</u>
Total expenditures	<u>31,431,911</u>	<u>31,471,343</u>	<u>29,419,576</u>	<u>2,051,767</u>
Deficiency of revenues under expenditures	(24,890,075)	(23,562,161)	(22,514,859)	1,047,302
Other financing sources (uses)				
Operating transfers in	24,890,075	23,611,276	22,831,717	(779,559)
Operating transfers out	<u>-</u>	<u>(49,115)</u>	<u>(49,115)</u>	<u>-</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	-	-	267,743	267,743
Fund balance				
October 1, 2002	<u>266,712</u>	<u>266,712</u>	<u>266,712</u>	<u>-</u>
September 30, 2003	<u>\$ 266,712</u>	<u>\$ 266,712</u>	<u>\$ 534,455</u>	<u>\$ 267,743</u>

**COMBINING, INDIVIDUAL FUND STATEMENTS
AND SCHEDULES – NON-MAJOR FUNDS
AND INTERNAL SERVICES FUNDS**

County of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds – By Fund Type
Year Ended September 30, 2003

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2003
Assets				
Current assets				
Pooled cash and investments	\$ 29,328,910	\$ 979,553	\$ 44,432,636	\$ 74,741,099
Due from other governmental units	20,418,898	-	-	20,418,898
Due from component units	1,847	-	212,834	214,681
Accrued interest receivable	164,021	1,131	301,586	466,738
Accounts receivable (net of allowance for uncollectibles where applicable)	346,747	-	-	346,747
Due from other funds	13,139,603	-	382,324	13,521,927
Other assets	11,866	-	-	11,866
Total current assets	<u>63,411,892</u>	<u>980,684</u>	<u>45,329,380</u>	<u>109,721,956</u>
Noncurrent assets				
Advances	-	-	834,160	834,160
Special assessments receivable	5,719	3,635,000	39,978	3,680,697
Total noncurrent assets	<u>5,719</u>	<u>3,635,000</u>	<u>874,138</u>	<u>4,514,857</u>
Total assets	<u>\$ 63,417,611</u>	<u>\$ 4,615,684</u>	<u>\$ 46,203,518</u>	<u>\$ 114,236,813</u>
Liabilities and Fund Balances				
Current liabilities				
Vouchers payable	\$ 2,453,554	\$ -	\$ 44,079	\$ 2,497,633
Accrued payroll	50,577	-	-	50,577
Due to other governmental units	494,721	-	-	494,721
Due to other funds	16,772,014	-	109,070	16,881,084
Deferred revenue	13,357,684	817,450	-	14,175,134
Other accrued liabilities	8,529,079	-	2,145,711	10,674,790
Total current liabilities	<u>41,657,629</u>	<u>817,450</u>	<u>2,298,860</u>	<u>44,773,939</u>
Noncurrent				
Deferred Revenue	5,719	3,635,000	39,978	3,680,697
Advances	21,357	-	826,923	848,280
Total noncurrent liabilities	<u>27,076</u>	<u>3,635,000</u>	<u>866,901</u>	<u>4,528,977</u>
Total liabilities	<u>41,684,705</u>	<u>4,452,450</u>	<u>3,165,761</u>	<u>49,302,916</u>
Fund balances				
Reserved				
Encumbrances	89,543	-	-	89,543
Debt service	-	163,234	-	163,234
Advances	-	-	834,160	834,160
Programs	-	-	25,827,921	25,827,921
Unreserved				
Designated	21,643,363	-	6,218,795	27,862,158
Undesignated	-	-	10,156,881	10,156,881
Total fund balances	<u>21,732,906</u>	<u>163,234</u>	<u>43,037,757</u>	<u>64,933,897</u>
Total Liabilities and Fund Balances	<u>\$ 63,417,611</u>	<u>\$ 4,615,684</u>	<u>\$ 46,203,518</u>	<u>\$ 114,236,813</u>

County of Oakland
Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds – By Fund Type
Year Ended September 30, 2003

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2003
Revenues				
Special assessments	\$ 3,500,402	\$ 3,727,056	\$ 135,743	\$ 7,363,201
Federal grants	33,711,323	-	-	33,711,323
State grants	24,114,658	-	369,031	24,483,689
Other intergovernmental revenues	2,665,860	-	-	2,665,860
Charges for services	20,628,217	2,177	-	20,630,394
Contributions	138,092	-	-	138,092
Investment income	411,622	6,624	755,713	1,173,959
Other	243,069	-	866,257	1,109,326
Total revenues	85,413,243	3,735,857	2,126,744	91,275,844
Expenditures				
Current operations				
County Executive	62,383,282	-	-	62,383,282
Clerk/Register of Deeds	478,374	-	-	478,374
Treasurer	2,292,360	-	-	2,292,360
Justice administration	24,173,239	-	-	24,173,239
Law enforcement	5,782,953	-	-	5,782,953
Drain Commissioner	4,019,420	-	-	4,019,420
Non-departmental	61,157	-	-	61,157
Total current operations	99,190,785	-	-	99,190,785
Capital outlay	-	-	35,680,591	35,680,591
Intergovernmental	10,677,894	1,117,903	-	11,795,797
Debt service				
Principal payments	-	7,280,000	-	7,280,000
Interest and fiscal charges	-	3,264,942	-	3,264,942
Total expenditures	109,868,679	11,662,845	35,680,591	157,212,115
Deficiency of revenues under expenditures	(24,455,436)	(7,926,988)	(33,553,847)	(65,936,271)
Other financing sources (uses)				
Transfers in	22,267,604	7,915,135	2,714,812	32,897,551
Transfers out	(2,092,938)	(523)	(184,000)	(2,277,461)
Proceeds from issuance of bonds	-	-	7,560,000	7,560,000
Discount on bonds sold	-	-	(47,837)	(47,837)
Total other financing sources (uses)	20,174,666	7,914,612	10,042,975	38,132,253
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(4,280,770)	(12,376)	(23,510,872)	(27,804,018)
Fund balances				
October 1, 2002	26,013,676	175,610	66,548,629	92,737,915
September 30, 2003	\$ 21,732,906	\$ 163,234	\$ 43,037,757	\$ 64,933,897

County of Oakland

Non-Major Special Revenue Funds

Special Revenue Funds

These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes such as special assessment revenues, non-capital grants, and other earmarked revenues not included within other fund categories.

The Juvenile Maintenance Fund - is used to account for revenue earmarked for the placement of children to foster care homes and for the detention of children in the Children's Village, as ordered by Probate Court.

The Social Welfare Foster Care Fund - is used to reimburse agencies and individuals for board and care expenditures of foster care children. Partial reimbursement of these expenditures is received from the State of Michigan.

The Delinquent Personal Tax Administration Fund - is used to account for the collection of delinquent personal property taxes and their subsequent disbursement to various municipalities, school districts, and other governmental units. Cost-related activities involving the collection of taxes are also recorded in this fund. Per State of Michigan statutes, money collected in excess of costs shall be intermittently transferred to the County General Fund.

The Register of Deeds Automation Fund - is used to account for revenues from additional fees as authorized by the State of Michigan to allow for technology improvements in Clerk/Register of Deeds offices.

The Oakland Enhancement Fund - is used to account for revenue received from various sources for the purpose of coordinating economic development within the County.

The Property Tax Forfeiture Fund - is used to account for the collection of revenues from land sale fees and subsequent sales of forfeited parcels of land. Proceeds from the forfeited properties are disbursed to the respective municipalities upon completion of sale.

The Restricted Funds Fund - is used to account for donations made for various specific purposes or other amounts held for disbursement at a future date. This includes:

- Donations made to, and their disbursements from, Oakland County Children's Village to benefit youths.
- Blind Handicapped Gift, accounts for donations made to the Blind Handicapped Library.
- Oakland County Sheriff's Department Seized Funds, is used to account for monies relinquished to the Sheriff's Department as a result of investigation by the department and their disbursement pending trial.
- Prosecutor Citizens Reward program is used to account for monies received from public donations and awarded to citizens for their special assistance on major cases initiated by the Prosecutor's Office.
- Litigation Child Care accounts for legal fees paid in a lawsuit case initiated by Oakland County and several other Michigan counties against the State of Michigan in 1988 involving child care.
- Probate Court Trust is used to account for individual donations made to the court and their subsequent disbursement to assist youths.

County of Oakland

Non-Major Special Revenue Funds

The Social Welfare Fund - is used to account for payments made to General Assistance recipients through the Oakland County Office of the Michigan Family Independence Agency. The State of Michigan, in turn, reimburses Oakland County for the disbursements.

The Environmental Infrastructure Fund - permits the annual transfer of \$5,000,000 for five years from the Delinquent Tax Revolving Fund to the General Fund to establish an Environmental Infrastructure Fund. These funds are then to be allocated and transferred from the General Fund for the purpose of reimbursing local cities, villages and townships for costs incurred on environmental issues, based on criteria developed by the Board of Commissioners.

The County Veterans' Trust Fund - is used to account for revenue earmarked for aid to needy veterans.

The Water and Sewer Act 342 Fund - is used to account for the construction, under contractual arrangement, of water and sewer systems (currently 23) under Public Act 342 of 1939. Upon completion of the projects, these systems are turned over to the respective municipalities for operations and maintenance.

The Lake Levels Act 146 Fund - is used to account for funds from special assessments to finance the cost of maintaining County lake levels (currently 29) created under Public Act 146 of 1961.

The Drains Act 40 Chapter 4 & 18 Maintenance Fund - is used to record expenditures for the operations and maintenance of drainage districts created under Chapter 4 and 18 of Public Act 40 of 1956 (currently 289 drains). Revenues are provided from special assessments against the benefiting properties within the district.

The Lake Improvements Act 345 Fund - is used to account for special assessment revenues collected to oversee the improvement (i.e., weed control) of various lakes in Oakland County where the lake improvement board has named the Oakland County Treasurer as treasurer of the respective improvement board. There are currently 28 such lakes maintained under Public Act 345 of 1966.

The Pollution Control Grants Fund – consists of grant sub-funds for costs relating to:

- Main 1-2 Storm Water Detention Pond Inventory, which utilizes federal funds to inventory the existing stormwater detention basins within the Main 1-2 Subwatershed, identify the existing capacity and outlet structures, and to evaluate each individual facility for improvements and impact on water quality and flow.
- Main 1-2 Stream Bank Inventory, utilizes federal funds to inventory and identify stream bank erosion sites along the main branch of the Rouge River and to make recommendations that will incorporate best management practices to decrease sediment loading to the river.
- Rouge-Oakland Public Education Activities, which utilizes for public education and information measures to control sources of water pollution and improve water quality.

The Friend of the Court Fund - is used to account for costs of the operation of this division of the Circuit Court, responsible for providing services to individuals involved in court actions relating to case initiation, establishment, collections and enforcement of child support orders as directed by the State of Michigan Child Support Enforcement System. Revenue sources include federal and state funding and charges for services.

County of Oakland

Non-Major Special Revenue Funds

The Multi-Organizational Grants Fund - accounts for costs in the following sub-funds:

- Community Corrections, which utilizes State funds to increase utilization of community-based sanctions and services for nonviolent offenders.
- Juvenile Accountability Incentive Block Grant, which utilizes federal and County funds to develop programs to promote greater accountability in the juvenile justice system.
- Law Enforcement Block Grant, which utilizes federal and County funds to enhance the adjudication process of drug cases in Oakland County.

The Workforce Development Grants Fund - accounts for costs involved in providing employment services to individuals who are unemployed, physically or economically disadvantaged, or transitioning from school to employment. Costs include training, education and transportation, funded through state and federal grants. Formerly known as J.T.P.A. (Jobs Training Partnership Training Act) Grants

The Law Enforcement Grants Fund - consists of sub-funds used to record costs of various law enforcement programs utilizing federal, state and local funds.

The Housing and Community Development Fund - accounts for block grants received from the U.S. Department of Housing and Urban Development for the use of low to moderate-income home improvement loans, municipal projects, and homeless-assistance projects, including counseling.

The Human Service Grants Fund - accounts for the cost of various health-related/grant-funded programs.

The Other Grants Fund - consisting of grant sub-funds where the function does not relate specifically to one of the other areas:

- F.O.C. (Friend of the Court) Medical Support, which accounts for utilization of state and federal funds to identify backlogs of existing Title IV-D cases requiring medical support enforcement and determine and initiate action needed for backlogged and new cases.
- Clerk/Register of Deeds Survey/Re monumentation, which utilizes state funds to locate, verify, replace, or reposition government sector corners and quarter corners within the County, per Public Act 345 of 1990.
- Tornado Siren, which utilizes County and municipal funds in the procurement and installation of tornado siren units used in the tornado warning system.
- Grants for programs such as Arts, Culture and Film, Medical Examiner Family Counseling, Community Corrections In-Step, and Domestic Preparedness Equipment.

The Human Services Coordinating Council Fund - accounts for costs of programs utilizing federal funding to provide services and support relating to “at risk” children and families.

The COPS (Community Oriented Policing Services) More Grant Fund - accounts for federal and state funding to help police departments become more efficient by providing funds for technology, equipment and the support resources that will allow officers to spend more time engaged in community policing activities.

The Judicial Grants Fund - accounts for drug court programs through Oakland County Circuit and 52nd District Courts.

County of Oakland
Non-Major Special Revenue Funds

The Oakland Brownfield Initiative Grant Fund - is used to account for grant revenue and administration/management costs incurred in assisting the redevelopment of tax reverted properties through Brownfield Cleanup Revolving Loan Fund programs.

**County of Oakland
Combining Balance Sheet
Non-Major Special Revenue Funds
September 30, 2003**

Assets	Juvenile Maintenance	Social Welfare Foster Care	Delinquent Personal Tax Administration	Register of Deeds Automation	Oakland Enhancement	Property Tax Forfeiture	Restricted Funds
Current assets							
Pooled cash and investments	\$ -	\$ -	\$ 10,089,504	\$ 1,388,071	\$ 283,732	\$ 2,758,133	\$ 233,845
Due from other governmental units	2,679,541	-	-	-	-	-	-
Accrued interest receivable	-	-	31,542	2,138	1,382	25,568	838
Accounts receivable (net of allowance for uncollectibles where applicable)	196,326	-	-	-	8,195	-	-
Due from other funds	355,145	-	-	-	-	-	127,782
Due from component units	-	-	-	-	-	-	-
Other assets	230	-	-	-	250	-	-
Total current assets	3,233,242	-	10,121,046	1,390,209	293,559	2,783,701	362,465
Noncurrent assets	-	-	-	-	-	-	-
Special assessments receivable	-	-	\$ 10,121,046	\$ 1,390,209	\$ 293,559	\$ 2,783,701	\$ 362,465
Total assets	\$ 3,233,242	\$ -	\$ 10,121,046	\$ 1,390,209	\$ 293,559	\$ 2,783,701	\$ 362,465
Liabilities and Fund Balances							
Current liabilities							
Vouchers payable	\$ 792,108	\$ -	\$ -	\$ -	\$ 3,449	\$ -	\$ 330
Accrued payroll	-	-	-	-	-	-	-
Due to other governmental units	2,184,473	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	218,621	-	115,869	-	5,000	1,206,888	28,749
Other accrued liabilities	-	-	-	-	-	-	-
Total current liabilities	3,195,202	-	115,869	-	8,449	1,206,888	29,079
Noncurrent liabilities	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-
Total liabilities	3,195,202	-	115,869	-	8,449	1,206,888	29,079
Fund balances							
Reserve for encumbrances	38,040	-	-	-	18,709	-	234
Unreserved	-	-	-	-	-	-	-
Designated for construction and maintenance	-	-	10,005,177	1,390,209	266,401	1,576,813	333,152
Designated for programs	-	-	10,005,177	1,390,209	266,401	1,576,813	333,152
Total unreserved	-	-	10,005,177	1,390,209	285,110	1,576,813	333,386
Total fund balances	38,040	-	10,005,177	1,390,209	285,110	1,576,813	333,386
Total liabilities and fund balances	\$ 3,233,242	\$ -	\$ 10,121,046	\$ 1,390,209	\$ 293,559	\$ 2,783,701	\$ 362,465

(continued)

**County of Oakland
Combining Balance Sheet
Non-Major Special Revenue Funds
September 30, 2003**

	Social Welfare	Environmental Infrastructure	County Veterans' Trust	Water & Sewer Act 342	Lake Levels Act 146	Drains-Act 40 Maintenance Chapter 4 & 18
Assets						
Current assets						
Pooled cash and investments	\$ 72,549	\$ -	\$ 3,107	\$ 2,662,968	\$ 107,773	\$ 3,782,558
Due from other governmental units	-	-	-	266,008	12,935	5,941
Accrued interest receivable	-	-	-	24,522	2,232	31,100
Accounts receivable (net of allowance for uncollectibles where applicable)	72,080	-	-	6,728,272	-	3,250
Due from other funds	-	3,359,262	-	-	-	49,606
Due from component units	-	-	-	13	-	1,834
Other assets	-	-	-	-	-	-
Total current assets	144,629	3,359,262	3,107	9,681,783	122,940	3,873,689
Noncurrent assets	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	5,719	-
Total assets	\$ 144,629	\$ 3,359,262	\$ 3,107	\$ 9,681,783	\$ 128,659	\$ 3,873,689
Liabilities and Fund Balances						
Current liabilities	\$ 53,360	\$ -	\$ -	\$ 765	\$ 1,453	\$ 296
Vouchers payable	-	-	-	-	-	-
Accrued payroll	72,080	-	-	-	-	270
Due to other governmental units	19,189	-	-	6,806,985	34,928	171,302
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	165,680	13,946	2,537,739
Other accrued liabilities	-	-	-	-	-	-
Total current liabilities	144,629	-	-	6,973,430	50,327	2,709,607
Noncurrent liabilities	-	-	-	-	5,719	-
Deferred revenue	-	-	-	-	21,557	-
Advances	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	27,076	-
Total liabilities	144,629	-	-	6,973,430	77,403	2,709,607
Fund balances	-	-	-	3,1802	758	-
Reserve for encumbrances	-	-	-	2,676,551	50,498	1,164,082
Designated for construction and maintenance	-	3,359,262	3,107	2,676,551	50,498	1,164,082
Designated for programs	-	3,359,262	3,107	2,708,353	51,256	1,164,082
Total fund balances	-	3,359,262	3,107	9,681,783	128,659	3,873,689
Total liabilities and fund balances	\$ 144,629	\$ 3,359,262	\$ 3,107	\$ 9,681,783	\$ 128,659	\$ 3,873,689

(continued)

**County of Oakland
Combining Balance Sheet
Non-Major Special Revenue Funds
September 30, 2003**

	Lake Improvements Act 345	Pollution Control Grants	Friend of the Court	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development
Assets							
Current assets							
Pooled cash and investments	\$ 1,010,681	\$ -	\$ -	\$ -	\$ 183,425	\$ -	\$ 4,067,330
Due from other governmental units	-	43,607	1,396,345	597,247	1,932,380	1,421,025	135,340
Accrued interest receivable	16,439	-	-	-	-	-	28,260
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	22,418	-	-	6,935	-
Due from other funds	-	2	1,305,814	157,315	-	642,086	-
Due from component units	-	-	-	-	-	-	-
Other assets	-	-	3,381	400	-	887	-
Total current assets	1,027,120	43,609	2,725,958	754,962	2,115,805	2,070,933	4,230,930
Noncurrent assets	-	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-	-
Total assets	\$ 1,027,120	\$ 43,609	\$ 2,725,958	\$ 754,962	\$ 2,115,805	\$ 2,070,933	\$ 4,230,930
Liabilities and Fund Balances							
Current liabilities							
Vouchers payable	\$ 129,734	\$ -	\$ 20,495	\$ 3,960	\$ 845,672	\$ 33,847	\$ 192
Accrued payroll	-	-	-	-	-	50,577	-
Due to other governmental units	-	43,609	2,703,670	3,081	7,046	46,398	-
Due to other funds	45,712	-	-	407,950	55,127	1,318,957	-
Deferred revenue	-	-	-	93,356	-	144,478	4,229,279
Other accrued liabilities	33,563	-	1,793	246,613	1,207,960	2,668,76	1,439
Total current liabilities	209,009	43,609	2,725,958	754,962	2,115,805	2,070,933	4,230,930
Noncurrent liabilities	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-
Total liabilities	209,009	43,609	2,725,958	754,962	2,115,805	2,070,933	4,230,930
Fund balances							
Reserve for encumbrances	-	-	-	-	-	-	-
Unreserved	818,111	-	-	-	-	-	-
Designated for construction and maintenance	-	-	-	-	-	-	-
Designated for programs	-	-	-	-	-	-	-
Total unreserved	818,111	-	-	-	-	-	-
Total fund balances	818,111	-	-	-	-	-	-
Total liabilities and fund balances	\$ 1,027,120	\$ 43,609	\$ 2,725,958	\$ 754,962	\$ 2,115,805	\$ 2,070,933	\$ 4,230,930

(continued)

**County of Oakland
Combining Balance Sheet
Non-Major Special Revenue Funds
September 30, 2003**

	Human Service Grants	Other Grants	Human Services Coordinating Council	COPS More Grant	Judicial Grants	Oakland Brownfield Initiative	Totals September 30, 2003
Assets							
Current assets							
Pooled cash and investments	\$ 598,899	\$ -	\$ -	\$ 2,158,884	\$ -	\$ -	\$ 29,328,910
Due from other governmental units	3,349,268	2,651,024	5,682	5,695,522	146,684	7,800	20,418,898
Accrued interest receivable	-	-	-	-	-	-	164,021
Accounts receivable (net of allowance for uncollectibles where applicable)	25,928	9,615	-	-	-	-	346,747
Due from other funds	393,757	14,402	-	6,883	1,871	6	13,133,187
Due from component units	-	-	-	-	-	-	1,866
Other assets	6,718	-	-	-	-	-	11,866
Total current assets	4,374,570	2,675,041	5,682	7,861,289	148,555	7,806	63,417,892
Noncurrent assets	-	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-	-
Total assets	\$ 4,374,570	\$ 2,675,041	\$ 5,682	\$ 7,861,289	\$ 148,555	\$ 7,806	\$ 63,417,811
Liabilities and Fund Balances							
Current liabilities							
Vouchers payable	\$ 526,591	\$ 32,180	\$ -	\$ 939	\$ 8,183	\$ -	\$ 2,453,554
Accrued payroll	365,846	-	-	-	-	-	50,577
Due to other governmental units	51,108	2,550,748	-	26,188	138,580	7,806	494,721
Due to other funds	1,284,150	16,906	5,682	7,589,515	-	-	16,772,014
Deferred revenue	2,146,875	73,207	-	244,647	1,792	-	13,357,684
Other accrued liabilities	-	-	-	-	-	-	8,332,679
Total current liabilities	4,374,570	2,675,041	5,682	7,861,289	148,555	7,806	41,657,629
Noncurrent liabilities	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	5,719
Advances	-	-	-	-	-	-	21,357
Total noncurrent liabilities	-	-	-	-	-	-	-
Total liabilities	4,374,570	2,675,041	5,682	7,861,289	148,555	7,806	41,684,705
Fund balances							
Reserve for encumbrances	-	-	-	-	-	-	89,543
Unreserved	-	-	-	-	-	-	4,709,242
Designated for construction and maintenance	-	-	-	-	-	-	16,934,121
Designated for programs	-	-	-	-	-	-	21,643,363
Total unreserved	-	-	-	-	-	-	21,732,906
Total fund balances	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 4,374,570	\$ 2,675,041	\$ 5,682	\$ 7,861,289	\$ 148,555	\$ 7,806	\$ 63,417,611

**County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended September 30, 2003**

	Juvenile Maintenance	Social Welfare Foster Care	Delinquent Personal Tax Administration	Register of Deeds Automation	Oakland Enhancement	Property Tax Forfeiture	Restricted Funds
Revenues							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	235,728	-	-	-	-	-	-
State grants	9,149,065	-	-	-	-	-	-
Other intergovernmental revenues	-	-	-	-	-	-	-
Charges for services	3,842,940	-	1,046,926	1,386,987	379,198	1,978,816	57,197
Contributions	-	-	-	-	14,000	-	124,092
Investment income	-	-	150,647	3,222	4,792	57,448	2,168
Other	161,958	-	-	-	-	-	4,509
Total revenues	13,389,691	-	1,197,573	1,390,209	397,990	2,036,264	187,966
Expenditures							
Salaries	7,923,138	-	323,341	-	180,270	14,232	-
Fringe benefits	3,180,540	-	133,815	-	85,599	5,849	-
Contractual services	15,612,677	-	319,550	-	117,489	1,361,598	43,574
Commodities	729,817	-	6,732	-	10,265	5,982	17,583
Capital outlay	-	-	-	-	-	-	-
Internal services	2,371,844	-	111,020	-	203	10,241	-
Intergovernmental	-	-	-	-	-	-	-
Total expenditures	29,818,016	-	894,458	-	393,826	1,397,902	61,157
Excess (deficiency) of revenues over (under) expenditures	(16,428,325)	-	303,115	1,390,209	4,164	638,362	126,809
Other financing sources (uses)	16,263,139	-	-	-	-	938,451	5,468
Transfers in	-	-	-	-	-	-	(615,970)
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(165,186)	-	303,115	1,390,209	4,164	1,576,813	(483,693)
Fund balances (deficit)							
October 1, 2002	203,226	-	9,702,062	-	280,946	-	817,079
September 30, 2003	\$ 38,040	\$ -	\$ 10,005,177	\$ 1,390,209	\$ 285,110	\$ 1,576,813	\$ 333,386

(continued)

**County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended September 30, 2003**

	Social Welfare	Environmental Infrastructure	County Veterans' Trust	Water & Sewer Act 342	Lake Levels Act 146	Debris-Act 40 Maintenance Chapter 4 & 18
Revenues						
Special assessments	\$ -	\$ -	\$ -	\$ 1,906,573	\$ 371,712	\$ 128,991
Federal grants	-	-	-	-	-	-
State grants	-	-	74,536	-	-	-
Other intergovernmental revenues	-	-	-	-	-	-
Charges for services	1,181,470	-	-	31,475	1,559	333,337
Contributions	-	-	-	-	-	-
Investment income	-	-	-	67,345	5,276	76,097
Other	-	-	-	44,344	-	24,668
Total revenues	1,181,470	-	74,536	2,049,737	378,547	563,093
Expenditures						
Salaries	-	-	-	173,930	174,277	188,003
Fringe benefits	-	-	-	58,437	58,858	68,787
Contractual services	1,181,470	-	76,260	1,236,944	122,717	174,800
Commodities	-	-	258	2,949	4,508	782
Capital outlay	-	-	-	-	-	-
Internal services	-	-	-	9,857	50,186	51,225
Intergovernmental	-	10,677,894	-	359	-	-
Total expenditures	1,181,470	10,677,894	76,518	1,482,476	410,546	483,597
Excess (deficiency) of revenues over (under) expenditures	-	(10,677,894)	(1,982)	567,261	(31,999)	79,496
Other financing sources (uses)	-	5,000,000	-	-	11,540	49,006
Transfers in	-	-	-	(1,445,595)	-	-
Transfers out	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	(5,677,894)	(1,982)	(878,334)	(20,459)	128,502
Fund balances (deficit)						
October 1, 2002	-	9,037,156	5,089	3,586,687	71,715	1,035,580
September 30, 2003	-	\$ 3,359,262	\$ 3,107	\$ 2,708,353	\$ 51,256	\$ 1,164,082

(continued)

**County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended September 30, 2003**

	Lake Improvements Act 345	Pollution Control Grants	Friend of the Court	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development
Revenues							
Special assessments	\$ 1,093,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	43,394	-	616,655	13,489,495	568,313	6,763,413
State grants	-	-	4,944,178	3,480,703	2,143,183	3,297,522	-
Other intergovernmental revenues	-	213	1,906,123	-	-	32,944	397,316
Charges for services	11,473	-	6,677,537	250	-	1,234,633	2,089,782
Contributions	-	-	-	-	-	-	-
Investment income	37,103	-	-	2,668	4,856	-	-
Other	1,467	-	3,943	-	-	-	-
Total revenues	1,143,169	43,607	13,531,781	4,100,276	15,637,534	5,133,412	9,250,511
Expenditures							
Salaries	-	3,751	7,111,633	1,344,285	347,087	2,646,825	1,183,378
Fringe benefits	-	1,295	2,863,301	531,519	129,340	1,083,282	486,360
Contractual services	1,071,326	38,423	1,647,477	1,993,179	15,066,414	995,607	7,378,622
Commodities	1,914	-	55,088	109,136	1,961	607,993	10,600
Capital outlay	-	-	-	-	-	-	-
Internal services	-	138	1,856,282	122,157	92,732	346,905	191,551
Intergovernmental	525,954	-	-	-	-	-	-
Total expenditures	1,599,194	43,607	13,531,781	4,100,276	15,637,534	5,133,412	9,250,511
Excess (deficiency) of revenues over (under) expenditures	(456,025)	-	-	-	-	-	-
Other financing sources (uses)	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(456,025)	-	-	-	-	-	-
Fund balances (deficit)							
October 1, 2002	1,274,136	-	-	-	-	-	-
September 30, 2003	\$ 818,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended September 30, 2003**

	Human Service Grants	Other Grants	Human Services Coordinating Council	COPS More Grant	Judicial Grants	Oakland Brownfield Initiative	Totals September 30, 2003
Revenues							
Special assessments	\$ 10,655,519	-	\$ -	\$ -	\$ 255,045	\$ 24,157	\$ 3,500,402
Federal grants	8,325	409,898	-	649,706	255,045	-	33,711,323
State grants	-	786,431	-	-	230,715	-	24,114,658
Other intergovernmental revenues	-	19,421	-	-	-	-	2,665,860
Charges for services	10,181	-	-	309,843	-	-	20,628,217
Contributions	-	364,456	-	-	-	-	138,092
Investment income	-	-	-	-	-	-	411,622
Other	2,180	-	-	-	-	-	243,069
Total revenues	10,676,205	1,580,206	-	959,549	485,760	24,157	85,413,243
Expenditures							
Salaries	3,037,747	407,366	-	169,102	226,033	18,158	25,472,556
Fringe benefits	1,129,055	187,071	-	64,597	63,177	5,999	10,136,881
Contractual services	5,910,678	836,988	-	364,003	137,224	-	55,707,020
Commodities	226,264	137,389	-	225	39,526	-	1,419,572
Capital outlay	-	-	-	361,622	-	-	361,622
Internal services	341,088	11,392	-	-	-	-	5,566,821
Intergovernmental	-	-	-	-	-	-	11,204,207
Total expenditures	10,644,832	1,580,206	-	959,549	485,760	24,157	109,868,679
Excess (deficiency) of revenues over (under) expenditures	31,373	-	-	-	-	-	(24,455,436)
Other financing sources (uses)	-	-	-	-	-	-	22,267,604
Transfers in	-	-	-	-	-	-	(2,092,938)
Transfers out	(31,373)	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	(4,280,770)
Fund balances (deficit)							
October 1, 2002	-	-	-	\$ -	-	-	26,013,676
September 30, 2003	-	-	-	\$ -	-	\$ -	\$ 21,732,906

County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
– Budget and Actual – Non-Major Special Revenue Funds
Year Ended September 30, 2003

	Juvenile Maintenance		
	Final Amended Budget	Actual	Variance with Final Amended Budget
Revenues			
Federal grants	\$ 239,800	\$ 235,728	\$ (4,072)
State grants	9,363,964	9,149,065	(214,899)
Charges for services	4,452,722	3,842,940	(609,782)
Prior years balances	203,226	-	(203,226)
Other	-	161,958	161,958
Total revenues	<u>14,259,712</u>	<u>13,389,691</u>	<u>(870,021)</u>
Expenditures			
Current operations			
County Executive			
Human Services			
Controllable personnel expenditures	10,417,955	9,929,243	488,712
Controllable operating expenditures	8,885,132	8,061,481	823,651
Non-controllable operating expenditures	2,448,141	2,368,612	79,529
Total Human Services	<u>21,751,228</u>	<u>20,359,336</u>	<u>1,391,892</u>
Total County Executive	<u>21,751,228</u>	<u>20,359,336</u>	<u>1,391,892</u>
Justice Administration			
Circuit Court			
Controllable personnel expenditures	1,367,002	1,174,435	192,567
Controllable operating expenditures	7,048,490	8,281,013	(1,232,523)
Non-controllable operating expenditures	24,232	3,232	21,000
Total Circuit Court	<u>8,439,724</u>	<u>9,458,680</u>	<u>(1,018,956)</u>
Total Justice Administration	<u>8,439,724</u>	<u>9,458,680</u>	<u>(1,018,956)</u>
Total expenditures	<u>30,190,952</u>	<u>29,818,016</u>	<u>372,936</u>
Deficiency of revenues under expenditures	(15,931,240)	(16,428,325)	(497,085)
Other financing sources			
Transfers in	15,931,240	16,263,139	331,899
Deficiency of revenues and other financing sources under expenditures	-	(165,186)	(165,186)
Fund balance			
October 1, 2002	203,226	203,226	-
September 30, 2003	<u>\$ 203,226</u>	<u>\$ 38,040</u>	<u>\$ (165,186)</u>

County of Oakland**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
– Budget and Actual – Non-Major Special Revenue Funds****Year Ended September 30, 2003**

	Social Welfare Foster Care		
	Final Amended Budget	Actual	Variance with Final Amended Budget
Revenues			
State grants	\$ 15,000	\$ -	\$ (15,000)
Total revenues	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Expenditures			
Current operations			
County Executive			
Human Services			
Controllable operating expenditures	30,000	-	30,000
Total Human Services	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total County Executive	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Deficiency of revenues under expenditures	(15,000)	-	15,000
Other financing sources			
Transfers in	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Excess of revenues and other financing sources over expenditures	-	-	-
Fund balance			
October 1, 2002	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Oakland

Non-Major Debt Service Funds

Debt Service Funds

These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The Building Authority Lyon Oaks Park Fund - was established to accumulate the resources for the payment of bonded debt issued for the construction of facilities at the Lyon Oaks Park.

The Building Authority Work Release, Jail Management and Video Conferencing Fund - was established to accumulate resources for the payment of bonded debt issued to construct the Work Release Facility and administration buildings for housing of non-violent offenders and Sheriff Department personnel.

The Building Authority Office Building Renovation Fund - was established to accumulate the resources for the payment of bonded debt issued for the renovation of the former Oakland Schools building.

The Building Authority 52nd District Court, 3rd Division and Sheriff Substation Fund - was established to accumulate resources for the payment of bonded debt issued to construct a new facility for the District Court located in Rochester Hills and an adjacent Sheriff Department substation.

The Building Authority Refunding Series 1992 Fund - was established to accumulate resources for the payment of bonded debt issued for the refinancing of debt obligations for various Building Authority funds.

The Building Authority Computer Center Fund - was established to accumulate resources for the payment of bonded debt issued to construct the Oakland County Computer Center.

The Building Authority West Wing Extension Fund - was established to accumulate resources for the payment of bonded debt issued to construct an addition to the Oakland County Courthouse West Wing.

The Building Authority Refunding Series 1998 Fund - was established to accumulate resources for the payment of bonded debt issued for the refinancing of debt obligations of the Building Authority West Wing Extension.

The Water and Sewer Act 185 Fund - is used to account for the accumulation of resources for the payment of bonded debt issued

**County of Oakland
Combining Balance Sheet
Non-Major Debt Service Funds
September 30, 2003**

	Building Authority Lyon Oaks Park	Building Authority Work Rel/Jail Mgmt/Video	Building Authority Office Bldg. Renovation	Building Authority 52/3 District Court & Sheriff Substation	Building Authority Refunding Series 1992	Building Authority Computer Center
Assets						
Current assets						
Pooled cash and investments	\$ 5	\$ 5	\$ -	\$ 5	\$ 5	\$ 5
Accrued interest receivable	-	-	-	-	-	-
Total current assets	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>
Noncurrent assets						
Special assessments receivable	-	-	-	-	-	-
Total assets	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
Liabilities and Fund Balances						
Current liabilities						
Deferred revenue	-	-	-	-	-	-
Noncurrent liabilities						
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - reserved for debt service	5	5	-	5	5	5
Total liabilities and fund balances	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

(continued)

**County of Oakland
Combining Balance Sheet
Non-Major Debt Service Funds
September 30, 2003**

	Building Authority West Wing Extension	Building Authority Refunding Series 1998	Water and Sewer Act 185	Total September 30, 2003
Assets				
Current assets				
Pooled cash and investments	\$ -	\$ 5	\$ 979,523	\$ 979,553
Accrued interest receivable	-	-	1,131	1,131
Total current assets	-	5	980,654	980,684
Noncurrent assets				
Special assessments receivable	-	-	3,635,000	3,635,000
Total assets	\$ -	\$ 5	\$ 4,615,654	\$ 4,615,684
Liabilities and Fund Balances				
Current liabilities				
Deferred revenue	-	-	817,450	817,450
Noncurrent liabilities				
Deferred revenue	-	-	3,635,000	3,635,000
Total liabilities	-	-	4,452,450	4,452,450
Fund balances - reserved for debt service	-	5	163,204	163,234
Total liabilities and fund balances	\$ -	\$ 5	\$ 4,615,654	\$ 4,615,684

**County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Debt Service Funds
September 30, 2003**

	Building Authority Lyon Oaks Park	Building Authority Work Rel/Jail Mgmt/Video	Building Authority Office Bldg. Renovation	Building Authority 52/3 District Court & Sheriff Substation	Building Authority Refunding Series 1992	Building Authority Computer Center
Revenues						
Special assessments	\$ 572,100	-	-	\$ 399,886	-	-
Charges for services	-	-	-	550	-	-
Investment income	-	-	-	-	-	-
Total revenues	<u>572,100</u>	<u>-</u>	<u>-</u>	<u>400,436</u>	<u>-</u>	<u>-</u>
Expenditures						
Principal payments	425,000	825,000	-	775,000	1,765,000	-
Interest	146,800	1,095,862	169,011	986,636	41,919	108,937
Paying agent fees	300	275	-	825	500	1,000
Intergovernmental	-	-	-	-	-	-
Total expenditures	<u>572,100</u>	<u>1,921,137</u>	<u>169,011</u>	<u>1,762,461</u>	<u>1,807,419</u>	<u>109,937</u>
Deficiency of revenues under expenditures	-	(1,921,137)	(169,011)	(1,362,025)	(1,807,419)	(109,937)
Other financing sources (uses)						
Transfers in	-	1,921,137	169,011	1,362,025	1,807,419	109,937
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,921,137</u>	<u>169,011</u>	<u>1,362,025</u>	<u>1,807,419</u>	<u>109,937</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-	-	-
Fund balances						
October 1, 2002	5	5	-	5	5	5
September 30, 2003	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>

(continued)

County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Debt Service Funds
September 30, 2003

	Building Authority West Wing Extension	Building Authority Refunding Series 1998	Water and Sewer Act 185	Totals September 30, 2003
Revenues				
Special assessments	-	-	\$ 2,755,070	\$ 3,727,056
Charges for services	-	-	1,627	2,177
Investment income	-	-	6,624	6,624
Total revenues	-	-	2,763,321	3,735,857
Expenditures				
Principal payments	-	1,020,000	2,470,000	7,280,000
Interest	-	425,306	285,070	3,259,541
Paying agent fees	-	300	2,201	5,401
Intergovernmental	-	-	1,117,903	1,117,903
Total expenditures	-	1,445,606	3,875,174	11,662,845
Deficiency of revenues under expenditures	-	(1,445,606)	(1,111,853)	(7,926,988)
Other financing sources (uses)				
Transfers in	-	1,445,606	1,100,000	7,915,135
Transfers out	(523)	-	-	(523)
Total other financing sources (uses)	(523)	1,445,606	1,100,000	7,914,612
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(523)	-	(11,853)	(12,376)
Fund balances				
October 1, 2002	523	5	175,057	175,610
September 30, 2003	-	5	163,204	163,234

County of Oakland

Non-Major Capital Project Funds

Capital Projects Funds

These funds account for the purchase or construction of major capital facilities which are not financed by Proprietary funds.

The Building Improvement Fund - was established to account for the funding of major County building programs.

The Project Work Orders Fund - was established to account for the costs of various improvement projects for County facilities.

The Major Projects Fund - was established to account for the costs of major improvement projects to various County facilities, which are funded by current available resources rather than bond issues.

The Lyon Oaks Park Fund - was established to account for the cost of construction of the golf course and facilities at Lyon Oaks Park.

The Work Release, Jail Management and Video Conferencing Fund - is used to account for the cost of construction of a Work Release Facility and development of a Jail Management and Video Conference System.

The Office Building Renovation Fund – was established to account for the cost of the purchase and renovation of the former Oakland Schools building.

The 52/3 District Court & Sheriff Substation Fund - was established to account for the cost of construction of the new district court building and Sheriff Department substation in Rochester Hills.

The Lake Levels Act 146 Fund - is to account for the costs of construction or reconstruction of various dam structures for purposes of lake level control and augmentation wells (currently 2) under P.A. 146 of 1961.

The Lake Improvements Act 345 Fund - is used to account for the costs of construction of an augmentation well for purposes of lake level control for a lake in Waterford Township. Financing is provided by a special assessment roll as permitted under P.A. 345 of 1966.

The Drain Commissioner Revolving Fund - was established to provide funds for preliminary costs of various drains (including component unit drainage districts), lake level projects, and lake improvements.

The Long-term Revolving Fund - was established to provide preliminary financing for specific capital projects as approved by the Oakland County Board of Commissioners. Funds advanced are recovered through special assessments in the individual projects.

**County of Oakland
Combining Balance Sheet
Non-Major Capital Project Funds
September 30, 2003**

	Building Improvement	Project Work Orders	Major Projects	Lyon Oaks Park	Work Release/ Jail Mgt/Video Conferencing	Office Building Renovation
Assets						
Current assets						
Pooled cash and investments	\$ 10,212,835	\$ 7,002,851	\$ -	\$ 380,363	\$ 11,661,531	\$ 1,231,150
Accrued interest receivable	-	-	-	5,341	112,614	53,549
Due from component units	-	-	-	-	-	-
Due from other funds	-	26,014	-	-	8,626	-
Total current assets	10,212,835	7,028,865	-	385,704	11,782,771	1,284,699
Noncurrent assets	800,000	-	-	-	-	-
Advances	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	-	-
Total noncurrent assets	800,000	-	-	-	-	-
Total assets	\$ 11,012,835	\$ 7,028,865	\$ -	\$ 385,704	\$ 11,782,771	\$ 1,284,699
Liabilities and Fund Balances						
Current liabilities						
Vouchers payable	\$ -	\$ 13,128	\$ -	\$ -	\$ 3,616	\$ -
Due to other funds	-	81,727	-	-	3,010	-
Other accrued liabilities	-	715,215	-	-	416,336	21,836
Total current liabilities	-	810,070	-	-	422,962	21,836
Noncurrent liabilities	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Advances	-	-	-	-	-	800,000
Total noncurrent liabilities	-	-	-	-	-	800,000
Total liabilities	-	810,070	-	-	422,962	821,836
Fund balances						
Reserved	800,000	-	-	-	-	-
Long-term advances	-	-	-	-	-	-
Work projects	-	-	-	-	-	-
Total reserved	800,000	-	-	385,704	11,359,809	462,863
Unreserved	-	6,218,795	-	-	-	-
Designated for work projects	-	-	-	-	-	-
Undesignated	10,212,835	6,218,795	-	-	-	-
Total unreserved	11,012,835	6,218,795	-	385,704	11,359,809	462,863
Total fund balances (deficit)	\$ 11,012,835	\$ 7,028,865	\$ -	\$ 385,704	\$ 11,782,771	\$ 1,284,699
Total liabilities and fund balances						(continued)

**County of Oakland
Combining Balance Sheet
Non-Major Capital Project Funds
September 30, 2003**

	52/3 District Court & Sheriff Substation	Lake Levels Act 146	Lake Improvements Act 345	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2003
Assets						
Current assets						
Pooled cash and investments	\$ 11,065,742	\$ 4,958	\$ 121,301	\$ 1,291,844	\$ 1,460,061	\$ 44,432,636
Accrued interest receivable	129,090	74	918	-	-	301,586
Due from component units	-	27	212,807	-	-	212,834
Due from other funds	-	-	347,684	-	-	382,324
Total current assets	11,194,832	5,059	122,219	1,852,335	1,460,061	45,329,380
Noncurrent assets						
Advances	-	-	-	-	34,160	834,160
Special assessments receivable	-	28,903	11,075	-	-	39,978
Total noncurrent assets	-	28,903	11,075	-	34,160	874,138
Total assets	\$ 11,194,832	\$ 33,962	\$ 133,294	\$ 1,852,335	\$ 1,494,221	\$ 46,203,518
Liabilities and Fund Balances						
Current liabilities						
Vouchers payable	-	-	-	\$ 27,335	-	\$ 44,079
Due to other funds	982,324	24,090	243	-	-	109,070
Other accrued liabilities	982,324	10,000	-	-	-	2,145,711
Total current liabilities	982,324	34,090	243	27,335	-	2,298,860
Noncurrent liabilities						
Deferred revenue	-	28,903	11,075	-	-	39,978
Advances	-	26,923	-	-	-	826,923
Total noncurrent liabilities	-	55,826	11,075	-	-	866,901
Total liabilities	982,324	89,916	11,318	27,335	-	3,165,761
Fund balances						
Reserved						
Long-term advances	-	-	-	-	34,160	834,160
Work projects	10,212,508	-	121,976	1,825,000	1,460,061	25,827,921
Total reserved	10,212,508	-	121,976	1,825,000	1,494,221	26,662,081
Unreserved						
Designated for work projects	-	-	-	-	-	6,218,795
Undesignated	-	(55,954)	-	-	-	10,156,881
Total unreserved	-	(55,954)	-	-	-	16,375,676
Total fund balances (deficit)	10,212,508	(55,954)	121,976	1,825,000	1,494,221	43,037,757
Total liabilities and fund balances	\$ 11,194,832	\$ 33,962	\$ 133,294	\$ 1,852,335	\$ 1,494,221	\$ 46,203,518

**County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
Year Ended September 30, 2003**

	Building Improvement	Project Work Orders	Major Projects	Lyon Oaks Park	Work Releases/ Jail Mgt/Video Conferencing	Office Building Renovation
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	369,031	-
State grants	-	-	-	12,723	300,919	100,490
Investment income	-	-	-	-	-	-
Other	827,052	-	31,205	-	-	-
Total revenues	827,052	-	31,205	12,723	669,950	100,490
Expenditures - capital outlay	827,052	9,834,676	50,000	109,831	8,789,643	7,149,790
Excess (deficiency) of revenues over (under) expenditures	827,052	(9,834,676)	(18,795)	(97,108)	(8,119,693)	(7,049,300)
Other financing sources (uses)	2,000,000	714,812	-	-	-	-
Transfers in	(184,000)	-	-	-	-	-
Transfers out	-	-	-	-	-	7,500,000
Proceeds from issuance of bonds	-	-	-	-	-	(47,837)
Discounts on bonds sold	-	-	-	-	-	7,512,163
Total other financing sources (uses)	1,816,000	714,812	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	2,643,052	(9,119,864)	(18,795)	(97,108)	(8,119,693)	462,863
Fund balances (deficit)	8,369,783	15,338,659	18,795	482,812	19,479,502	-
October 1, 2002	\$ 11,012,835	\$ 6,218,795	\$ -	\$ 385,704	\$ 11,359,809	\$ 462,863
September 30, 2003						(commet)

**County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
Year Ended September 30, 2003**

	52/3 District Court & Sheriff Substation	Lake Levels Act 146	Lake Improvements Act 345	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2003
Revenues						
Special assessments	\$ -	\$ 14,885	\$ 120,858	\$ -	\$ -	\$ 135,743
State grants	-	-	-	-	-	369,031
Investment income	336,880	168	1,312	-	-	755,713
Other	8,000	-	-	-	3,221	866,257
Total revenues	<u>344,880</u>	<u>15,053</u>	<u>122,170</u>	<u>-</u>	<u>3,221</u>	<u>2,126,744</u>
Expenditures - capital outlay	<u>9,739,381</u>	<u>1,942</u>	<u>5,328</u>	<u>-</u>	<u>-</u>	<u>35,680,591</u>
Excess (deficiency) of revenues over (under) expenditures	(9,394,501)	13,111	116,842	-	3,221	(33,553,847)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	2,714,812
Transfers out	-	-	-	-	-	(184,000)
Proceeds from issuance of bonds	-	-	-	-	-	7,560,000
Discounts on bonds sold	-	-	-	-	-	(47,837)
Total other financing sources (uses)	-	-	-	-	-	10,042,975
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(9,394,501)	13,111	116,842	-	3,221	(23,510,872)
Fund balances (deficits)						
October 1, 2002	19,607,009	(69,065)	5,134	1,825,000	1,491,000	66,548,629
September 30, 2003	<u>\$ 10,212,508</u>	<u>\$ (55,954)</u>	<u>\$ 121,976</u>	<u>\$ 1,825,000</u>	<u>\$ 1,494,221</u>	<u>\$ 43,037,757</u>

County of Oakland

Internal Service Funds

Internal Service Funds

These funds account for the financing of goods or services provided by one County department or agency to other departments or agencies on a cost-reimbursed basis.

The Facilities Maintenance and Operations Fund - accumulates the costs of operating and maintaining the County's buildings, grounds, and utilities. The fund recovers costs by developing rates and billing user departments.

The Information Technology Fund - accounts for the operations of the Department of Information Technology, a service bureau that provides services to other County departments and divisions, local governmental units, private sector and @access Oakland customers. Costs include the program and system support, maintenance, enhancements and new development for all major systems applications.

The Drain Equipment Fund - accounts for the cost of vehicles and other equipment used for the construction and maintenance of various drains and lake level projects. The fund is reimbursed as the accumulated costs are distributed to specific projects or funds.

The Micrographics Fund - accumulates the costs of microfilming and photocopying County records. The fund recovers costs by developing rates and billing user departments and title insurance companies.

The Motor Pool Fund - accumulates the costs of purchasing, servicing, and operating County-owned vehicles. The fund recovers these costs by developing rates and billing user departments.

The Office Equipment Fund - accumulates the costs of servicing and operating County-owned office equipment. The fund recovers these costs by developing rates and billing user departments.

The Mailing, Copier, and Printing Fund - accumulates the costs of County mail, printing services, and servicing and operating leased copier machines. The fund recovers these costs by developing rates and billing user departments.

The Telephone Communications Fund - accumulates the costs of operating the County telephone system. The fund is reimbursed for the accumulated costs by distributing the charges to the specific fund or department.

The Building and Liability Insurance Fund - was established to accumulate monies, which are available to settle claims against the County when no insurance coverage exists and to make insurance premium payments. The fund is reimbursed by the user departments for insurance premiums paid and monies accumulated for self-insurance.

The Fringe Benefits Fund - is used as a clearing account for the County's employee fringe benefits. Monies are accumulated in this fund as a result of payroll allocations made on a departmental and/or bargaining unit basis. This fund also accumulates and disburses monies related to workers' compensation and unemployment compensation claims.

The Sheriff Aviation Fund - accumulates the cost of the purchase and operations of the helicopter(s) used by the Oakland County Sheriff's Department. The fund recovers the costs through user charges to the Sheriff Department (General Fund).

**County of Oakland
Combining Statement of Net Assets
Internal Service Funds
September 30, 2003**

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Micrographics	Motor Pool	Office Equipment
Assets						
Current assets						
Pooled cash and investments	\$ 8,648,262	\$ 12,599,483	\$ 2,490,985	\$ 1,397,642	\$ 2,110,366	\$ 2,419,285
Due from other governmental units	-	173,462	19,624	-	2,897	-
Due from component units	100,134	12,887	16,195	144	-	-
Accrued interest receivable	46,119	64,876	3,323	12,216	18,343	17,389
Accounts receivable (net of allowance for uncollectibles where applicable)	34,671	196,074	681,928	27,225	896	6,134
Due from other funds	26,042	161,566	26,784	-	29,889	-
Inventories and supplies	98,493	178,472	-	-	102,155	-
Prepayments and other assets	-	1,286,622	-	-	434,998	-
Total current assets	8,953,721	14,673,442	3,238,839	1,437,227	2,699,544	2,442,808
Noncurrent assets						
Contracts receivable	-	-	-	-	-	18,402
Capital assets, at cost						
Land and improvements	-	-	130,000	-	-	-
Buildings and improvements	525,283	-	371,407	-	424,861	-
Infrastructure	3,169,683	-	-	-	-	-
Equipment and vehicles	1,593,512	40,622,284	5,557,715	413,212	9,344,359	3,872,991
Construction in progress	-	1,679,148	513,392	-	-	-
	5,288,478	42,301,432	6,572,514	413,212	9,769,220	3,872,991
Less: Accumulated depreciation	3,976,185	30,803,050	4,121,664	258,036	5,828,080	2,697,890
Capital assets, net	1,312,293	11,498,382	2,450,850	155,176	3,941,140	1,175,101
Total noncurrent assets	1,312,293	11,498,382	2,450,850	155,176	3,941,140	1,193,503
Total assets	\$ 10,266,014	\$ 26,171,824	\$ 5,689,689	\$ 1,592,403	\$ 6,640,684	\$ 3,636,311

(continued)

**County of Oakland
Combining Statement of Net Assets
Internal Service Funds
September 30, 2003**

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Sheriff Aviation	Totals September 30, 2003
Assets						
Current assets						
Pooled cash and investments	\$ 451,100	\$ 205,739	\$ 22,704,075	\$ 33,249,341	\$ -	\$ 86,276,278
Due from other governmental units	26,787	-	-	-	-	222,770
Due from component units	10,967	-	-	213	-	140,540
Accrued interest receivable	1,031	548	183,879	237,758	509	585,991
Accounts receivable (net of allowance for uncollectibles where applicable)	21,728	3,001	3,990	-	-	975,647
Due from other funds	4,177	1,369	-	2,344,739	376,501	2,971,067
Inventories and supplies	329,508	-	-	-	-	708,628
Prepayments and other assets	53,590	39,255	92,580	2,789,115	-	4,696,160
Total current assets	898,888	249,912	22,984,524	38,621,166	377,010	96,577,081
Noncurrent assets						
Contracts receivable	-	-	-	-	-	18,402
Capital assets, at cost						
Land and improvements	-	-	-	-	-	130,000
Buildings and improvements	-	-	-	-	-	1,321,551
Infrastructure	-	-	-	-	-	3,169,683
Equipment and vehicles	380,890	4,299,578	-	-	3,989,410	70,073,951
Construction in progress	-	-	-	-	-	2,192,540
	380,890	4,299,578	-	-	3,989,410	76,887,725
Less: Accumulated depreciation	347,734	1,596,273	-	-	394,334	50,023,246
Capital assets, net	33,156	2,703,305	-	-	3,595,076	26,864,479
Total noncurrent assets	33,156	2,703,305	-	-	3,595,076	26,882,881
Total assets	\$ 932,044	\$ 2,953,217	\$ 22,984,524	\$ 38,621,166	\$ 3,972,086	\$ 123,459,962

(continued)

**County of Oakland
Combining Statement of Net Assets
Internal Service Funds
September 30, 2003**

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Micrographics	Motor Pool	Office Equipment
Liabilities						
Current liabilities	\$ 386,547	\$ 215,231	\$ 46,091	\$ 2,039	\$ -	\$ -
Vouchers payable	-	-	-	-	-	-
Accrued payroll	-	51	-	-	-	-
Due to other governmental units	2,763	195,550	1,330	-	39,228	-
Current portion of workers' compensation	-	-	-	-	-	-
Current portion of unreported health costs	-	-	-	-	-	-
Current portion of sick and annual leave	-	-	-	-	-	-
Current portion of claims and judgments	-	-	-	-	-	-
Current portion of advances payable	-	-	-	-	-	-
Contracts payable	90,464	295,483	-	-	-	-
Other accrued liabilities	479,774	730,504	236,890	-	56,854	-
Total current liabilities	479,774	1,436,819	284,311	2,039	96,082	-
Noncurrent liabilities	-	-	-	-	-	-
Accrued workers' compensation	-	-	-	-	-	-
Accrued unreported health costs	-	-	-	-	-	-
Accrued sick and annual leave	-	-	-	-	-	-
Claims and judgments	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-
Total liabilities	479,774	1,436,819	284,311	2,039	96,082	-
Net Assets						
Invested in capital assets	1,312,293	11,498,382	2,450,850	155,176	3,941,140	1,175,101
Unrestricted	8,473,947	13,236,623	2,954,528	1,435,188	2,603,462	2,461,210
Total net assets	\$ 9,786,240	\$ 24,735,005	\$ 5,405,378	\$ 1,590,364	\$ 6,544,602	\$ 3,636,311

**County of Oakland
Combining Statement of Net Assets
Internal Service Funds
September 30, 2003**

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Sheriff Aviation	Totals September 30, 2003
Liabilities						
Current liabilities						
Vouchers payable	\$ 12,397	\$ 69,636	\$ 23,437	\$ 58,149	\$ 167	\$ 813,694
Accrued payroll	-	-	-	-	23,237	23,237
Due to other governmental units	-	-	-	200,874	-	200,925
Due to other funds	1,065	570	-	1,208	41,127	282,841
Current portion of workers' compensation	-	-	-	1,416,635	-	1,416,635
Current portion of unreported health costs	-	-	-	789,333	-	789,333
Current portion sick and annual leave	-	-	-	1,174,944	-	1,174,944
Current portion of claims and judgments	-	-	2,300,000	-	-	2,300,000
Current portion of advances payable	-	-	-	-	437,500	437,500
Current portion of contracts payable	-	-	-	-	-	295,483
Other accrued liabilities	144,744	16,216	-	1,042,703	7,555	2,325,930
Total current liabilities	158,206	86,422	2,323,437	4,683,846	509,586	10,060,522
Noncurrent liabilities						
Accrued workers' compensation	-	-	-	10,891,690	-	10,891,690
Accrued unreported health costs	-	-	-	1,578,667	-	1,578,667
Accrued sick and annual leave	-	-	-	10,574,491	-	10,574,491
Claims and judgments	-	-	15,202,535	-	-	15,202,535
Advances	-	-	-	-	2,587,500	2,587,500
Total noncurrent liabilities	-	-	15,202,535	23,044,848	2,587,500	40,834,883
Total liabilities	158,206	86,422	17,525,972	27,728,694	3,097,086	50,895,405
Net Assets						
Invested in capital assets	33,156	2,703,305	-	-	3,595,076	26,864,479
Unrestricted	740,682	163,490	5,458,552	10,892,472	(2,720,076)	45,700,078
Total net assets	\$ 773,838	\$ 2,866,795	\$ 5,458,552	\$ 10,892,472	\$ 875,000	\$ 72,564,557

**County of Oakland
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
Year Ended September 30, 2003**

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Micrographics	Motor Pool	Office Equipment
Operating revenues						
Charges for services	\$ 23,372,748	\$ 22,905,308	\$ 3,045,608	\$ 617,027	\$ 5,537,865	\$ 655,896
Other	1,405	2,841	7,906	5	-	4,798
Total operating revenues	23,374,153	22,908,149	3,053,514	617,032	5,537,865	660,694
Operating expenses						
Salaries	6,938,117	7,694,631	253,603	352,129	615,649	-
Fringe benefits	3,115,639	2,863,096	91,536	134,762	276,317	-
Contractual services	9,204,398	12,292,134	1,243,256	218,543	1,441,832	116,507
Commodities	981,718	985,978	406,900	14,927	1,302,376	39,924
Depreciation	130,224	5,884,756	504,200	38,085	1,086,110	191,559
Internal services	766,769	1,308,011	1,163,517	58,171	269,630	898
Total operating expenses	21,136,865	31,028,606	3,663,012	816,617	4,991,914	348,888
Operating income (loss)	2,237,288	(8,120,457)	(609,498)	(199,585)	545,951	311,806
Nonoperating revenues (expenses)						
Interest revenue	97,557	150,491	7,284	29,440	41,821	41,322
Gain on sale of property and equipment	-	-	-	-	-	-
Interest expense	8,000	1,905	35,983	-	328,311	1,027
Net nonoperating revenues	105,557	152,396	43,267	29,440	370,132	42,349
Income (loss) before transfers, contributions and special items	2,342,845	(7,968,061)	(566,231)	(170,145)	916,083	354,155
Special item-write off of CIP	-	(6,033,983)	-	-	-	-
Transfers in	186,000	5,834,730	2,095,879	-	506,177	-
Transfers out	(132,000)	(5,000)	(356,758)	-	-	-
Change in net assets	2,396,845	(8,172,314)	1,172,890	(170,145)	1,422,260	354,155
Net assets						
October 1, 2002	7,389,395	32,907,319	4,232,488	1,760,509	5,122,342	3,282,156
September 30, 2003	9,786,240	24,735,005	5,405,378	1,590,364	6,544,602	3,636,311

(continued)

**County of Oakland
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
Year Ended September 30, 2003**

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Sheriff Aviation	Totals September 30, 2003
Operating revenues						
Charges for services	\$ 3,232,799	\$ 3,430,771	\$ 2,097,897	\$ 83,623,745	\$ 1,523,684	\$ 150,043,348
Other	-	15,423	7,341	-	-	39,719
Total operating revenues	3,232,799	3,446,194	2,105,238	83,623,745	1,523,684	150,083,067
Operating expenses						
Salaries	314,542	325,491	443,084	706,408	248,809	17,892,463
Fringe benefits	141,526	148,762	164,284	281,443	101,344	7,318,709
Contractual services	1,102,570	2,068,025	4,833,828	87,081,484	102,592	119,705,169
Commodities	1,355,303	209,176	1,427	13,360	103,444	5,414,533
Depreciation	2,777	305,364	-	-	228,239	8,371,314
Internal services	59,582	567,446	116,949	182,893	251,266	4,745,132
Total operating expenses	2,976,300	3,624,264	5,559,572	88,265,588	1,035,694	163,447,320
Operating income (loss)	256,499	(178,070)	(3,454,334)	(4,641,843)	487,990	(13,364,253)
Nonoperating revenues (expenses)						
Interest revenue	2,615	1,059	448,477	621,819	1,350	1,443,235
Interest expense	(1,312)	-	-	-	(51,840)	(51,840)
Gain on sale of property and equipment	-	-	-	-	-	373,914
Net nonoperating revenues	1,303	1,059	448,477	621,819	(50,490)	1,765,309
Income (loss) before transfers, contributions and special items	257,802	(177,011)	(3,005,857)	(4,020,024)	437,500	(11,598,944)
Special item-write off of CIP	-	-	-	-	-	(6,033,983)
Transfers in	-	-	-	-	-	8,622,786
Transfers out	-	-	-	-	-	(493,758)
Change in net assets	257,802	(177,011)	(3,005,857)	(4,020,024)	437,500	(9,503,899)
Net assets						
October 1, 2002	516,036	3,043,806	8,464,409	14,912,496	437,500	82,068,456
September 30, 2003	\$ 773,838	\$ 2,866,795	\$ 5,458,552	\$ 10,892,472	\$ 875,000	\$ 72,564,557

**County of Oakland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2003**

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Micrographics	Motor Pool	Office Equipment
Cash flows from operating activities						
Cash received from users	\$ 23,546,184	\$ 24,642,273	\$ 2,764,473	\$ 653,518	\$ 5,513,440	\$ 660,694
Cash paid to suppliers	(13,977,495)	(17,521,844)	(2,964,825)	(438,592)	(2,973,857)	(1,62,437)
Cash paid to employees	(7,085,642)	(7,694,631)	(253,603)	(352,129)	(615,649)	-
Net cash provided by (used in) operating activities	2,483,047	(574,202)	(453,735)	(137,203)	1,923,934	498,257
Cash flows from noncapital financing activities						
Transfers from other funds	186,000	2,554,086	25,879	-	-	-
Transfers to other funds	(132,000)	(5,000)	(356,758)	-	-	-
Contracts/loans	-	-	-	-	-	(30,670)
Amounts received on contracts	-	-	-	-	-	6,134
Interest received on contracts	-	-	-	-	-	281
Net cash provided by (used in) noncapital financing activities	54,000	2,549,086	(330,879)	-	-	(24,255)
Cash flows from capital and related financing activities						
Transfers from other funds	-	3,280,644	2,070,000	-	506,177	-
Proceeds on sale of capital assets	8,000	1,905	35,083	-	329,311	1,027
Amounts received on advances and equipment contracts	(167,194)	(1,555,306)	(209,983)	(12,000)	(2,367,166)	(203,246)
Amount paid on advances and equipment contracts	-	(295,000)	-	-	-	-
Interest paid on advances and equipment contracts	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(159,194)	1,432,153	1,896,885	(12,000)	(1,532,678)	(202,219)
Cash flows from investing activities						
Interest on investments	56,361	88,384	7,329	22,722	24,735	25,624
Proceeds from sale and maturity of investments	4,216,362	3,000,000	-	978,000	-	-
Net cash provided by (used in) investing activities	4,272,723	3,088,384	7,329	1,000,722	24,735	25,624
Net cash provided by (used in) investing activities	6,650,576	6,495,421	1,119,580	851,519	415,991	297,407
Pooled cash and investments						
October 1, 2002	1,997,686	6,104,062	1,371,405	546,123	1,694,375	2,121,878
September 30, 2003	8,648,262	12,599,483	2,490,985	1,397,642	2,110,366	2,419,385

(continued)

**County of Oakland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2003**

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Sheriff Aviation	Totals September 30, 2003
Cash flows from operating activities						
Cash received from users	\$ 3,185,538	\$ 3,442,684	\$ 2,161,405	\$ 82,072,933	\$ 1,180,480	\$ 149,823,822
Cash paid to suppliers	(2,904,731)	(2,924,482)	(3,905,967)	(89,235,758)	(650,084)	(137,600,072)
Cash paid to employees	(314,542)	(325,491)	(443,084)	(706,408)	(225,572)	(1,810,167,511)
Net cash provided by (used in) operating activities	(33,735)	192,711	(2,187,646)	(7,869,233)	304,824	(5,833,001)
Cash flows from noncapital financing activities						
Transfers from other funds	-	-	-	-	-	2,765,965
Transfers to other funds	-	-	-	-	-	(493,758)
Contracts/loans	-	-	-	-	-	(30,670)
Amounts received on contracts	-	-	-	-	-	6,134
Interest received on contracts	-	-	-	-	-	281
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-	2,247,952
Cash flows from capital and related financing activities						
Transfers from other funds	-	-	-	-	-	5,856,021
Proceeds on sale of capital assets	9,200	-	-	-	-	38,324
Advances	(26,285)	(358,991)	-	-	-	(4,899,376)
Amount paid on advances and equipment contracts	-	-	-	-	(437,500)	(732,500)
Interest paid on advances and equipment contracts	-	-	-	-	(51,840)	(51,840)
Net cash provided by (used in) capital and related financing activities	(17,085)	(358,991)	-	-	(489,340)	557,531
Cash flows from investing activities						
Interest on investments	1,596	511	499,994	453,758	841	1,181,855
Proceeds from sale and maturity of investments	-	-	23,655,628	32,953,875	-	64,803,865
Net cash provided by (used in) investing activities	1,596	511	24,155,622	33,407,633	841	65,985,720
Net increase (decrease) in cash and cash equivalents	(49,224)	(165,769)	21,967,976	25,538,400	(183,675)	62,938,202
Pooled cash and investments						
October 1, 2002	500,324	371,508	736,099	7,710,941	183,675	23,338,076
September 30, 2003	451,100	205,739	22,704,075	33,249,341	-	86,276,278

(continued)

**County of Oakland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2003**

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Micrographics	Motor Pool	Office Equipment
Operating income (loss)	\$ 2,237,288	\$ (8,120,457)	\$ (609,498)	\$ (199,585)	\$ 545,951	\$ 311,806
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	130,224	5,884,756	504,200	38,085	1,086,110	191,559
(Increase) decrease in due from other governmental units	-	(20,711)	(19,624)	-	(140)	-
(Increase) decrease in due from component units	(99,744)	(2,093)	-	(144)	-	-
(Increase) decrease in accounts receivable	180,475	21,149	(247,494)	36,630	(896)	-
(Increase) decrease in due from other funds	91,300	1,735,779	(21,723)	-	(23,389)	-
(Increase) decrease in inventories and supplies	(21,511)	(9,871)	-	-	(9,575)	-
(Increase) decrease in prepayments and other assets	-	(30,566)	94,331	-	369,974	-
(Increase) decrease in vouchers payable	79,778	110,832	(95,450)	(4,295)	(24,851)	(3,708)
(Increase) decrease in accrued payroll	(147,252)	-	-	-	-	-
(Increase) decrease in due to other governmental units	-	(29,044)	-	-	-	-
(Decrease) in due to other funds	(19,050)	29,472	(13,427)	-	(33,981)	-
(Decrease) in current portion of workers' compensation	-	-	-	-	-	-
(Increase) decrease in current portion unreported health costs	-	-	-	-	-	-
(Increase) decrease in current portion sick and annual leave	-	-	-	-	-	-
(Increase) decrease in current portion claims and judgments	-	-	-	-	-	-
(Increase) decrease in deferred revenue	-	-	-	-	(1,600)	-
(Increase) decrease in other accrued liabilities	51,812	(143,448)	(45,070)	(7,894)	16,331	(1,400)
(Decrease) in accrued workers' compensation	-	-	-	-	-	-
(Increase) decrease in unreported health costs	-	-	-	-	-	-
(Increase) decrease in accrued sick and annual leave	-	-	-	-	-	-
(Increase) decrease in claims and judgments	-	-	-	-	-	-
	<u>\$ -2,483,047</u>	<u>\$ (574,202)</u>	<u>\$ (453,755)</u>	<u>\$ (137,203)</u>	<u>\$ 1,923,934</u>	<u>\$ 498,257</u>

Net cash provided by (used in) operating activities

(continued)

**County of Oakland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2003**

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Sheriff Aviation	Totals September 30, 2003
Operating income (loss)	\$ 256,499	\$ (178,070)	\$ (3,454,334)	\$ (4,641,843)	\$ 487,990	\$ (13,364,233)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	2,777	305,364	-	-	228,239	8,371,314
(Increase) decrease in due from other governmental units	(17,118)	-	-	-	-	(57,993)
(Increase) decrease in due from component units	(4,991)	-	-	(121)	-	(107,093)
(Increase) decrease in accounts receivable	(20,987)	(2,241)	10,745	-	-	(22,619)
(Increase) decrease in due from other funds	(41,165)	(1,269)	45,422	(1,550,691)	(343,204)	(71,940)
(Increase) decrease in inventories and supplies	(165,502)	-	-	-	-	(206,459)
(Increase) decrease in prepayments and other assets	(16,788)	(4,756)	(92,580)	(292,037)	(7,026)	27,578
Increase (decrease) in vouchers payable	(206,676)	56,897	555	(393,036)	23,237	(486,980)
Increase (decrease) in accrued payroll	-	-	-	-	-	(124,288)
Increase (decrease) in due to other governmental units	-	-	-	200,874	-	177,830
Increase (decrease) in due to other funds	1,065	570	-	(373)	(86,373)	(122,097)
(Decrease) in current portion of workers' compensation	-	-	-	112,214	-	112,214
Increase (decrease) in current portion unreported health costs	-	-	-	-	-	789,333
Increase (decrease) in current portion sick and annual leave	-	-	-	-	-	1,174,944
Increase (decrease) in current portion claims and judgments	-	-	-	1,174,944	-	2,300,000
Increase (decrease) in deferred revenue	-	-	2,300,000	-	-	(1,600)
Increase (decrease) in other accrued liabilities	142,151	16,216	-	372,197	1,961	402,856
(Decrease) in accrued workers' compensation	-	-	-	(535,223)	-	(535,223)
Increase (decrease) in unreported health costs	-	-	-	(789,333)	-	(789,333)
Increase in accrued sick and annual leave	-	-	-	-	-	(2,316,138)
Increase (decrease) in claims and judgments	-	-	(997,454)	-	-	(997,454)
Net cash provided by (used in) operating activities	\$ (33,735)	\$ 192,711	\$ (2,187,646)	\$ (7,869,233)	\$ 304,824	\$ (5,853,001)

Non-cash transactions

Non-cash capital and related financing included \$20,507 for purchase of assets included in payable in the Information Technology fund, \$27,267 for purchase of assets included in payables in the Moor Pool fund, and \$6,134 for contracts receivable included in Accounts Receivable in the Office Equipment fund, and write-off of \$6,033,983 of construction in progress in Information Technology fund.

County of Oakland

Non-Major Enterprise Funds

Enterprise Funds

These funds account for operations and services provided for County residents and are financed primarily through user charges.

The Medical Care Facility Fund - was established to account for the financial operations of a 120-bed skilled nursing facility. Costs are recovered by charges to Medicare, Medicaid, or other third-party insurers for patient services.

The Fire Records Management Fund - was established to accumulate revenues and costs associated with providing a centralized Fire Records Management System (FRMS). The system will aid in uniform reporting and data sharing for participating local fire departments.

The Evergreen-Farmington S.D.S. Fund - was established to record the operations and maintenance of the system, which is used to move sewage to the City of Detroit for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

The Southeastern Oakland County S.D.S. (S.O.C.S.D.S.) Fund - was established to record the operations and maintenance of the system, which is used to move sewage and storm water to the City of Detroit for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

The Clinton-Oakland S.D.S. (Sewage Disposal System) Fund - was established to record the operations and maintenance of the system, which is used to move sewage to the City of Detroit for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

The Huron-Rouge S.D.S. Fund - was established to record the operations and maintenance of the system, which is used to move sewage to Wayne County for treatment. Costs are recovered by developing rates and billing the municipalities being serviced.

The Farmers Market Fund - is used to account for the operations of the Oakland County Farmer's Market located in Waterford.

The CLEMIS (Courts and Law Enforcement Management Information System) Fund - was established to accumulate revenues and costs associated with providing law enforcement units with immediate access to criminal and vehicle information throughout the United States and Canada. This includes the costs of purchasing, servicing, and operating mobile data terminals and base stations.

The Radio Communications Fund - accumulates the costs of purchasing, servicing and operating the County radio system. The fund recovers costs by developing rates and billing users, and also receives revenue from the 911 surcharge.

The Jail Inmate Commissary Fund - is used to account for commissary operations and services, library operations and services, and indigent services for inmates at the Oakland County Jail. Inmate commissary transactions are logged in individual accounts in the Jail Management System (JAMS). Monies collected for these individual accounts are held in the Jail Inmate Trust Account.

**County of Oakland
Combining Statement of Net Assets
Non-Major Enterprise Funds
September 30, 2003**

	Medical Care Facility	Fire Records Management	Evergreen- Farmington S.D.S.	S.O.C.S.D.S.	Clinton- Oakland S.D.S.	Huron- Rogue S.D.S.
Assets						
Current assets						
Pooled cash and investments	\$ -	\$ 213,759	\$ 22,089,636	\$ 19,109,768	\$ 13,989,223	\$ 2,236,450
Due from other governmental units	-	27,300	8,420,383	4,820,944	5,297,534	1,329,784
Due from government units	-	-	582,768	-	-	-
Accrued interest receivable	-	1,393	183,379	141,755	113,611	16,480
Accounts receivable (net of allowances for uncollectibles where applicable)	1,965,463	-	2,941,109	49,014	-	-
Due from other funds	-	-	-	-	100,014	-
Inventories and supplies	-	-	-	-	-	-
Prepayments and other assets	-	1,504	-	-	-	-
Total current assets	1,965,463	243,956	34,217,275	24,121,481	19,500,382	3,582,714
Noncurrent assets						
Capital assets, at cost						
Land	-	-	27,681	613,529	25,725	19,748
Land improvements	13,771	-	-	11,274	-	-
Buildings and improvements	3,004,276	-	3,167,894	3,325,705	734,721	348,504
Equipment and vehicles	78,441	517,860	24,848	246,713	7,047	-
Infrastructure	-	-	25,784,033	76,214,843	36,799,208	2,962,297
Construction in progress	-	-	28,354	-	-	-
	3,096,488	517,860	29,032,810	80,412,064	37,566,701	3,330,549
Less: Accumulated depreciation	2,039,328	252,543	18,729,842	63,454,210	18,069,250	1,985,072
Capital assets, net	1,057,160	265,317	10,302,968	16,957,854	19,497,451	1,345,477
Total assets	3,022,623	509,273	44,520,243	41,079,335	38,997,833	4,928,191
Liabilities						
Current liabilities						
Vouchers payable	\$ 2,539	\$ -	\$ 23,904	\$ 5,219	\$ 1,262,474	\$ 134,061
Accrued payroll	-	-	-	-	-	-
Due to other governmental units	-	-	4,909,092	5,625,250	1,239,811	1,017,111
Due to other funds	756,897	109,568	202,345	163,728	241,363	14,440
Deferred revenue	-	3,300	-	-	-	-
Other accrued liabilities	107,845	-	662,986	34,810	162,292	-
Total liabilities	867,281	112,868	5,798,327	5,829,007	2,905,940	1,165,612
Net Assets						
Invested in capital assets, net of related debt	1,057,160	265,317	10,302,968	16,957,854	19,497,451	1,345,477
Unrestricted	1,098,182	131,088	28,418,948	18,292,474	16,594,482	2,417,102
Total net assets	2,155,342	396,405	38,721,916	35,250,328	36,091,933	3,762,579

(continued)

**County of Oakland
Combining Statement of Net Assets
Non-Major Enterprise Funds
September 30, 2003**

	Farmers Market	CLEMIS	Radio Communications	Jail Inmate Commissary	Totals September 30, 2003
Assets					
Current assets					
Pooled cash and investments	\$ -	\$ 2,324,959	\$ 14,656,826	\$ 34,864	\$ 74,635,485
Due from other governmental units	-	415,684	88,367	-	20,399,996
Due from component units	-	-	-	-	582,768
Accrued interest receivable	-	24,414	98,303	571	579,906
Accounts receivable (net of allowances for uncollectibles where applicable)	17,642	30,117	576,723	99,587	2,689,532
Due from other funds	-	352,000	-	-	3,442,137
Inventories and supplies	-	80,328	394,147	41,364	515,839
Prepayments and other assets	-	22,008	15,500	-	39,012
Total current assets	17,642	3,249,510	15,809,866	176,386	102,884,675
Noncurrent assets					
Capital assets, at cost					
Land	-	-	-	-	686,683
Land improvements	-	-	-	-	25,045
Buildings and improvements	-	-	-	-	10,581,100
Equipment and vehicles	-	10,146,631	11,155,044	-	22,176,584
Infrastructure	-	-	-	-	141,760,381
Construction in progress	-	8,873,774	8,367,051	-	17,269,179
	-	19,020,405	19,522,095	-	192,498,972
Less: Accumulated depreciation	-	8,771,169	8,204,720	-	121,506,134
Capital assets, net	-	10,249,236	11,317,375	-	70,992,838
Total assets	\$ 17,642	\$ 13,498,746	\$ 27,127,241	\$ 176,386	\$ 173,877,513
Liabilities					
Current liabilities					
Vouchers payable	\$ -	\$ 471,999	\$ 3,480	\$ 29,145	\$ 1,508,021
Due to other governmental units	6,761	39,128	-	50,257	12,791,264
Deferred revenue	-	-	-	-	1,584,487
Other accrued liabilities	-	81,694	315,652	-	3,300
Total liabilities	6,761	168,021	319,132	79,402	17,252,351
Net Assets					
Invested in capital assets, net of related debt	-	10,249,236	11,317,375	-	70,992,838
Unrestricted	10,881	3,081,489	15,490,734	96,984	85,632,324
Total net assets	\$ 10,881	\$ 13,330,725	\$ 26,808,109	\$ 96,984	\$ 156,625,162

**County of Oakland
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Non-Major Enterprise Funds
Year Ended September 30, 2003**

	Medical Care Facility	Fire Records Management	Evergreen- Farmington S.D.S.	S.O.C.S.D.S.	Clinton- Oakland S.D.S.	Huron- Rouge S.D.S.
Operating revenues						
Changes for services	\$ 9,903,162	\$ 117,725	\$ 24,536,685	\$ 28,247,623	\$ 19,810,294	\$ 3,168,089
Other	593,832	-	12,100	2,639,613	101,051	-
	<u>10,496,994</u>	<u>117,725</u>	<u>24,548,785</u>	<u>30,887,236</u>	<u>19,911,345</u>	<u>3,168,089</u>
Operating expenses						
Salaries	4,053,550	126,190	704,209	381,855	502,128	93,507
Fringe benefits	1,599,886	52,449	247,469	136,574	177,444	34,427
Contractual services	2,126,086	55,761	22,540,292	23,376,421	16,804,894	2,957,807
Commodities	2,138,461	-	72,263	1,72,668	43,910	-
Depreciation	76,485	118,060	584,686	1,707,829	790,854	66,216
Internal services	692,371	111,192	228,914	111,610	170,494	17,609
	<u>10,686,839</u>	<u>463,652</u>	<u>24,377,833</u>	<u>25,886,957</u>	<u>18,449,724</u>	<u>3,169,674</u>
Total operating expenses	(189,845)	(345,927)	170,952	5,000,279	1,461,621	(1,585)
Operating income (loss)	(5,298)	2,354	454,692	332,299	261,693	36,741
Nonoperating revenues	15,090	-	-	-	-	-
Contributions	9,792	2,354	454,692	332,299	261,693	36,741
Net nonoperating revenues	(180,053)	(343,573)	625,644	5,332,578	1,723,314	35,156
Income (loss) before contributions and transfers	34,167	279,365	-	-	10,000	-
Capital contributions	-	-	-	-	-	-
Transfers in	(145,886)	(64,208)	625,644	5,332,578	1,733,314	35,156
Transfers out	-	-	-	-	-	-
Change in net assets	2,301,228	460,613	38,096,272	29,917,750	34,358,579	3,727,423
Net assets						
October 1, 2002	\$ 2,155,342	\$ 396,405	\$ 38,721,916	\$ 35,250,328	\$ 36,091,893	\$ 3,762,579
September 30, 2003						

(continued)

**County of Oakland
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Non-Major Enterprise Funds
Year Ended September 30, 2003**

	Farmers Market	CLEMIS	Radio Communications	Jail Inmate Commissary	Totals September 30, 2003
Operating revenues					
Charges for services	\$ 143,318	\$ 1,811,740	\$ 8,623,153	\$ 1,148,072	\$ 97,509,861
Other	-	21,694	-	-	3,368,290
	<u>143,318</u>	<u>1,833,434</u>	<u>8,623,153</u>	<u>1,148,072</u>	<u>100,878,151</u>
Operating expenses					
Salaries	57,573	847,945	427,408	200,633	7,394,998
Fringe benefits	19,581	288,272	166,238	89,884	2,812,224
Contractual services	9,692	1,379,500	393,000	85,018	69,728,452
Commodities	-	82,309	303,055	798,409	3,611,183
Depreciation	-	2,864,195	1,030,174	-	7,198,499
Internal services	46,769	728,316	366,718	12,340	2,486,333
	<u>133,615</u>	<u>6,190,627</u>	<u>2,686,594</u>	<u>1,186,284</u>	<u>93,231,799</u>
Nonoperating revenues					
Interest revenue	(436)	57,190	224,082	2,902	1,366,219
Contributions	(436)	57,190	224,082	2,902	15,090
	<u>9,267</u>	<u>(4,300,003)</u>	<u>6,160,641</u>	<u>(35,310)</u>	<u>9,027,661</u>
Income (loss) before contributions and transfers					
Net nonoperating revenues					
Income (loss) before contributions and transfers	(436)	57,190	224,082	2,902	1,366,219
Capital contributions	-	959,549	-	-	1,003,716
Transfers in	-	1,414,308	10,372	-	1,704,045
Transfers out	-	(18,500)	(107,836)	(50,257)	(176,593)
	<u>9,267</u>	<u>(1,944,646)</u>	<u>6,063,177</u>	<u>(85,567)</u>	<u>11,558,829</u>
Change in net assets					
Net assets					
October 1, 2002	1,614	15,275,371	20,744,932	182,551	145,066,333
September 30, 2003	10,881	13,330,725	26,808,109	96,984	156,625,162

**County of Oakland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended September 30, 2003**

	Medical Care Facility	Fire Records Management	Evergreen- Farmington S.D.S.	S.O.C.S.D.S.	Clinton- Oakland S.D.S.	Huron- Rouge S.D.S.
Cash flows from operating activities						
Cash received from users	\$ 9,817,328	\$ 158,967	\$ 23,638,322	\$ 30,930,921	\$ 21,052,083	\$ 3,025,094
Cash paid to suppliers	(16,020,832)	(248,237)	(23,266,759)	(26,033,810)	(19,118,586)	(2,900,807)
Cash paid to employees	(4,114,759)	(126,190)	(709,608)	(386,411)	(506,832)	(93,507)
	(10,318,283)	(215,460)	(338,045)	4,510,700	1,426,665	30,780
Net cash provided by (used in) operating activities	-	378,992	-	-	-	-
Cash flows from noncapital financing activities						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	15,090	-	-	-	-	-
Contributions	15,090	378,992	-	-	-	-
Net cash used in noncapital financing activities	-	-	-	-	-	-
Cash flows from capital and related financing activities						
Transfers from other funds	-	-	-	-	10,000	-
Capital contributions	(21,746)	-	(28,354)	(5,300)	-	-
Acquisition of capital assets	(21,746)	-	(28,354)	(5,300)	10,000	-
Net cash used in capital and related financing activities	(43,492)	-	(56,654)	(10,600)	10,000	-
Cash flows from investing activities						
Interest on investments	(5,298)	961	291,863	190,544	156,297	20,980
Proceeds from sale of investments	(5,298)	961	291,863	190,544	156,297	20,980
Net cash provided by investing activities	(10,330,237)	164,493	(74,536)	4,695,944	1,592,962	51,760
Net increase (decrease) in cash and cash equivalents	10,330,237	49,266	22,164,172	14,413,824	12,396,261	2,184,690
Pooled cash and investments						
October 1, 2002	\$ -	\$ 213,759	\$ 22,089,636	\$ 19,109,768	\$ 13,989,223	\$ 2,236,450
September 30, 2003						(continued)

**County of Oakland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended September 30, 2003**

	Formers Market	CLEMIS	Radio Communications	Jail Inmate Commissary	Totals September 30, 2003
Cash flows from operating activities					
Cash received from users	\$ 137,922	\$ 1,414,080	\$ 8,631,511	\$ 1,139,707	\$ 99,945,935
Cash paid to suppliers	(79,913)	(2,726,338)	(1,016,446)	(1,007,704)	(92,419,472)
Cash paid to employees	(57,573)	(847,945)	(427,408)	(203,947)	(7,474,180)
	436	(2,160,223)	7,187,657	(71,944)	52,283
Net cash provided by (used in) operating activities					
Cash flows from noncapital financing activities					
Transfers from other funds	-	1,408,000	10,372	-	1,797,364
Transfers to other funds	-	(18,500)	(107,836)	(50,257)	(176,593)
Contributions	-	-	-	-	15,090
	-	1,389,500	(97,464)	(50,257)	1,635,861
Net cash used in noncapital financing activities					
Cash flows from capital and related financing activities					
Transfers from other funds	-	6,308	-	-	6,308
Capital contributions	-	-	8,909	-	18,909
Acquisition of capital assets	-	(273,219)	(1,649,728)	-	(1,978,347)
	-	(266,911)	(1,640,819)	-	(1,953,130)
Net cash used in capital and related financing activities					
Cash flows from investing activities					
Interest on investments	(436)	35,601	154,427	2,510	847,449
Proceeds from sale of investments	-	-	6,568,961	-	6,568,961
	(436)	35,601	6,723,388	2,510	7,416,410
Net cash provided by investing activities					
Net increase (decrease) in cash and cash equivalents	-	(1,002,033)	12,172,762	(119,691)	7,151,424
Pooled cash and investments					
October 1, 2002	-	3,326,992	2,464,064	154,555	67,484,061
September 30, 2003	-	2,324,959	14,636,826	34,864	74,635,485

(continued)

**County of Oakland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended September 30, 2003**

	Medical Care Facility	Fire Records Management	Evergreen- Farmingington S.D.S.	S.O.C.S.D.S.	Clinton- Oakland S.D.S.	Huron- Rouge S.D.S.
Operating income (loss)	\$ (189,845)	\$ (345,927)	\$ 170,952	\$ 5,000,279	\$ 1,461,621	\$ (1,585)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	76,485	118,060	584,686	1,707,829	750,854	66,216
(Increase) decrease in due from other governmental units	-	41,242	(1,389,346)	46,137	1,165,225	(142,995)
(Increase) decrease in due from component units	(679,666)	-	(228,599)	-	-	-
(Increase) decrease in accounts receivable	-	-	707,482	(2,452)	(24,487)	-
(Increase) decrease in due from other funds	-	-	-	-	-	-
(Increase) decrease in inventories and supplies	-	(1,504)	-	-	-	-
(Increase) decrease in prepayments and other assets	418	-	22,553	3,151	(1,391,644)	18,999
Increase (decrease) in vouchers payable	(10,281,801)	-	(5,399)	(4,556)	(4,704)	-
Increase (decrease) in accrued payroll	(61,209)	-	(301,169)	(2,149,736)	(304,333)	94,945
Increase (decrease) in due to other governmental units	750,742	(30,631)	16,174	(7,932)	(25,841)	(4,800)
Increase (decrease) in due to other funds	-	3,300	-	-	-	-
Increase (decrease) in deferred revenue	66,593	-	84,621	(82,020)	(200,026)	-
Increase (decrease) in other accrued liabilities	(10,318,283)	(2,15,460)	(33,804,5)	(4,510,700)	1,426,665	30,780
Net cash provided by (used in) operating activities	\$ (10,318,283)	\$ (2,15,460)	\$ (33,804,5)	\$ (4,510,700)	\$ 1,426,665	\$ 30,780

(continued)

**County of Oakland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended September 30, 2003**

	Farmers Market	CLEMIS	Radio Communications	Jail Inmate Commissary	September 30, 2003
Operating income (loss)	\$ 9,703	\$ (4,357,193)	\$ 5,936,559	\$ (38,212)	\$ 7,646,352
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	-	2,864,195	1,030,174	-	7,198,499
(Increase) decrease in due from other governmental units	-	(109,327)	(2,542)	-	(391,666)
(Increase) decrease in accounts receivable	-	-	-	-	(228,599)
(Increase) decrease in due from other funds	(5,396)	(22,754)	10,900	(8,365)	(705,281)
(Increase) decrease in inventories and supplies	-	(278,773)	-	-	401,770
(Increase) decrease in prepayments and other assets	-	20,199	62,970	4,648	87,817
Increase (decrease) in vouchers payable	-	(16,472)	(8,019)	-	(25,577)
Increase (decrease) in accrued payroll	-	16,097	3,480	(21,090)	(11,630,255)
Increase (decrease) in due to other governmental units	-	(200,900)	-	(3,314)	(79,182)
Increase (decrease) in due to other funds	(3,871)	(66,802)	(349)	-	(2,861,193)
Increase (decrease) in deferred revenue	-	(8,500)	-	(4,743)	621,947
Increase (decrease) in other accrued liabilities	-	-	154,484	-	(5,200)
Net cash provided by (used in) operating activities	436	7	154,484	(868)	22,791
	\$	\$ (2,160,223)	\$ 7,187,657	\$ (71,944)	\$ 52,283

Noncash transactions
Noncash and capital related financing activities included \$34,167 of capital assets contributed in the Medical Care Facility fund and \$959,549 of capital assets contributed in the CLEMIS fund.

County of Oakland Pension (and Other Postemployment Benefit) Trust Funds

Pension Trust Funds

Employee Pension Trust funds accept payments made by the County, invest fund resources, and calculate and pay pensions to beneficiaries.

The Oakland County Employees' Retirement Fund – is used to account for the financial operations of the Oakland County Employees' Retirement System. The system is administered by a nine-member board of trustees, while the County acts as the custodian of the system.

The VEBA (Voluntary Employees' Beneficiary Association) Trust Fund – was established as a trust under Internal Revenue Code Section 501(c)(9) to account for funding on an actuarial basis including contributions by Oakland County, and subsequent disbursement for post-employment medical benefits.

Component Unit - Road Commission Retirement – This fund is used to account for the financial operations of the Oakland County Road Commission Retirement System. The Road Commission for Oakland County Retirement System is a single-employer defined benefit pension plan that is administered by the Road Commission for Oakland County Retirement System Board of Trustees. This plan covers substantially all employees of the Road Commission.

County of Oakland
Combining Statement of Fiduciary Net Assets
Pension (and Other Postemployment Benefit) Trust Funds
September 30, 2003

	Oakland County Employees' Retirement	VEBA Trust	Component Unit Road Commission Retirement (1)	Totals September 30, 2003
Assets				
Cash and cash equivalents	\$ 1,889,700	\$ 5,625,429	\$ 4,227,387	\$ 11,742,516
Investments, at fair value:				
Common stock	414,140,582	-	69,404,166	483,544,748
U.S. government securities	76,671,938	122,053,686	43,545,867	242,271,491
Corporate bonds	144,521,333	34,249,572	30,321,341	209,092,246
Money market	23,320,962	4,491,385	-	27,812,347
Real estate	7,293,770	-	-	7,293,770
Other	-	-	542,992	542,992
Total investments	<u>665,948,585</u>	<u>160,794,643</u>	<u>143,814,366</u>	<u>970,557,594</u>
Receivables - interest and dividends	3,235,465	961,750	772,283	4,969,498
Receivables - other	8,614	5,470	-	14,084
Prepaid expenses	-	27,409	-	27,409
Total assets	<u>671,082,364</u>	<u>167,414,701</u>	<u>148,814,036</u>	<u>987,311,101</u>
Liabilities				
Vouchers payable	393,621	-	-	393,621
Due to other funds	-	985,160	-	985,160
Other accrued liabilities	-	633,000	17,359,667	17,992,667
Total liabilities	<u>393,621</u>	<u>1,618,160</u>	<u>17,359,667</u>	<u>19,371,448</u>
Net assets held in trust for employees' pension and other post-employment healthcare benefits	<u>\$ 670,688,743</u>	<u>\$ 165,796,541</u>	<u>\$ 131,454,369</u>	<u>\$ 967,939,653</u>

(1) Road Commission component unit financial information is reported as of December 31, 2002.

County of Oakland
Combining Statement of Changes in Fiduciary Net Assets
Pension (and Other Postemployment Benefit) Trust Funds
Year Ended September 30, 2003

	Oakland County Employees' Retirement	VEBA Trust	Component Unit Road Commission Retirement (1)	Totals September 30, 2003
Additions				
Contributions				
Employer	\$ -	\$ 23,473,437	\$ 1,573,200	\$ 25,046,637
Plan members	1,044,995	65,918	-	1,110,913
Total contributions	<u>1,044,995</u>	<u>23,539,355</u>	<u>1,573,200</u>	<u>26,157,550</u>
Investment income	97,322,797	18,859,661	(12,786,595)	103,395,863
Less: Investment expense	-	-	(869,804)	(869,804)
Net investment income (loss)	<u>97,322,797</u>	<u>18,859,661</u>	<u>(13,656,399)</u>	<u>102,526,059</u>
Total additions (deletions)	<u>98,367,792</u>	<u>42,399,016</u>	<u>(12,083,199)</u>	<u>128,683,609</u>
Deductions				
Benefits	25,129,656	14,354,473	5,354,734	44,838,863
Retirement incentive	6,448,756	-	-	6,448,756
Administrative expenses	2,103,576	-	-	2,103,576
Total deductions	<u>33,681,988</u>	<u>14,354,473</u>	<u>5,354,734</u>	<u>53,391,195</u>
Net decrease	64,685,804	28,044,543	(17,437,933)	75,292,414
Net assets held in trust for employees' pension and other postemployment healthcare benefits				
October 1, 2002	<u>606,002,939</u>	<u>137,751,998</u>	<u>148,892,302</u>	<u>892,647,239</u>
September 30, 2003	<u>\$ 670,688,743</u>	<u>\$ 165,796,541</u>	<u>\$ 131,454,369</u>	<u>\$ 967,939,653</u>

(1) Road Commission component unit financial information is reported for the year ended December 31, 2002

County of Oakland Agency Funds

Agency Funds

These funds account for assets held by the County in a trustee capacity. Disbursements from these funds are contingent upon the trust agreement or applicable legislative enactment for each particular fund. Agency funds are generally clearance devices for monies collected for others, held briefly, and then disbursed to authorized recipients.

The Undistributed Taxes Fund - is a conglomerate of various current year tax funds that receive tax monies and disburse them to municipalities, school districts, and other governmental units.

The Escheats Trust Fund – is used to account for monies that have not been claimed. This includes payroll, retirement and other checks issued by the County, and monies from the Legatee Trust and Special Trust funds. All monies go to the State of Michigan after a prescribed length of time.

The Public Library Trust Fund - is used to account for monies received by District and Circuit Courts for court fines and disbursed to public libraries, based on a percentage of the current census.

The Contractor's Retainage Fund - is used to account for a portion of those monies due to a particular contractor who is involved with an Oakland County project. Disbursement, including interest earnings, is made to the contractor upon completion of the project.

The Circuit Court Trust Fund - is used to account for monies received and disbursed by the Clerk's Office per Circuit Court order.

The Register of Deeds Trust Fund - is used to account for redemption monies received from the sale of real estate by the Sheriff's Department and their subsequent disbursement.

The Medical Care Facility (M.C.F.) Patient Trust Fund - is used to account for personal funds of patients at the Medical Care Facility.

The Legatee Trust Fund - is used to account for estate assets that remain unclaimed. After five years, these monies are transferred to the Oakland County Escheats Trust Fund.

The Special Trust Fund - is used to account for monies deposited with the County Treasurer that are released at a later date. Juvenile Court bonds, Transient Merchant License bonds, and overbids on Sheriff land sales are included.

The Sheriff's NET (Narcotics Enforcement Team) Forfeiture Fund (formerly the Prosecutor Forfeiture Evidence Fund) - is used to account for the sale of confiscated property by the Sheriff's Department. Monies collected in this fund are used to purchase surveillance equipment needed by investigators.

The District Court Trust Fund - is used to account for appearance bonds and other trust monies in the County's District Court system.

The Child Support Account - is used to account for child support, alimony, and medical expense payments as ordered by the Friend of the Court and their subsequent disbursement. All responsibility for these monies were turned over to the Michigan Child Support Enforcement System.

The Jail Inmate Trust Account Fund - is used to hold monies collected from and for inmates of the Oakland County Jail. Checks are written to cover bond payments, commissary purchases of other personal needs, and to return account balances upon inmate release or transfer to another facility. Individual accounts are tracked in the Jail Management System (JAMS).

**County of Oakland
Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2003**

	Undistributed Taxes	Escheats Trust	Public Library Trust	Contractor's Retainage	Circuit Court Trust	Register of Deeds Trust	M.C.F. Patient Trust
Assets							
Pooled cash and investments	\$ 154,480,659	\$ 629,704	\$ 450,813	\$ 6,299,441	\$ 7,781,167	\$ 2,450,692	\$ 12,971
Cash and cash equivalents	-	-	-	-	-	-	-
Accrued interest receivable	-	-	10,063	41,472	151,325	-	129
Accounts receivable	-	-	66,131	-	-	-	-
Total assets	154,480,659	629,704	527,007	6,340,913	7,932,492	2,450,692	13,100
Liabilities							
Due to other governmental units	154,480,659	629,704	-	-	-	-	-
Due to other funds	-	-	-	125,397	-	-	-
Other accrued liabilities	-	-	527,007	6,215,516	7,932,492	2,450,692	13,100
Total liabilities	154,480,659	629,704	527,007	6,340,913	7,932,492	2,450,692	13,100
Net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**County of Oakland
Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2003**

	Legatee Trust	Special Trust	Sheriff NET Forfeiture	District Court Trust	Child Support Account	Jail Inmate Trust Account	Totals September 30, 2003
Assets							
Pooled cash and investments	\$ 282,078	\$ 868,110	\$ 840,525	\$ 206,305	\$ -	\$ -	\$ 174,302,465
Cash and cash equivalents	-	-	-	583,960	-	170,181	754,141
Accrued interest receivable	1,635	6,763	14,678	859	-	-	226,924
Accounts receivable	-	-	-	-	-	-	66,131
Total assets	283,713	874,873	855,203	791,124	-	170,181	175,349,661
Liabilities							
Due to other governmental units	-	-	-	-	-	-	155,110,363
Due to other funds	-	-	-	2,164	-	-	127,561
Other accrued liabilities	283,713	874,873	855,203	788,960	-	170,181	20,111,737
Total liabilities	283,713	874,873	855,203	791,124	-	170,181	175,349,661
Net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

County of Oakland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2003

	Balance October 1, 2002	Additions	Deductions	Balance September 30, 2003
Undistributed Taxes				
Assets				
Pooled cash and investments	\$ 162,087,215	\$ 1,042,704,200	\$ 1,050,310,756	\$ 154,480,659
Liabilities				
Vouchers payable	\$ -	\$ 644,842,869	\$ 644,842,869	\$ -
Due to other governmental units	162,087,215	934,415,273	942,021,829	154,480,659
Due to other funds	-	100,625,726	100,625,726	-
Other accrued liabilities	-	7,663,201	7,663,201	-
Total	<u>\$ 162,087,215</u>	<u>\$ 1,687,547,069</u>	<u>\$ 1,695,153,625</u>	<u>\$ 154,480,659</u>
Escheats Trust				
Assets				
Pooled cash and investments	\$ 460,281	\$ 204,281	\$ 34,858	\$ 629,704
Liabilities				
Vouchers payable	\$ -	\$ 30,129	\$ 30,129	\$ -
Due to other governmental units	460,281	204,281	34,858	629,704
Total	<u>\$ 460,281</u>	<u>\$ 234,410</u>	<u>\$ 64,987</u>	<u>\$ 629,704</u>
Public Library Trust				
Assets				
Pooled cash and investments	\$ 171,745	\$ 2,300,801	\$ 2,021,733	\$ 450,813
Investments	310,000	-	310,000	-
Accrued interest receivable	599	10,063	599	10,063
Accounts receivable	57,033	9,098	-	66,131
Total	<u>\$ 539,377</u>	<u>\$ 2,319,962</u>	<u>\$ 2,332,332</u>	<u>\$ 527,007</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,832,247	\$ 1,832,247	\$ -
Other accrued liabilities	539,377	1,799,369	1,811,739	527,007
Total	<u>\$ 539,377</u>	<u>\$ 3,631,616</u>	<u>\$ 3,643,986</u>	<u>\$ 527,007</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2003

	Balance October 1, 2002	Additions	Deductions	Balance September 30, 2003
Contractor's Retainage				
Assets				
Pooled cash and investments	\$ 3,562,584	\$ 4,183,734	\$ 1,446,877	\$ 6,299,441
Accrued interest receivable	-	41,472	-	41,472
Total	<u>\$ 3,562,584</u>	<u>\$ 4,225,206</u>	<u>\$ 1,446,877</u>	<u>\$ 6,340,913</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,234,994	\$ 1,234,994	\$ -
Due to other funds	-	125,397	-	125,397
Other accrued liabilities	<u>3,562,584</u>	<u>4,023,322</u>	<u>1,370,390</u>	<u>6,215,516</u>
Total	<u>\$ 3,562,584</u>	<u>\$ 5,383,713</u>	<u>\$ 2,605,384</u>	<u>\$ 6,340,913</u>
Circuit Court Trust				
Assets				
Pooled cash and investments	\$ 19,107,438	\$ 25,475,133	\$ 36,801,404	\$ 7,781,167
Investments	202,382	-	202,382	-
Accrued interest receivable	-	151,325	-	151,325
Total	<u>\$ 19,309,820</u>	<u>\$ 25,626,458</u>	<u>\$ 37,003,786</u>	<u>\$ 7,932,492</u>
Liabilities				
Vouchers payable	\$ 745,483	\$ 35,237,863	\$ 35,983,346	\$ -
Other accrued liabilities	<u>18,564,337</u>	<u>25,072,804</u>	<u>35,704,649</u>	<u>7,932,492</u>
Total	<u>\$ 19,309,820</u>	<u>\$ 60,310,667</u>	<u>\$ 71,687,995</u>	<u>\$ 7,932,492</u>
Register of Deeds Trust				
Assets				
Pooled cash and investments	<u>\$ 1,247,937</u>	<u>\$ 53,172,169</u>	<u>\$ 51,969,414</u>	<u>\$ 2,450,692</u>
Liabilities				
Vouchers payable	\$ -	\$ 50,970,151	\$ 50,970,151	\$ -
Other accrued liabilities	<u>1,247,937</u>	<u>53,172,169</u>	<u>51,969,414</u>	<u>2,450,692</u>
Total	<u>\$ 1,247,937</u>	<u>\$ 104,142,320</u>	<u>\$ 102,939,565</u>	<u>\$ 2,450,692</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2003

	Balance October 1, 2002	Additions	Deductions	Balance September 30, 2003
M.C.F. Patient Trust				
Assets				
Pooled cash and investments	\$ 12,475	\$ 30,940	\$ 30,444	\$ 12,971
Accrued interest receivable	-	129	-	129
Total	<u>\$ 12,475</u>	<u>\$ 31,069</u>	<u>\$ 30,444</u>	<u>\$ 13,100</u>
Liabilities				
Vouchers payable	\$ -	\$ 26,338	\$ 26,338	\$ -
Other accrued liabilities	12,475	30,808	30,183	13,100
Total	<u>\$ 12,475</u>	<u>\$ 57,146</u>	<u>\$ 56,521</u>	<u>\$ 13,100</u>
Legatee Trust				
Assets				
Pooled cash and investments	\$ 197,143	\$ 163,677	\$ 78,742	\$ 282,078
Accrued interest receivable	-	1,635	-	1,635
Total	<u>\$ 197,143</u>	<u>\$ 165,312</u>	<u>\$ 78,742</u>	<u>\$ 283,713</u>
Liabilities				
Vouchers payable	\$ -	\$ 64,260	\$ 64,260	\$ -
Other accrued liabilities	197,143	162,393	75,823	283,713
Total	<u>\$ 197,143</u>	<u>\$ 226,653</u>	<u>\$ 140,083</u>	<u>\$ 283,713</u>
Special Trust				
Assets				
Pooled cash and investments	\$ 1,156,557	\$ 2,798,798	\$ 3,087,245	\$ 868,110
Investments	12,132	-	12,132	-
Accrued interest receivable	-	6,763	-	6,763
Total	<u>\$ 1,168,689</u>	<u>\$ 2,805,561</u>	<u>\$ 3,099,377</u>	<u>\$ 874,873</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,192,648	\$ 1,192,648	\$ -
Other accrued liabilities	1,168,689	2,776,818	3,070,634	874,873
Total	<u>\$ 1,168,689</u>	<u>\$ 3,969,466</u>	<u>\$ 4,263,282</u>	<u>\$ 874,873</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2003

	Balance October 1, 2002	Additions	Deductions	Balance September 30, 2003
Sheriff NET Forfeiture				
Assets				
Pooled cash and investments	\$ 3,195,140	\$ 2,177,055	\$ 4,531,670	\$ 840,525
Investments	100,000	-	100,000	-
Accrued interest receivable	212	14,678	212	14,678
Total	<u>\$ 3,295,352</u>	<u>\$ 2,191,733</u>	<u>\$ 4,631,882</u>	<u>\$ 855,203</u>
Liabilities				
Vouchers payable	\$ -	\$ 807,134	\$ 807,134	\$ -
Other accrued liabilities	3,295,352	851,971	3,292,120	855,203
Total	<u>\$ 3,295,352</u>	<u>\$ 1,659,105</u>	<u>\$ 4,099,254</u>	<u>\$ 855,203</u>
District Court Trust				
Assets				
Pooled cash and investments	\$ 210,000	\$ 136,305	\$ 140,000	\$ 206,305
Cash and cash equivalents	835,884	4,020,374	4,272,298	583,960
Accrued interest receivable	-	859	-	859
Total	<u>\$ 1,045,884</u>	<u>\$ 4,157,538</u>	<u>\$ 4,412,298</u>	<u>\$ 791,124</u>
Liabilities				
Due to other funds	\$ -	\$ 2,164	\$ -	\$ 2,164
Other accrued liabilities	1,045,884	4,155,375	4,412,299	788,960
Total	<u>\$ 1,045,884</u>	<u>\$ 4,157,539</u>	<u>\$ 4,412,299</u>	<u>\$ 791,124</u>
Child Support Account				
Assets				
Cash and cash equivalents	<u>\$ 2,207,903</u>	\$ -	<u>\$ 2,207,903</u>	\$ -
Liabilities				
Other accrued liabilities	<u>\$ 2,207,903</u>	\$ -	<u>\$ 2,207,903</u>	\$ -
Jail Inmate Trust Account				
Assets				
Cash and cash equivalents	<u>\$ 173,483</u>	<u>\$ 1,306,570</u>	<u>\$ 1,309,872</u>	<u>\$ 170,181</u>
Liabilities				
Other accrued liabilities	<u>\$ 173,483</u>	<u>\$ 1,306,570</u>	<u>\$ 1,309,872</u>	<u>\$ 170,181</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended September 30, 2003

	Balance October 1, 2002	Additions	Deductions	Balance September 30, 2003
Total All Agency Funds				
Assets				
Pooled cash and investments	\$ 191,408,515	\$ 1,133,347,093	\$ 1,150,453,143	\$ 174,302,465
Cash and cash equivalents	3,217,270	5,326,944	7,790,073	754,141
Investments	624,514	-	624,514	-
Accrued interest receivable	811	226,924	811	226,924
Accounts receivable	57,033	9,098	-	66,131
Total	<u>\$ 195,308,143</u>	<u>\$ 1,138,910,059</u>	<u>\$ 1,158,868,541</u>	<u>\$ 175,349,661</u>
Liabilities				
Vouchers payable	\$ 745,483	\$ 736,238,633	\$ 736,984,116	\$ -
Due to other governmental units	162,547,496	934,619,554	942,056,687	155,110,363
Due to other funds	-	100,753,287	100,625,726	127,561
Other accrued liabilities	32,015,164	101,014,800	112,918,227	20,111,737
Total	<u>\$ 195,308,143</u>	<u>\$ 1,872,626,274</u>	<u>\$ 1,892,584,756</u>	<u>\$ 175,349,661</u>

County of Oakland
Governmental Funds – Component Unit – Drainage Districts

Drainage Districts

This component unit consists of many individual districts created for the purpose of alleviating drainage problems. This involves the construction, maintenance, and financing necessary to account for the cost of the drainage district.

County of Oakland
Combining Balance Sheet
Governmental Funds – Component Unit – Drainage Districts
September 30, 2003

	Drainage Districts			Total
	Special Revenue	Debt Service	Capital Projects	
Assets				
Current assets				
Pooled cash and investments	\$ 6,796,698	\$ 2,884,884	\$ 32,514,433	\$ 42,196,015
Receivables (net of allowance for uncollectibles where applicable)				
Accounts receivable	-	7,061	-	7,061
Due from other governmental units	-	544,809	337,298	882,107
Accrued interest receivable	54,867	9,384	201,793	266,044
Due from primary government	-	-	72	72
Due from other funds	52,542	667,274	33,056	752,872
Total current assets	<u>6,904,107</u>	<u>4,113,412</u>	<u>33,086,652</u>	<u>44,104,171</u>
Special assessments receivable	-	190,260,000	-	190,260,000
Total assets	<u>\$ 6,904,107</u>	<u>\$ 194,373,412</u>	<u>\$ 33,086,652</u>	<u>\$ 234,364,171</u>
Liabilities				
Current liabilities				
Vouchers payable	\$ 4,435	\$ 279,563	\$ 4,197,093	\$ 4,481,091
Due to other governmental units	1,324,691	1,978,730	1,309,390	4,612,811
Due to other funds	61	538,664	214,147	752,872
Due to primary government	947,857	22,348	109,338	1,079,543
Other accrued liabilities	102,805	5,534	855,620	963,959
Total current liabilities	<u>2,379,849</u>	<u>2,824,839</u>	<u>6,685,588</u>	<u>11,890,276</u>
Deferred revenue	-	190,260,000	-	190,260,000
Total liabilities	<u>2,379,849</u>	<u>193,084,839</u>	<u>6,685,588</u>	<u>202,150,276</u>
Fund balances				
Reserved	<u>4,524,258</u>	<u>1,288,573</u>	<u>26,401,064</u>	<u>32,213,895</u>
Total fund balances	<u>4,524,258</u>	<u>1,288,573</u>	<u>26,401,064</u>	<u>32,213,895</u>
Total liabilities and fund balances	<u>\$ 6,904,107</u>	<u>\$ 194,373,412</u>	<u>\$ 33,086,652</u>	<u>\$ 234,364,171</u>

County of Oakland
Reconciliation of the Balance Sheet – Governmental Funds to the
Statement of Net Assets
Component Unit – Drainage Districts
September 30, 2003

Total fund balances for governmental funds		\$ 32,213,895
Amounts reported for governmental activities in the Statement of Net Assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Infrastructure	\$ 323,340,289	
Construction in progress	92,722,313	
Accumulated depreciation	<u>(49,155,476)</u>	
		366,907,126
Elimination of interfund balances.		
Due from other funds	(752,872)	
Due to other funds	<u>752,872</u>	
		-
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Assets. This is the net effect of these balances on the statement.		
Bonds and notes payable		<u>(153,737,167)</u>
Net assets of governmental activities		<u>\$ 245,383,854</u>

County of Oakland
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds – Component Unit – Drainage Districts
Year Ended September 30, 2003

	Drainage Districts			Total
	Special Revenue	Debt Service	Capital Projects	
Revenues				
Special assessments	\$ 1,398,722	\$ 12,482,403	\$ 4,337,760	\$ 18,218,885
Federal grants	-	-	323,976	323,976
Charges for services	33,437	1,262,024	3,004	1,298,465
Investment income	107,301	21,101	507,503	635,905
Total revenues	<u>1,539,460</u>	<u>13,765,528</u>	<u>5,172,243</u>	<u>20,477,231</u>
Expenditures				
Salaries	617,485	-	565,753	1,183,238
Fringe benefits	209,805	-	181,998	391,803
Contractual services	621,826	2,166,867	29,163,594	31,952,287
Commodities	67,158	-	1,118	68,276
Principal payments	-	6,635,000	-	6,635,000
Interest	-	5,507,396	-	5,507,396
Paying agent fees	224	17,638	-	17,862
Intergovernmental	-	-	129,277	129,277
Internal services	142,302	-	42,992	185,294
Total expenditures	<u>1,658,800</u>	<u>14,326,901</u>	<u>30,084,732</u>	<u>46,070,433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(119,340)</u>	<u>(561,373)</u>	<u>(24,912,489)</u>	<u>(25,593,202)</u>
Other financing sources (uses)				
Transfers in	41,855	742,311	32,995	817,161
Transfers out	-	-	(817,161)	(817,161)
Proceeds from issuance of bonds	-	11,625,000	25,155,488	36,780,488
Payment to bond escrow agent	-	(11,700,000)	-	(11,700,000)
Discount on bonds sold	-	(307,059)	(24,625)	(331,684)
Excess (deficiency) of revenues and other sources over (under) expenditures	<u>(77,485)</u>	<u>(201,121)</u>	<u>(565,792)</u>	<u>(844,398)</u>
Fund balances				
October 1, 2002	<u>4,601,743</u>	<u>1,489,694</u>	<u>26,966,856</u>	<u>33,058,293</u>
September 30, 2003	<u>\$ 4,524,258</u>	<u>\$ 1,288,573</u>	<u>\$ 26,401,064</u>	<u>\$ 32,213,895</u>

County of Oakland

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities Component Unit – Drainage Districts Year Ended September 30, 2003

Net change in fund balance - total governmental funds \$ (844,398)

Governmental funds report capital outlay as expenditure. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Construction in progress	\$ 29,980,081	
Infrastructure	7,163,236	
Depreciation expense	<u>(2,407,203)</u>	
		34,736,114

Bond proceeds provide current financial resources to governmental funds by issuing debt with increases long-term bonded debt in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets. This is the amount proceeds exceed repayments.

Bond proceeds	(36,780,488)	
Repayment of bond principal	<u>18,335,000</u>	
		<u>(18,445,488)</u>
Change in net assets of governmental activities		<u>\$ 15,446,228</u>

III. Statistical Section – Unaudited

County of Oakland General Governmental Expenditures by Function – Unaudited (1) Table 1 Last Ten Fiscal Years

	2003	2002	2001	2000	1999	1998	1997 (3)	1996	1995	1994
County Executive (2)	\$ 149,937,293	\$ 154,665,827	\$ 149,744,860	\$ 143,769,213	\$ 122,919,072	\$ 108,273,397	\$ 77,939,241	\$ 99,866,686	\$ 87,723,234	\$ 102,933,676
County Board of Directors	12,423,937	13,145,566	10,546,888	10,517,338	17,779,994	7,773,827	5,168,500	7,729,599	7,101,121	7,135,730
Treasurer	5,774,036	4,525,029	4,077,255	3,765,565	3,195,915	3,140,747	2,070,410	2,715,039	2,719,456	2,553,221
Justice administration	77,410,722	75,480,801	72,303,297	63,267,727	56,737,135	54,028,545	39,071,526	50,999,116	49,168,161	46,673,608
Law enforcement	121,606,032	115,316,654	104,520,100	101,585,022	92,865,913	91,885,843	67,197,922	85,354,740	79,936,285	72,275,836
Legislative	5,002,440	5,249,616	5,468,932	5,094,162	4,863,777	4,574,804	3,821,751	4,280,773	4,087,369	3,259,838
Drain Commissioner	8,131,493	-	4,879,051	4,150,010	5,352,683	10,910,333	6,722,531	15,273,246	6,685,724	6,320,481
Community Mental Health (2)	-	-	-	-	-	16,910,333	13,101,085	14,352,481	13,484,912	13,146,643
Parks and Recreation (5)	-	-	13,928,752	12,674,964	11,170,698	14,842,244	13,101,085	14,352,481	13,484,912	13,146,643
Road Commission	114,186,402	130,393,152	100,024,144	93,162,727	86,277,547	95,737,761	95,601,844	93,217,591	89,478,562	81,703,416
Drainage Districts (4)	16,888,079	6,255,161	12,122,018	7,526,763	29,759,027	20,474,392	12,334,851	18,545,234	18,545,612	20,284,499
Non-departmental	14,333,573	7,091,272	19,925,065	3,886,220	2,868,781	6,038,976	650,470	2,642,774	2,308,208	2,432,229
Intergovernmental	3,554,496	2,163,889	2,196,953	2,641,540	2,890,246	2,695,415	2,641,540	2,641,540	2,641,540	2,641,540
Interest and fiscal charges	6,759,378	6,189,790	6,624,072	7,396,538	14,963,232	16,045,822	10,402,469	18,197,493	18,870,736	18,846,795
Memo total	\$ 571,099,068	\$ 557,325,896	\$ 518,869,131	\$ 492,113,660	\$ 468,722,076	\$ 626,239,576	\$ 502,323,345	\$ 540,872,692	\$ 512,592,000	\$ 482,860,733

(1) Includes General, Special Revenue, and Debt Service funds of Primary Government and Component Units, governmental fund types.

(2) Community Mental Health is reported as a separate function from the County Executive effective in 1995. Became a component unit, proprietary fund type effective in 1999.

(3) Amounts are for the nine-month period ended September 30, 1997, except for Community Mental Health and Road Commission, which are reported for the year ended September 30, 1997.

(4) Beginning in fiscal year 2000, the Drainage districts became a component unit, governmental fund type, of the Primary Government. The expenditures for this component unit is shown excluding those of the Capital Projects fund type.

(5) Beginning in fiscal year 2002, the Parks and Recreation fund is reported as Proprietary fund type (Enterprise Fund)

**County of Oakland
General Governmental Revenues by Source – Unaudited (1) Table 2
Last Ten Fiscal Years**

	2003	2002 (6)	2001 (5)	2000 (4)	1999 (3)	1998	1997 (2)	1996	1995	1994
Taxes	\$ 204,667,370	\$ 193,379,010	\$ 235,601,085	\$ 176,097,084	\$ 166,654,603	\$ 161,045,518	\$ 116,483,640	\$ 151,476,700	\$ 144,256,414	\$ 139,864,644
Special assessments	41,002,244	30,389,558	42,929,445	42,790,778	46,588,022	46,018,243	44,549,911	45,543,963	43,156,914	41,999,400
Federal grants	52,892,846	64,481,712	41,953,147	24,667,428	19,376,175	26,018,791	28,277,520	33,845,779	35,736,794	30,391,291
State grants	108,818,523	103,377,013	114,646,658	117,360,317	114,725,441	156,809,207	156,734,244	167,016,478	161,719,552	151,334,369
Other intergovernmental	56,167,492	49,050,157	49,176,678	44,918,577	44,124,712	138,652,543	89,596,701	50,016,340	43,469,683	40,726,413
Charges for services	109,359,385	104,240,077	92,251,224	91,725,334	94,700,083	90,893,704	61,656,982	74,893,304	68,971,488	62,735,451
Investment income	5,716,388	7,428,928	16,774,377	16,225,027	13,988,609	15,909,461	12,081,852	16,164,998	18,601,745	13,716,289
Other	2,333,013	2,972,236	2,223,346	785,601	3,162,301	2,521,073	3,728,159	4,272,160	4,686,074	3,329,348
Memo total	\$ 583,306,440	\$ 563,306,691	\$ 592,991,270	\$ 514,570,158	\$ 502,429,945	\$ 627,076,939	\$ 507,965,624	\$ 542,237,342	\$ 520,006,661	\$ 483,971,321

(1) Includes General, Special Revenue, and Debt Service funds of Primary Government and Component Units, governmental fund types.

(2) Amounts are for the nine-month period ended September 30, 1997, except for Community Mental Health and Road Commission, which are reported for the year ended September 30, 1997.

(3) Amounts beginning with fiscal year ended September 30, 1999 reflect removal of revenues for Community Mental Health, which became a component unit - proprietary fund type.

(4) Beginning in fiscal year 2000, the Drainage districts became a component unit of the Primary Government. For comparative purposes, the revenues for this component unit is shown excluding those of the Capital Projects fund type.

(5) Effective with fiscal year 2001 property taxes are no longer shown as deferred for one quarter as previously done. This is in compliance with GASB Statement No. 33 for reporting of tax revenues.

(6) Beginning in fiscal year 2002, the Parks & Recreation fund is reported as Proprietary fund type (Enterprise Fund)

County of Oakland**County Operating Property Tax Collection and Levy Record – Unaudited Table 3
Last Ten Fiscal Years**

Year of Levy (1)	Tax Levy	Collections to March 1 Each Year		Collections to End of Fiscal Year (2)	
		Amount	Percent	Amount	Percent
1993	\$ 134,806,159	\$ 124,680,706	92.49%	\$ 134,496,499	99.77%
1994	137,211,588	130,150,654	94.85%	136,976,159	99.83%
1995	142,993,143	136,217,398	95.26%	142,593,625	99.72%
1996	146,793,283	139,773,122	95.22%	146,495,460	99.80%
1997	154,608,230	146,878,133	95.00%	154,271,960	99.78%
1998	158,822,030	150,584,994	94.81%	158,511,893	99.80%
1999	169,119,667	160,852,822	95.11%	168,158,174	99.43%
2000	179,455,454	170,218,781	94.85%	178,468,449	99.45%
2001	192,549,695	181,781,363	94.41%	186,950,162	97.09%
2002	206,294,411	194,663,962	94.36%	204,411,316	99.09%

- (1) Property taxes are recorded as revenue in the General Fund, net of certain adjustments, in the year following the year of levy prior to 1996.
- (2) Starting with the 1996 levy, collections are as of September 30, previously December 31.
- Source: Oakland County Treasurer

**County of Oakland
Assessed, Equalized, Estimated Value of Taxable Property – Unaudited Table 4
Last Ten Fiscal Years**

Year of Levy (1)	Real Property		Personal Property		Total		Ratio of Total Equalized to total estimated amount value
	Assessed value	Equalized value	Assessed and equalized value	Equalized value	Estimated amount value		
1993	\$ 27,349,484,194	\$ 27,349,484,194	\$ 2,737,964,110	\$ 30,087,448,304	\$ 60,536,264,146	49.70%	
1994	28,280,195,479	28,280,520,470	2,899,739,160	31,180,259,630	62,578,336,350	49.80%	
1995	30,032,307,086	30,032,307,086	3,180,629,809	33,212,936,895	66,630,865,970	49.80%	
1996	32,312,811,773	32,312,811,773	3,432,142,210	35,744,953,983	71,638,355,161	49.90%	
1997	35,207,616,066	35,207,616,066	3,718,065,750	38,925,681,816	78,136,973,925	49.80%	
1998	38,968,362,590	38,968,362,590	4,088,471,704	43,056,834,284	86,533,042,471	49.80%	
1999	43,351,722,556	43,351,722,556	4,520,810,144	47,872,532,700	96,134,183,439	49.80%	
2000	47,946,109,270	47,946,109,270	4,491,256,560	52,437,365,830	105,324,743,044	49.80%	
2001	52,802,069,063	52,802,069,063	4,667,642,532	57,469,711,595	115,434,231,652	49.79%	
2002	58,197,370,454	58,197,370,454	4,632,159,968	62,829,530,422	126,268,454,165	49.76%	

(1) Levy is dated December 1 of each year.

Source: Oakland County Treasurer

County of Oakland Property Tax Rates – Direct and Overlapping Governments – Unaudited Table 5 Last Ten Fiscal Years

Tax rates (per \$1,000 equalized valuation):

Year of levy	General operating	Parks	Oakland Schools	Oakland Community College	Huron-Clinton Authority	Public Transportation Authority (1)	Huron-Clinton Authority	Intermediate Schools	Public Transportation Authority	Township/Village	State Education Tax	Total
1993	4.4805	0.2439	2.1294	1.0822	0.2236	-	-	-	-	348,240,297	\$ 184,204,983	\$ 1,685,170,449
1994	4.4805	0.2439	2.1294	0.8522	0.2236	-	-	-	-	381,542,567	\$ 192,284,901	\$ 1,229,946,743
1995	4.4805	0.2439	2.1294	1.6522	0.2236	0.3300	0.3300	5,012,535	402,878,254	429,314,926	\$ 202,298,601	\$ 1,330,680,658
1996	4.3805	0.2439	2.1294	1.6522	0.2236	0.3300	0.3300	5,956,447	457,898,335	493,489,635	\$ 229,877,253	\$ 1,500,568,037
1997	4.3505	0.2439	2.1294	1.6456	0.2235	0.3300	0.3300	6,279,516	493,489,635	520,239,559	\$ 245,046,073	\$ 1,599,405,612
1998	4.1900	0.2404	2.1208	1.6295	0.2218	0.3270	0.3270	7,463,667	81,285,938	8,277,076	\$ 8,951,210	\$ 1,691,970,817
1999	4.1900	0.2404	2.0998	1.6295	0.2202	0.3236	0.3236	8,105,501	90,295,980	577,184,664	\$ 260,362,350	\$ 1,791,823,624
2000	4.1900	0.2376	2.0752	1.6109	0.2186	0.3207	0.3207	8,105,501	85,725,752	577,297,316	\$ 282,301,420	\$ 1,975,880,508
2001	4.1900	0.2352	3.4526	1.5952	0.2170	0.6000	0.6000	8,105,501	10,044,456	605,556,172	\$ 301,878,650	\$ 2,099,568,384
2002	4.1900	0.2453	3.4224	1.6090	0.2170	0.6000	0.6000	8,105,501	171,39,800	605,556,172	\$ 301,878,650	\$ 2,099,568,384

Tax Levies:

Year of levy	County operating	County special assessments	County Parks	Schools	Community Colleges	Intermediate Schools	Huron-Clinton Authority	Public Transportation Authority	Township/Village	State Education Tax	Total
1993	\$ 134,806,159	\$ 1,276,753	\$ 7,338,293	\$ 1,090,753,871	\$ 31,972,242	\$ 64,055,313	\$ 6,727,521	\$ -	\$ 348,240,297	\$ 184,204,983	\$ 1,685,170,449
1994	137,211,588	1,345,465	7,469,112	419,314,749	26,571,057	65,439,640	6,847,582	-	381,542,567	192,284,901	1,229,946,743
1995	142,993,143	1,454,214	7,783,942	450,014,718	52,825,635	68,297,090	7,136,226	5,012,535	402,878,254	429,314,926	1,330,680,658
1996	146,793,283	1,266,384	8,173,217	473,616,159	56,472,501	71,821,105	7,492,953	5,956,447	457,898,335	493,489,635	1,500,568,037
1997	154,608,230	1,226,846	8,667,708	513,820,527	58,835,473	76,301,284	7,946,287	6,279,516	493,489,635	520,239,559	1,599,405,612
1998	158,822,030	1,337,373	9,207,007	547,134,854	62,510,779	81,285,938	8,277,076	7,463,667	493,489,635	520,239,559	1,691,970,817
1999	169,119,667	1,431,429	9,701,960	577,962,494	66,785,373	84,930,971	8,951,210	7,802,081	577,184,664	260,362,350	1,791,823,624
2000	179,435,454	1,634,771	10,175,140	606,070,951	69,114,118	90,295,980	9,424,695	8,105,501	577,297,316	282,301,420	1,975,880,508
2001	192,549,695	1,656,765	10,807,301	658,227,717	73,539,976	100,183,110	10,044,456	8,572,752	577,297,316	301,878,650	2,099,568,384
2002	206,294,411	1,478,646	12,076,101	692,893,805	79,446,227	172,119,820	10,082,752	171,39,800	605,556,172	301,878,650	2,099,568,384

(1) Taxes levied only on certain communities.

Source: Oakland County Treasurer

County of Oakland
Principal Taxpayers – Unaudited Table 6
September 30, 2003

Taxpayer	Principal Products or Services	2003 Taxable Valuation*	2003 Percentage County Taxable Valuation
General Motors Corporation	Automobiles, Trucks, and Buses	\$ 492,473,850	0.97%
Detroit Edison Company	Electric Utility	332,545,930	0.66%
Twelve Oaks/Taubman, et. al.	Real Estate	192,673,475	0.38%
Daimler-Chrysler Corporation	Automobiles and Trucks	158,430,800	0.31%
Consumers Power/Energy	Gas and Electric Utility	147,387,450	0.29%
Ford Motor Company	Automobiles and Trucks	120,470,250	0.24%
Town Centre Delaware, Inc.	Real Estate	115,815,250	0.23%
Manufacturer's Hanover Bank	Office Building	101,370,850	0.20%
Ramco - Gershenson	Real Estate	91,240,625	0.18%
W.R.C. Properties, Inc.	Real Estate	90,850,760	0.18%
Frankel/Forbes/Cohen, et. al.	Real Estate	83,815,215	0.16%
Liberty Property Investments	Real Estate Investment Trust	72,859,250	0.14%
Electronic Data Systems Corp.	Computer Systems	69,140,610	0.14%
Gale & Wentworth, LLC	Real Estate	57,895,350	0.11%
First Industrial Realty	Real Estate Investment Trust	50,281,475	0.10%
Comerica Bank	Banking, Real Estate, Financial	49,285,490	0.10%
Nykel Management Co.	Real Estate	48,432,150	0.10%
K-Mart Corp.	Retail Sales	48,150,250	0.09%
Prudential/ Prudential Insurance Company	Real Estate, Office Management	43,850,240	0.09%
Standard Federal Bank	Banking, Real Estate, Financial	42,110,540	0.08%
Total		<u>\$ 2,409,079,810</u>	<u>4.75%</u>

* Note: The Taxable Values have been compiled from a number of sources/reports and may include estimated figures.

Source: Oakland County Equalization Division

County of Oakland
Special Assessment Billings and Collections – Unaudited Table 7
Last Ten Fiscal Years

Year		Special assessment billings		Special assessment collections
1994		\$ 21,318,181		\$ 21,318,181
1995		22,604,562		22,604,562
1996		24,661,730		24,661,730
1997	(1)	22,526,440		22,257,294
1998		23,238,490		23,607,636
1999		27,365,934		27,361,028
2000	(2)	18,401,969		18,306,875
2001		16,705,455		16,705,455
2002		17,310,000		17,310,000
2003		18,780,000		18,780,000

(1) For the nine-month period ended September 30, 1997

(2) Effective with year 2000, excludes Drainage Districts component unit

Source: Oakland County Department of Management and Budget
Fiscal Services Division

County of Oakland
Percentage of Net Long-Term Debt to Equalized Value and
Net Long-Term Debt per Capita – Unaudited Table 8
Last Ten Fiscal Years

Calendar year (1)	Population (2)	Equalized value	Net long-term debt (3)	Percentage of Net Long-term debt to equalized value	Net long-term debt per capita
1993	1,083,592	\$ 30,087,448,304	\$ 322,534,031	1.072%	\$ 298
1994	1,083,592	31,180,259,630	333,167,665	1.069%	307
1995	1,083,592	33,212,936,895	329,528,022	0.992%	304
1996	1,083,592	35,744,953,983	307,611,984	0.861%	284
1997	1,083,592	38,925,681,816	305,818,474	0.786%	282
1998	1,083,592	43,056,834,284	287,233,125	0.667%	265
1999	1,083,592	47,872,532,700	155,650,000	0.325%	144
2000	1,194,156	52,437,365,830	128,345,000	0.245%	107
2001	1,194,156	57,469,711,595	167,920,000	0.292%	141
2002	1,194,156	62,829,530,422	152,055,000	0.242%	127

(1) Represents the year in which property taxes are levied (December 1), collections of which are made in the subsequent year.

(2) Source: U.S. Department of Commerce, Bureau of Census

(3) General obligation indebtedness, including Delinquent Tax Revolving Notes outstanding at December 31 through 1996, thereafter, September 30. Also, excluding Drainage Districts component unit debt effective 2000.

County of Oakland**Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures – Unaudited Table 9****Last Ten Fiscal Years**

Fiscal year	Principal	Interest and fees	Total debt service	Total general governmental expenditures (1)	Ratio of debt service to total general governmental expenditures
1994	\$ 26,005,000	\$ 18,846,796	\$ 44,851,796	\$ 482,960,731	9.3
1995	26,855,000	18,870,736	45,725,736	512,592,000	8.9
1996	28,320,000	18,197,493	46,517,493	540,872,092	8.6
1997 (2)	26,710,300	10,402,469	37,112,769	502,323,347	7.4
1998	29,135,000	16,045,822	45,180,822	626,239,576	7.2
1999	28,975,000	14,963,232	43,938,232	468,727,076 (3)	9.4
2000 (4)	21,100,000	7,396,538	28,496,538	492,113,604	5.8
2001	19,350,000	6,624,072	25,974,072	518,369,131	5.0
2002 (5)	20,125,000	6,389,790	26,514,790	557,325,890	4.8
2003	23,590,000	6,759,378	30,349,378	571,099,086	5.3

(1) Includes General, Special Revenue, and Debt Service funds of Primary Government and Component Units.

(2) For the nine-month period ended September 30, 1997 except for Road Commission Component Unit and Community Mental Health which are reported for the year ended September 30, 1997

(3) In 1999, the Community Mental Health Authority is reported as a discretely presented component unit.

(4) Beginning in fiscal year 2000, the Drainage Districts became a discretely presented component unit, removing the respective debt service and total expenditures.

(5) Beginning in fiscal year 2002, the Parks and Recreation fund is reported as Proprietary fund type, removing the respective expenditures from total governmental expenditures.

County of Oakland
Computation of Legal Debt Limited – Unaudited Table 10
September 30, 2003

Statutory limit - 10% of 2003 SEV	\$ 6,708,544,178
Bonds and Notes with County Credit and Unlimited Tax	
Sewage Disposal Bonds - Act 185	\$ 2,350,000
Sewage Disposal Bonds - Act 342	200,000
Water Supply Bonds - Act 185	1,285,000
Total	<u>3,835,000</u>
Bonds and Notes with County Credit and Limited Tax	
General Obligation Limited Tax Building Authority - Act 31	58,235,000
General Obligation Limited Tax Building Authority Refunding - Act 202	8,615,000
General Obligation Limited Tax Drain Bonds - Act 40	37,210,000
General Obligation Limited Tax Drain Refunding Bonds - Act 202	44,330,000
General Obligation Limited Tax Sewage Disposal Bonds - Act 342	10,180,000
General Obligation Limited Tax Water Supply Bonds - Act 342	7,250,000
General Obligation Limited Tax Water Supply Refunding - Act 202	2,945,000
General Obligation Limited Tax Sewage Disposal Refunding - Act 202	28,605,000
General Obligation Limited Tax Michigan Bond Authority Drain Bonds	74,894,216
General Obligation Limited Tax Michigan Bond Authority Sewage Disposal Bond	7,390,000
Total	<u>279,654,216</u>
Bonds and Notes with County Credit and Limited Tax - Taxable	
General Obligation Limited Tax Notes - taxable obligation	25,000,000
Total bonds and notes with County credit	<u>308,489,216</u>
Available balance	<u>\$ 6,400,054,962</u>

Source: Oakland County Treasurer

**County of Oakland
Net County Direct and Overlapping Debt – Unaudited Table 11
September 30, 2003**

	Gross	Self-supporting or portion paid directly by benefited municipalities	Net	County share of funds on hand	Net County debt
Bonds and Notes with County Credit and unlimited tax					
Sewage Disposal Bonds - Act 185	\$ 2,350,000 (d)	\$ 2,350,000 (a)	\$ -	20 (d)	\$ 53,209,980
Sewage Disposal Bonds - Act 342	200,000 (d)	200,000 (a)	-	10 (d)	8,614,990
Water Supply Bonds - Act 185	1,285,000 (d)	1,285,000 (a)	-	68,230 (d)	2,796,600
Total	\$ 3,835,000	\$ 3,835,000	-	-	-
Bonds and Notes with County Credit and Limited Tax					
General Obligation Building Authority	\$ 58,235,000	\$ 5,025,000 (a)	\$ 53,210,000	20 (d)	\$ 53,209,980
General Obligation Building Authority Refunding	8,615,000	-	8,615,000	10 (d)	8,614,990
Drain Bonds - Chapter 20, Act 40	38,475,000	35,610,170 (a)	2,864,830	68,230 (d)	2,796,600
Sewage Disposal Bonds	10,180,000 (d)	10,180,000 (a)	-	-	-
Drain Bonds - Chapter 20, Refunding	44,620,000 (d)	42,007,395 (a)	2,612,605	25,492 (d)	2,587,113
Water Supply Bonds	7,350,000 (d)	7,350,000 (a)	-	-	-
Water Supply Bonds - Refunding	2,945,000 (d)	2,945,000 (a)	-	-	-
Sewage Disposal Bonds Refunding	28,605,000 (d)	28,605,000 (a)	-	-	-
Michigan Bond Authority - Drain Bonds	72,687,167 (d)	71,189,395 (a)	1,437,772	-	1,437,772
Michigan Bond Authority - Sewage Disp. Bonds	7,390,000 (d)	7,390,000 (a)	-	-	-
Total	\$ 279,042,167	\$ 210,301,960	\$ 68,740,207	\$ 93,752	\$ 68,646,455
Bonds and Notes with County Credit and Limited Tax - Taxable					
General Obligation Limited Taxable	\$ 25,000,000	-	\$ 25,000,000	\$ 25,000,000 (d)	-
Bonds and Notes with No County Credit					
Michigan Transportation Fund	\$ 13,850,000	\$ 13,850,000 (c)	-	-	-

Continued

**County of Oakland
 Net County Direct and Overlapping Debt – Unaudited Table 11
 September 30, 2003**

	Gross	Self-supporting or portion paid directly by benefited municipalities	Net	County share of funds on hand	Net County debt
Overlapping Debt of County					
Cities, villages and townships					\$ 901,742,640 (c)
School districts					2,399,587,253 (c)
Community college and intermediate school districts					25,143,082 (c)
County issued bonds paid by local municipalities					214,136,960 (b)
Net County overlapping debt					<u>3,540,609,935</u>
Net County direct and overlapping debt					<u>\$ 3,609,256,390</u>

(a) Total County Issued Bonds Paid by Local Municipalities

(b) It is expected that a sizable portion of these amounts will be paid from benefit charges and earnings of the various systems. (This amount is arrived by the totals indicated by "a")

(c) Self-supporting Obligations

(d) September 30, 2003 Pooled cash and investments balance

(e) Amount as of September 30, 2003

Source: Oakland County Treasurer

County of Oakland
Demographics Statistics and Age Distribution – Unaudited Table 12
(Latest Figures Available)

Population count								
1950	396,001							
1960	690,259							
1970	907,858							
1975	966,562							
1980	1,011,793							
1990	1,083,592							
2000	1,194,156							
Age distribution								
	Under 5	5-9	10-14	15-19	20-24	25-44	45-64	Over 64
1950	49,285	40,217	31,173	25,678	28,171	126,499	74,157	20,821
1960	93,057	85,914	69,424	47,048	33,779	199,697	123,686	37,654
1970	81,038	96,181	106,298	88,131	63,386	228,193	184,268	60,363
1975	66,204	92,536	109,922	100,512	62,534	238,934	222,741	73,179
1980	67,489	75,580	88,087	91,920	88,238	300,206	210,480	89,793
1990	78,224	75,088	71,220	71,477	72,122	381,212	216,361	117,888
2000	80,367	86,326	85,498	74,272	60,591	387,242	284,901	134,959
Age	Males			Females				
	Number	Percentage		Number	Percentage			
Under 5 years	41,325	7.1%		39,042	6.4%			
5-9 years	44,480	7.6%		41,846	6.9%			
10-14 years	43,964	7.5%		41,534	6.8%			
15-19 years	38,512	6.6%		35,760	5.9%			
20-24 years	30,339	5.2%		30,252	5.0%			
25-34 years	87,788	15.0%		88,399	14.5%			
35-44 years	103,910	17.8%		107,145	17.6%			
45-54 years	88,256	15.1%		91,560	15.0%			
55-59 years	30,975	5.3%		31,435	5.2%			
60-64 years	20,723	3.5%		21,952	3.6%			
65-74 years	31,478	5.4%		38,793	6.4%			
75 years and over	22,910	3.9%		41,778	6.9%			
Total	584,660	100.00%		609,496	100.00%			

Source: Department of Commerce, Bureau of Census, and Oakland County Community and Economic Development Department.

County of Oakland Property Value, Construction and Bank Deposits – Unaudited Table 13 Last Ten Fiscal Years

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (2)		Property Value (in thousands) (4)			
	Number of Units	Value (in thousands)	Number of Units	Value (in thousands)	(in thousands)	(in thousands)	Commercial	Industrial	Residential	Developmental
1994	461	\$ 329,653	5,718	\$ 823,860	\$ 17,189,871	\$ 11,160,094	\$ 3,625,288	\$ 41,456,725	\$ 156,788	\$ 379,061
1995	420	314,639	5,529	862,071	18,433,604	11,363,918	3,974,099	44,417,880	284,434	239,121
1996	371	197,852	5,927	982,407	19,641,898	11,853,245	4,164,651	48,106,612	286,435	232,487
1997	235	293,333	4,095	683,508	20,981,118	12,813,368	4,446,758	52,868,661	300,555	271,395
1998	205	160,932	5,565	973,550	22,500,823	14,194,871	4,731,202	58,841,000	301,558	287,851
1999	236	298,953	5,714	1,074,914	23,087,150	15,834,736	5,373,882	65,300,684	339,684	243,402
2000	206	427,619	4,700	1,007,561	24,667,182	17,807,252	6,049,399	71,757,105	456,216	267,237
2001	283	464,085	3,988	971,729	24,989,144	19,359,413	6,752,136	79,195,946	484,729	304,602
2002	93	139,821	3,550	892,628	29,967,318	21,350,501	7,675,173	87,047,386	597,048	333,175
2003	111	115,728	3,083	769,861	(3)	23,051,769	8,342,933	93,767,958	554,682	361,267

Sources:

- (1) Oakland County Community and Economic Development and Dodge Construction Monthly Publication. 1997 reflects figures for nine months activity.
- (2) State Financial Institution Bureau Bank and Trust Division. Sheshunoff - The Branches of Michigan, deposits on record in banks, savings and loan, and credit unions as of June 30.
- (3) Information not available until April 2004.
- (4) Oakland County Equalization Division, Department of Management & Budget.

County of Oakland
Miscellaneous Statistics – Unaudited Table 14

Education

Grade	Number of Students
Kindergarten	13,590
1	14,345
2	14,325
3	14,675
4	14,706
5	15,063
6	15,240
7	15,349
8	15,921
9	16,371
10	15,290
11	13,989
12	12,555
Other	<u>11,930</u>
Total enrollment	203,349
Number of districts	44

Source: Oakland Schools Board of Education

Colleges	Locations
Baker College	Auburn Hills
Central Michigan University - Extensions	Southfield, Troy, Auburn Hills
Davenport University	Highland, Oxford
Michigan State University - Extensions	Troy
Midwestern Baptist College	Pontiac
Northwood University - Extensions	Troy
Oakland Community College	Auburn Hills, Farmington Hills, Royal Oak, Southfield and Waterford
Oakland University	Rochester Hills
Rochester College	Rochester Hills
St. Mary's College	Orchard Lake
Sienna Heights University - Extension	Southfield
University of Phoenix - Extension	Troy
Walsh College	Troy, Novi
Wayne State University - Extensions	Farmington Hills
William Tyndale College	Farmington Hills

Technical Institutes	Locations
Cranbrook Academy of Art	Bloomfield Hills
Lawrence Technological University	Southfield
Oakland Technical Centers	Pontiac, Clarkston, Royal Oak, Wixom
I T T Technical Institute	Troy

Source: Oakland County Community and Economic Development Department

continued

County of Oakland
Miscellaneous Statistics – Unaudited Table 14

Elections - Last Ten Fiscal Years

1994	Primary election - August 2, 1994		
	Registered voters	755,622	
	Ballots cast	192,448	25.47%
1994	General election - November 8, 1994		
	Registered voters	767,852	
	Ballots cast	413,394	53.84%
1995	Public Transportation millage - June 6, 1995		
	Registered voters (20 units participating)	390,648	
	Ballots cast	53,634	13.73%
1996	Primary election - August 6, 1996		
	Registered voters	806,172	
	Ballots cast	159,284	19.76%
1996	General election - November 5, 1996		
	Registered voters	826,440	
	Ballots cast	510,747	61.80%
1998	Primary election - August 4, 1998		
	Registered voters	858,576	
	Ballots cast	184,169	21.45%
1999	General election - November 3, 1998		
	Registered voters	867,144	
	Ballots cast	414,227	47.77%
2000	Primary election - August 8, 2000		
	Registered voters	850,783	
	Ballots cast	127,076	14.94%
2001	General election - November 7, 2000		
	Registered voters	860,037	
	Ballots cast	574,501	66.80%
2002	Primary election - August 6, 2002		
	Registered voters	857,652	
	Ballots cast	239,856	27.97%
2003	General election - November 5, 2002		
	Registered voters	854,842	
	Ballots cast	439,677	51.43%

Source: Oakland County Clerk/Register of Deeds - Elections Division

**County of Oakland
Building Authority Data – Unaudited Table 15
September 30, 2003**

	Lyon Oaks Park	Work Release Facility	Office Bldg. Renovation	523 District Court Bldg.	Sheriff Substation Rochester Hills	Refunding Series 1992	Computer Center	West Wing Extension	Refunding Series 1998	Total
Cash	\$ 3,500,000	\$ 22,575,000	\$ 7,560,000	\$ 17,500,000	\$ 5,025,000	\$ -	\$ 2,075,000	\$ -	\$ 8,615,000	\$ 66,850,000
Lease receivable	3,500,000	22,575,000	7,560,000	17,500,000	5,025,000	-	2,075,000	-	8,615,000	66,850,000
Bond payable	-	-	-	-	-	-	-	-	-	-
Year ended September 30, 2003										
Transfers in	-	1,921,137	169,011	1,302,025	-	1,807,419	109,937	-	1,445,606	6,815,135
Leases and other income	572,100	-	-	-	399,886	-	-	-	-	971,986
Debt Service										
Principal	425,000	825,000	-	600,000	175,000	1,765,000	-	-	1,020,000	4,810,000
Interest	146,800	1,095,862	169,011	761,750	224,886	41,919	108,337	-	425,306	2,974,471
Fiscal charges	300	275	-	275	550	500	1,000	-	300	3,200
Transfers out	-	-	-	-	-	-	-	523	-	523
Principal and interest requirements										
2004	\$ 580,006	\$ 1,914,925	\$ 564,733	\$ 1,371,750	\$ 377,338	\$ -	\$ 108,337	\$ -	\$ 1,445,681	\$ 6,363,370
2005	562,569	1,908,050	559,232	1,379,563	397,087	-	108,938	-	1,439,088	6,354,527
2006	569,587	1,898,050	553,733	1,385,062	391,088	-	108,937	-	1,480,744	6,387,201
2007	575,575	1,886,150	573,232	1,388,125	385,087	-	1,108,938	-	1,463,462	7,380,569
2008	580,325	1,871,375	565,733	1,390,375	403,588	-	1,131,437	-	1,449,650	7,392,483
Thereafter	1,144,963	25,443,731	8,499,199	19,587,675	5,475,343	-	-	-	2,937,243	63,088,154
	\$ 4,013,025	\$ 34,922,281	\$ 11,315,862	\$ 26,502,550	\$ 7,429,531	\$ -	\$ 2,567,187	\$ -	\$ 10,215,868	\$ 96,966,304