

**OAKLAND COUNTY, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended September 30, 2009  
(With Independent Auditors' Report Thereon)**

**Prepared by:**

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

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**County of Oakland**  
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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 Finance Officers Association  
Of the United States and Canada  
Certificate of Achievement for  
Excellence in Financial Reporting**

March 23, 2010

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

State law requires all general purpose local governments to 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 those requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of Oakland County, Michigan for the fiscal year ended September 30, 2009.

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 designed to protect the government's assets from loss, theft or misuse and to compile sufficient and 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 that the financial statements are 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 Plante & Moran, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Oakland County for the fiscal year ended September 30, 2009 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, 2009 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**

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The Fiscal Year 2009 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 the Management's Discussion and Analysis (MD&A). Oakland County's MD&A, which provides a detailed discussion of the County's fiscal year 2009 financial performance, can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

### **Profile of Oakland County**

Incorporated on March 28, 1820, Oakland County covers approximately 910 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 62 cities, villages and townships, including thirty-two (32) downtown areas and many scenic natural settings, providing a high quality of life for any lifestyle. The County ranks as the tenth (10<sup>th</sup>) wealthiest county in the nation among counties with populations of more than one million people. Oakland County enjoys a world class reputation due to its renowned business environment and its many attributes that contribute to an excellent quality of life.

#### *Government Structure*

Oakland County 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. Specific programs and services under the County Executive include human services in the form of public health, child care, and resident hospitalization; community and economic development; planning; public safety; public records; public works; 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.



## County of Oakland Letter of Transmittal

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The Treasurer, Clerk/Register of Deeds, Prosecutor, and Sheriff are offices established by the State's constitution. A Water Resources Commissioner was established as an elected position in 1909 and currently operates under Public Act 40 of 1956 (as amended), the Uniform Drain Code. These offices, including the County Executive, are elected countywide 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 Water Resources Commissioner is responsible for construction and maintenance of drains, lake level controls, water supply systems 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 of 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.

### *Component Units*

A three-member Road Commission, established under Michigan Public Act 283 of 1909 and appointed by the County's Board of Commissioners, is responsible for approximately 2,600 miles of roads. Its budget of more than \$120 million is funded principally by 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*, as amended by Statement Number 39, *Determining Whether Certain Organizations are Component Units*.

A three-member Drain Board was established pursuant to Michigan Public Act 40 of 1956, and consists of the Oakland County Water Resources Commissioner, the 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, funding for which is provided by assessments against the benefiting municipalities. Debt issued is backed by the full faith and credit of Oakland County.

## County of Oakland Letter of Transmittal

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A ten-member commission, appointed by the Board of Commissioners, is responsible for Parks and Recreation, which acquires, develops, maintains and operates thirteen (13) 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, which is annually adjusted pursuant to the Michigan constitution, 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 and Statement Number 39.

### *County Budget*

Oakland County maintains a focus on long-term financial planning. As described below, the County operates under a three-year rolling budget, which allows for continuous planning at least three fiscal years into the future. Such a process allows the County to anticipate financial challenges and take appropriate action in response to major budgetary fluctuations.

Please note that beginning with fiscal year 2010, the County will implement a Triennial Rolling Budget. This concept is discussed in more detail in the "Major Initiatives" section of this Letter of Transmittal.

Under the provisions of the State of Michigan's Uniform Budget Act for Local Units of Government (PA 621 of 1978 as amended by P.A. 493 of 2000), the Triennial Budget and General Appropriations Act (GAA) serves as the foundation for Oakland County's financial planning and control; this covers the County's fiscal year of October 1 through September 30. The County Executive is required to submit a proposed budget and recommended General Appropriations Act to the Board of Commissioners no later than 90 days prior to the beginning of the next fiscal year (July 1). 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 30, the close of the current fiscal year.

The appropriated budget is prepared by fund (e.g., General Fund), function (e.g., Administration of Justice), and department (e.g., Circuit Court). Control categories are established at the department level for Personnel Expenditures (e.g., salaries, overtime, and fringe benefits), Operating Expenditures (e.g., contractual services and commodities), and Internal Support Expenditures (e.g., Internal Service charges for printing, motor pool, office space, etc.). 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.

Budget-to-actual comparisons are provided in the Financial Section of this report for each individual governmental fund for which an appropriated annual budget has been adopted.

# County of Oakland

## Letter of Transmittal

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### Economic Condition of Oakland County

#### *Local Economy*

Oakland County is traditionally one of the most prosperous local economies in the United States, as attested by its status as only one of 49 counties among the 3,116 (1.6%) nationwide with a bond rating of AAA. However, the dire economy, during the past decade, cost the County a large segment of its automotive work force and has tested the County's ability to diversify its economy strength. Automotive manufacturing giants Chrysler and General Motors filed Chapter 11 bankruptcy in 2009, as well as several major tier one auto suppliers; it is likely that several more suppliers may follow suit. While the entire country has felt the negative economic impact of the demise and subsequent restructuring of the auto industries, it was most severely observed in Southeast Michigan.

Diversifying the economic base will not make Oakland County recession proof; however, it will ensure the County's resistance to future recessions. Sparked by the creation of innovative programs such as Automation Alley and Emerging Sectors, Oakland County continues to transform from a traditional industrial economy to a knowledge-based economy. Despite recent job losses, certain sectors show promise as the County continues to transition away from an industrial economy. Specifically, the areas of health care, education, engineering, alternate energy, and finance management services indicate job growth.

In September 2009, Oakland's unemployment rate was 15.6%, which is higher than both the national average of 9.5% and the State of Michigan average of 14.8%.

Enhanced by Oakland's dynamic economic development programs and despite recent downturns in the economy, Oakland County remains a favorable location for business. Currently, 60% of Fortune 500 companies and 50% of Global Fortune 500 companies have business locations in the County. Oakland County is also Michigan's leading center for international commercial activity, hosting 700 companies representing 30 countries. Of all the foreign-owned firms in southeast Michigan, 67% are located in Oakland County.

The April 2009 Oakland County Economic Outlook report, prepared by the University of Michigan, forecasts job losses of 9,890 in 2010, with an increase of 982 jobs in 2011. This follows the loss of 24,534 jobs in the private service-providing sector in 2009.

Oakland's per capita income of \$55,207 is the highest among Michigan's 83 counties and is ranked tenth (10th) among counties having more than one million in population (and is 48th among all counties in the country). Oakland County's per capita income also compares favorably to the national average (\$38,615) and the state average (\$34,423).

Though Michigan has not yet recovered from the last recession, a new national recession hit with record-setting numbers of home foreclosures and declining property values.

## County of Oakland Letter of Transmittal

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However, despite challenges in the local economy, the past decade has produced a 42% increase in the true cash value and a 49% increase in the taxable value of real and personal property in the County. During this period of growth, the County exercised a prudent and conservative approach to tax revenues by controlling the millage rate levied on the tax base. In fact, the County millage rate for the July 1, 2009 property tax levy remained at 4.19 mills (out of an authorized levy of 4.2240 mills) for operations, one of the lowest total county tax rates in the state of Michigan. However, beginning in 2008, property values plummeted in response to the collapsed real estate market. Fiscal Year 2009 property tax revenue fell for the first time in more than 40 years (oldest records found). This fall in tax revenue is more thoroughly discussed in the Management's Discussion and Analysis, which appears later in this document.

The 2009 market value of property in Oakland County is approximately \$124.8 billion. Although this value remains the highest value of all 83 counties in Michigan, and represents 16.0 percent of the state's total value (even though Oakland County's population represents only approximately 10 percent of Michigan's total), the value of the property has decreased by approximately \$15.2 billion from 2008 to 2009. The majority of Oakland County's taxable value is within the residential class of property, which is approximately 70 percent of the total property tax base. The average price, in 2009, for a home in Oakland County was \$233,328.

The average 2009 property tax rate is \$39.66 per thousand taxable value, an increase from the 2008 average of \$39.08 per thousand taxable value. The average property tax rate is distributed to the following taxing authorities:

Local School Districts	32.2%
Cities, Villages, Townships	28.5%
State Education Tax	14.8%
County Operating	10.6%
Intermediate School District	8.5%
Community College	4.0%
Parks and Recreation/Zoo Authority	<u>1.4%</u>
	<u>100.0%</u>

It appears that the on-going economic slump will continue to have a negative impact on the local housing market and thus property values within the County's borders. Current trends indicate the taxable value of real and personal property in the County will fall in 2010 by 13.0%. These values are projected to decline in 2011 by another 12.0%. Again, since property tax revenue supports 59% of the County's General Fund/General Purpose (GF/GP) operations, the reduced property values could challenge the County's ability to provide the current level of services to its residents.

At the same time, as will be described throughout this letter, because the County utilizes long-term financial planning, and a long-term strategy regarding development, policy makers and administrators are taking action today to limit the budgetary impact of these reduced values so as to maintain the services County citizens require and expect.

# County of Oakland

## Letter of Transmittal

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### *Long-term Financial Planning/Financial Policies*

#### Budgeting and Forecasting

A primary reason for Oakland County's solid financial position is the fact that County management and policy makers engage in long-term financial planning. Financial policies have been implemented to support practices that focus on how decisions made today will affect the County's fiscal position in years to come.

This planning begins with the preparation and adoption of a triennial budget and five-year forecast. Not only is the budget adopted for the next three fiscal years, the triennial 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 and the entire next two fiscal years.

Also, 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. 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 further 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 if positions are filled at a level lower than authorized, the resulting favorable variance falls to fund balance.

#### Establishment and Use of General 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. This increase in fund balance is not accomplished by accident, but is part of the design to assure the County's ability to continue to provide services to its citizens through long-term financial stability.

It is Oakland County's usual practice to develop and maintain a General Fund balance equating to two months of General Fund/General Purpose revenues (approximately 17%). The purpose of this practice is twofold. First, it provides a cushion against sudden fiscal crises, allowing the County to meet emergency demands and/or unexpected changes in revenue without severely disrupting ongoing operation and services.

## County of Oakland Letter of Transmittal

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However, because these are not normal fiscal times for Oakland County and all other governments, the County has purposely implemented plans to increase fund balance above the “normal” two-month operating figure. The primary reason to expand fund balance is to address the cash flow difficulties all counties in Michigan will experience by the shifting of property tax collections to the end of the fiscal year. The adoption of Public Act 357 of 2004 shifted the collection of county property taxes from December (month three of the fiscal year) to July (month ten of the fiscal year). This shift results in negative General Fund cash balances around April of each fiscal year.

As is explained in the Management’s Discussion and Analysis, following this Transmittal Letter, Oakland County avoided a negative General Fund cash position by borrowing from the Revenue Sharing Reserve Fund, as provided for under Public Act 357 or 2004. However, as that fund shrinks by design, the County may be forced to issue tax anticipation notes to meet cash flow needs. By building up General Fund balance, the County hopes to mitigate the need or at least the amount of borrowing required to meet cash flow needs.

A portion of the General Fund equity balance has been designated for “Budget Transition,” the purpose of which is to lessen the immediate impact of revenue reductions on on-going operations and services. The Budget Transition designation, which totals \$19.8 million, had been developed because of a number of planned, accelerated expenditure reductions over the last five (5) years.

Additionally, Oakland County has implemented a practice to increase fund balance, for a period of three years, to allow the County’s elected officials, policy makers, and administration time to restructure the County’s government to meet the reality of shrinking revenues.

Since fiscal year 2003, Oakland County officials have actively addressed the need to maintain crucial public services in the face of shrinking revenues. Beginning in that fiscal year, the County’s Board and Administration imposed “budget tasks” or targeted reductions. Many of the County’s elected officials accelerated these reductions, resulting in one-time additional savings. These one-time savings fell to the General Fund balance and were placed in a “budget transition” account designation to provide a cushion against future budget reductions. The budget transition designation has grown since fiscal year 2003 and is now in a position to support operations through fiscal year 2013, providing valuable time to thoughtfully restructure the County’s government.

It should finally be noted that a healthy General Fund balance can provide a source of funds for one-time or limited time enhancements, which would not normally be considered during the triennial budget development. This allows the County to enhance services to citizens, and develop procedures to meet long-term financial needs, without limiting on-going services. Even under constricted budgets, there still may be occasions where a one-time expenditure for a particular pilot project or program could lead to future efficiencies. A healthy General Fund balance provides the County’s management and policy maker with a degree of limited flexibility to explore these options.

## County of Oakland Letter of Transmittal

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

The Delinquent Tax Revolving Fund (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.

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.

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 and/or limited purpose expenditures. Further, the use of these funds for one-time and/or limited purpose expenditures requires a minimum two-thirds approval by the Board of Commissioners. 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, 2009 are approximately \$229.4 million, an amount in excess of that required to guarantee timely payments to local units of government and to pay outstanding notes on delinquent taxes. Rather than simply leave excess assets in the fund, the County has engaged in the practice (within provisions of the Fiscal Responsibility Plan) 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 identified with a combined capital outlay of approximately \$53.0 million that were funded with bond issues.

The Fiscal Responsibility Plan utilizes future income streams and restricted fund balance in the DTRF for debt service over a 20-year period for each of these projects. Funding is 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. Over the long term, the savings result from the DTRF continuing to earn interest on the cash maintained in that fund at a higher rate than the bond rates. The use of the DTRF to support these capital projects will not adversely affect the fund balance. The projected fund balance in the DTRF at the conclusion of debt service in FY 2022 should be approximately the same level as the current fund balance.

## County of Oakland

### Letter of Transmittal

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Even using the DTRF to support these capital initiatives, the fund's net assets are still approximately \$29.4 million higher than required to meet all the fund commitments. As explained in the "Major Initiatives" section of this letter, the County is planning to use these excess assets to provide limited support for on-going General Fund/General Purpose operations as the County's Elected Officials work to restructure County government to operate within the increasingly limited resource base.

#### 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 was codified in a Debt Management Policy that was approved by the Board of Commissioners in January 2004.

During fiscal year 2009, Oakland County issued \$2.9 million in new refunding and new sewage disposal system bonds and \$16.5 million in refunding and new drain bonds (related to drainage district component units). No new general obligation debt was issued during fiscal year 2009. 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, bankers' acceptances, 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 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.



## County of Oakland Letter of Transmittal

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### Pension and Other Postemployment 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 or before 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 were enrolled in the OPRS.

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 fiscal year 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 \$77.4 million since inception of the program without jeopardizing the retirement security of valued employees.

Oakland County has also been a true innovator and leader in exploring methods to providing and financing Other Post-Employment Benefits (OPEB). Specifically, the County has implemented benefit changes that will limit the growth of the cost of these benefits in the future, while still providing employees with a method to retain health care insurance once they leave County service. Rather than receiving a specific level of health care insurance when they retire from County service, employees hired after January 1, 2006 are enrolled in a "Retirement Health Savings Plan" (RHS). Under the RHS, the County contributes \$1,300 annually (\$50 per pay) to each employee's retirement health savings account. Upon leaving County service, the employee is entitled to the funds the County contributed based upon their length of service, with a partial benefit (60%) being provided after 15 years of service, increasing 4% per year. A full benefit is provided after 25 years of service. Once the employee retires and receives the vested cash benefit, the County's financial obligations ends.

For employees hired prior to January 1, 2006, they qualify for participation in the County's Voluntary Employees' Benefit Association (VEBA). The VEBA is an irrevocable trust fund; assets from this fund can only be used to pay retiree health care cost. Although this is an increasingly popular vehicle to support retiree health care, Oakland County has gone one significant step further – it has fully funded its VEBA.

In July 2007, the County issued \$557.0 million in Trust Certificates of Participation (COPs). COPs are taxable certificates, which were issued over a period of 20 years at a 6.23% interest rate. Even though this instrument is unique, the County was still able to secure a AAA rating on the issue. Proceeds from the COPs were deposited in a separate irrevocable trust fund, the Interim Retiree Medical Care Benefits Trust (IRMBT). The IRMBT will be able to invest these proceeds at a higher rate over the long term than the debt service rate, creating a reserve from the COPs proceeds plus the earned investment income to allow the fund to complete its primary purpose, making the future annual Actuarial Required Contribution (ARC) payments to the VEBA. It is important to note, however, if the ARC payment is no longer required for some reason, such as establishment of a national health care program, proceeds from the IRMBT can then be used to pay the debt service on the COPs.

## **County of Oakland**

### **Letter of Transmittal**

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Together the VEBA and the IRMBT have total combined assets to satisfy the established liability as determined by the most recent actuary study. In addition, this funding mechanism will save County taxpayers approximately \$100 million over 20 years as opposed to the traditional mechanism used to fund ARC payments.

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

County government has faced a number of financial challenges over the past several years. However, because of its long-term financial planning, prudent management of capital projects, 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. It is in a position to ensure the long-term fiscal stability of Oakland County government and preserve its ability to provide necessary public services to its citizens.

#### **Major Initiatives**

The severe constriction of the domestic automobile industry, the nationwide credit crunch and the subsequent deterioration of the housing market have forced shrinkage of Oakland County's primary General Fund/General Purpose resource, property taxes, as well as other revenues, leading to fiscal challenges that will last for the next several fiscal years. However, because Oakland County government takes a long-term view of its financial and business operations, these issues have been anticipated and the County has already taken steps to address these concerns before they become crises.

The County does not intend to be in business simply through the next fiscal year, but in perpetuity, providing necessary services to its citizens. This long-term fiscal view allows the County's policy makers and administrators to identify areas of potential fiscal weakness within a time frame that allows for thoughtful corrective action, avoiding disruptive fluctuations in services.

Oakland County is working on a number of fronts to meet this fiscal challenge. These efforts include recognizing the need to diversify the County's economy to become more recession resistant and a continuing effort to redesign County operations to make certain that services are being provided in the most cost efficient and effective way possible, including enhancing the current multi-year budget process.

## County of Oakland Letter of Transmittal

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Oakland County government continues to build partnerships with education and private business to sustain and improve the region's economic strength. In particular, the County continues to look for ways to diversify the local business economy, preparing our region to be more competitive in the global market place. These efforts include the continued support for its ongoing award-winning efforts, *Automation Alley*, and *Emerging Sectors*, including expanding into a vital new area through the *Medical Main Street* program.

*Automation Alley*, which began in 1999, and the *Emerging Sectors Project*, which was launched in 2004, continue to assist Oakland County in diversifying the local economy and become even a larger player on the national and international commercial scene.

*Automation Alley* brings business, education, and government together to drive the growth of southeast Michigan's technology economy. From the 42 Oakland County members which began the "Alley" in 1999, the organization has now grown to over 1,000 members from an eight (8) county area. *Automation Alley's* trade missions abroad have expanded the reach of small and mid-sized businesses into global markets they might not otherwise have been able to penetrate. Entering or expanding into these markets has netted \$140 million in new business for trade mission participants along with creating 200 new jobs. *Automation Alley* sponsored trade missions to Europe, India, China, Mexico, and Israel in 2009.

*Emerging Sectors* identifies the top emerging and promising business sectors for the new economy of the 21<sup>st</sup> century which Oakland County can cultivate for future job growth and long-lasting economic stability. Ten sectors have been identified as emerging sectors: advanced electronics and controls; advanced materials and chemicals; alternative energy and power generation; biotechnology; communications and information technology; health care, finance, and fast growth; homeland security; medical devices and instrumentation; robotics; and automation. Since its inception, *Emerging Sectors* has attracted 137 businesses to the County that specialize in these various sectors. These firms have generated nearly \$1.4 billion in new investments, created over 17,200 new jobs, retained over 7,200 current jobs and paid to the federal, state, and local governments over \$35 million in taxes, of which \$3.3 million has come to Oakland County.

An outgrowth of the *Emerging Sectors* initiative relates to those industries surrounding the delivery of health care and medical research. The *Medical Main Street* program will build off the existing 4,300 medical facilities, 80-plus medical supply companies, and 93,000 health care related professionals who work in the County, to brand Oakland County as a thriving life science center. According to Anderson Economic Group of Lansing, Michigan, this sector will add 45,000 more jobs over the next six years. Further, in the fall of 2011, the Oakland University/William Beaumont Medical School will open on the Rochester campus, adding to Oakland County's image as a prime location to provide a concentrated area for this "in-demand" field. A recently opened medical school in central Florida created a \$3.6 billion economic impact on the local region; the possibility of a multi-billion dollar impact to Southeastern Michigan will go a long way toward restoring the challenged economy.

## County of Oakland Letter of Transmittal

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The County Elected Officials, administration and policy makers are always pursuing improvements in efficiency and service delivery looking for creative, innovative methods to meet the demands of county residents. Oakland County has been proactively addressing these issues for several years by restructuring and downsizing through business process reengineering, retirement incentives, hiring freezes, fringe benefit changes, privatization of some programs, as well as reducing or closing some programs.

Since October 1993, Oakland County has implemented fourteen (14) separate privatization efforts; these efforts have generated a reduction of 194 positions, annual savings of \$6.9 million and total savings of \$43.4 million (present value) as of December 2009.

One such effort that was initiated during fiscal year 2009 with a full implementation in fiscal year 2010 is collaboration between Oakland County and the Thomas M. Cooley Law School in Auburn Hills, to enhance the County's public law library services. This collaboration will reduce unnecessary duplication of law library services in the area while simultaneously promoting the widest public use of legal books, manuscripts, materials and facilities.

Prior to this effort, the County operated a Law Library in the County Courthouse. The Law Library is one of three libraries operated by the County; the other libraries are the Government Reference Library and the Library of the Visually and Physically Impaired. In addition to the reference materials required to be retained for use of the Court, Prosecutor, and members of the bar, the County also maintained the Adams-Pratt Collection, containing extensive research material. The Adams-Pratt Collection, as well all Law Library material, was available to the public.

On an annual basis, Law Library operations cost the County taxpayers \$1.3 million, which covered the purchase of new material, maintenance of the collection including space, heat, lights, and power, as well as the salary and fringe benefits for four (4) full-time and one (1) part-time employee. In addition to the direct cost to taxpayers, access to the Law Library was limited to the time the County Courthouse was open (generally Monday-Friday 8:30-5:00).

The collaboration effort involved moving the Adams-Pratt Collection, and other materials, from the County Courthouse to Cooley's new Auburn Hill campus, approximately five (5) miles east of the Courthouse. Cooley agreed to maintain the Collection and open their facility to the public. This action allowed the Law School to obtain a valuable collection of materials which their students could now use at their convenience on campus.

Although the Collection moved five miles from the Courthouse (public bus service is available to the campus), the citizens of the County received a number of benefits including expanded library hours later in the evening and on weekends, as well as obtaining the services of additional, highly trained law librarians. Beyond these service benefits, Oakland County taxpayers received a direct economic benefit. Even though the County was required to maintain a de minimis library in the Courthouse and agreed to cover the cost of two librarians to Cooley (for a one-year transition period), this collaboration allowed the County to delete eight (8) positions and save approximately \$809,000 on an annual basis.

## County of Oakland

### Letter of Transmittal

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Oakland County's strong financial position reflects strict adherence to policies and practices that insure a balanced budget, healthy fund balances and low debt. Much of its success is a result of long-term financial planning. In fiscal year 2009, a significant enhancement to this planning process was made by expanding the biennial budget to a triennial budget. On July 1, 2009, the County Executive proposed a balanced budget for fiscal years 2010, 2011 and 2012. After two and a half months of budget hearings, which rendered some minor adjustments to the originally proposed budget, the Oakland County Board of Commissioners adopted a balanced budget for fiscal years 2010, 2011, and 2012 on September 24, 2009.

Balancing the Triennial Budget was not an easy task specifically because of the unprecedented loss in property tax revenue, the County's largest and traditionally most stable source of General Fund/General Purpose operations. The adopted budget assumes a 13% reduction in the taxable value of real and personal property located within the County's borders in fiscal year 2010 (from fiscal year 2009 levels), an additional 12% reduction in fiscal year 2011, and a further 5% reduction in fiscal year 2012. Should these projections hold (all indications are that they are accurate as of the writing of this letter), property tax revenue will fall \$68.4 million from fiscal year 2009 to fiscal year 2012, a 27% decrease.

In order to offset this unprecedented loss of revenue, County Administration, Elected Officials, and policy makers moved to continue their practice of planned, thoughtful reduction of County operations; where possible, accelerating those reductions in order to build positive fund balance that can be used to smooth the transition to reduced operations; and identify excess assets in various County funds which can be used on a limited time basis to ease the negative impact on recipients of County services.

The word "continue" is used because this practice actually began six years ago, as County Administration identified future budget shortfalls through aggressive long-term financial planning. The budget shortfalls were not a surprise to Oakland County. However, because these issues were identified early, the County has been able to thoughtfully reduce operations and expenditures to match their reduced revenue without layoffs or severe disruptions of services.

Among the specific actions included in the Fiscal Year 2010-2012 Triennial Budget are:

- 2.5% base salary reduction for all non-represented employees for fiscal year 2010. The County Executive and his appointees were included in this action;
- An additional 2.5% base salary reduction of all non-represented employees for fiscal year 2011;
- Negotiated base salary reductions for all represented employees for the same amount for 2010. All but two bargaining units have agreed to this change; further action is anticipated to bring the remaining bargaining units in line;
- Receipt of donations, from the county-wide elected officials and members of the Board of Commissioners, in amounts equal to 2.5% of their base salary. Due to the fact that state law prohibits a change in the compensation for these officials during their term of office, these officials voluntarily donated to the County an amount equivalent to the 2.5% base salary reduction;
- Elimination of 216 authorized positions, from the fiscal year 2009 amount, through fiscal year 2012 (5% of the total authorized positions)

## County of Oakland Letter of Transmittal

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The budget balancing also included the limited use of fund balances which began in fiscal year 2009. It is important to realize that the use of these fund balances is not a wholesale raid on resources leaving these funds. Rather, these are limited, planned uses of assets in excess of what is needed to maintain the funds' and the County's long-term fiscal stability while allowing the funds to operate for the purpose for which they were intended.

For example, the County Treasurer and the Department of Management and Budget estimate the Delinquent Tax Revolving Fund (DTRF) needs a corpus of \$200.0 million in order to meet its obligations which include not only covering delinquent taxes to local governments, but covering debt payments for various County projects as well as providing sufficient funds to support the County's pooled investments. As of September 30, 2009, the DTRF has assets of \$229.4 million, which is \$29.4 million above the planned amount. Detailed analysis has also been performed projecting DTRF balance through fiscal year 2022, which shows slow but continued growth. Given this information, the County Executive is proposing to use a portion of these assets annually for fiscal years 2010, 2011, and 2012 to reduce a portion of the projected shortfall. This will allow the County's Elected Officials a degree of flexibility as they reengineer their work processes.

Clearly the current deterioration of the international, national and local economies has a detrimental impact on Oakland County's (and all governments) revenue base, generating concerns regarding the County's ability to maintain required public services without resulting in long-term damage to the County's financial position. However, it must also be realized that Oakland County's Elected Officials, administrators, and policy makers have already demonstrated the capacity to *manage* the business of the County through difficult economic environments. Oakland County has proven the willingness and ability to redesign, restructure, and downsize operations to meet the revenue challenges AND to continue to provide quality public services. This ability to manage County operations and finances WILL allow the County to weather the current storm and come out stronger than ever.

### **Awards and Acknowledgements**

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 Poor's, and Moody's Investor Services, Incorporated. In their transmittal letter reaffirming Oakland County's AAA status, Standard and Poor's stated:

“The stable outlook reflects our expectation that Oakland County, through its strong financial management, will take the steps necessary to maintain its strong financial operations and reserves despite anticipated drops in taxable value. We expect that the use of multi-year financial projections and three-year rolling line item budgets will help it to address the financial challenges it faces as a result of the current economic downturn, therefore adding to the rating's stability.”

## **County of Oakland**

### **Letter of Transmittal**

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Out of more than 3,100 counties in the United States, only 49 enjoy the distinction of a AAA bond rating. The AAA bond rating allows the County to borrow at the lowest possible interest rate, saving County taxpayers millions of dollars in future costs.

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 the fiscal year ended September 30, 2008. This was the 18th 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, 2007. This latest award is the 12th 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.

Lastly, Oakland County is the proud recipient of the GFOA award for its Popular Annual Financial Report (PAFR). The fiscal year 2008 PAFR award was the County's 12th consecutive citation. Oakland County is one of two counties in the state of Michigan that holds all three of the GFOA awards simultaneously.

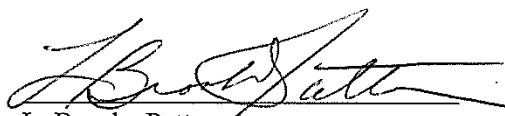
**County of Oakland**  
**Letter of Transmittal**

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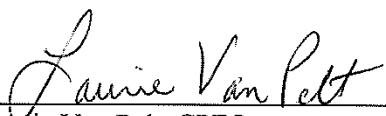
Acknowledgements:

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, as well as members of 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 Water Resources Commissioner, as well as the County Board of Commissioners and the members of the Circuit, Probate, and 52<sup>nd</sup> District Court, for their unfailing support for maintaining the highest standards of professionalism in the management of Oakland County's governmental finances.

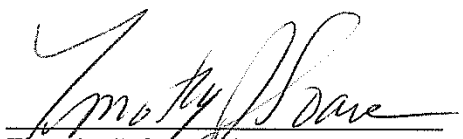
Respectfully submitted,



L. Brooks Patterson  
Oakland County Executive



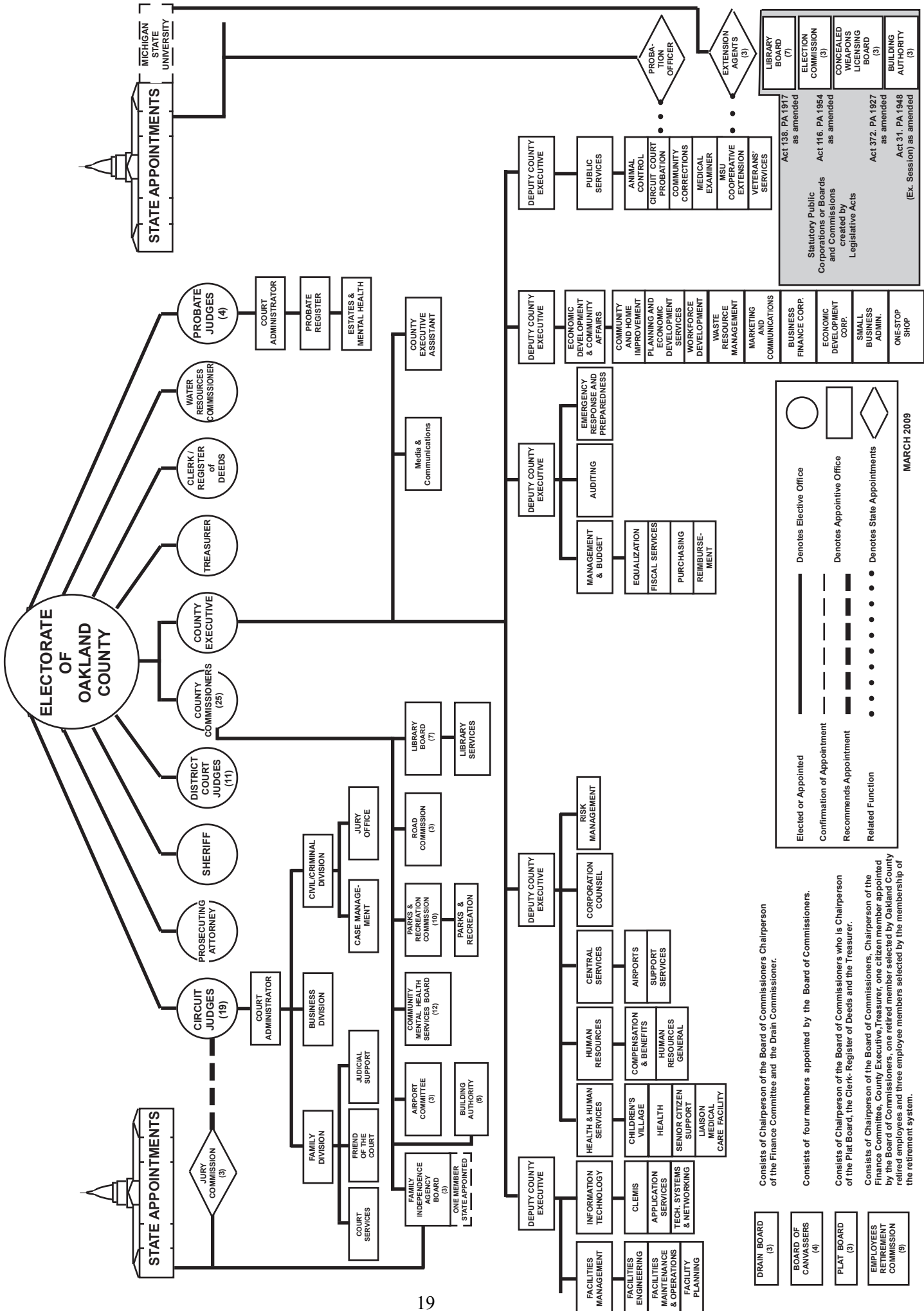
Laurie Van Pelt, CPFO  
Chief Fiscal Officer and Director,  
Department of Management and Budget



Timothy J. Soave, CPFO  
Manager, Fiscal Services Division



# OAKLAND COUNTY GOVERNMENT ORGANIZATIONAL CHART

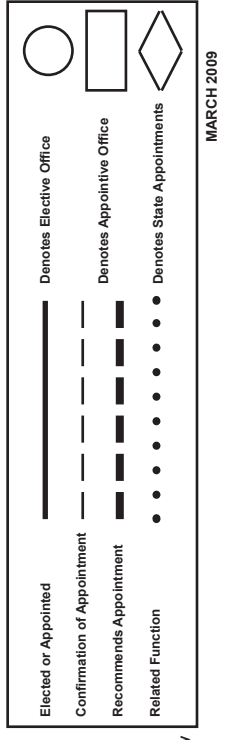


**DRAIN BOARD (3)**  
Consists of Chairperson of the Board of Commissioners Chairperson of the Finance Committee and the Drain Commissioner.

**BOARD OF CANVASSERS (4)**  
Consists of four members appointed by the Board of Commissioners.

**PLAT BOARD (3)**  
Consists of Chairperson of the Board of Commissioners who is Chairperson of the Plat Board, the Clerk-Register of Deeds and the Treasurer.

**EMPLOYEES RETIREMENT COMMISSION (9)**  
Consists of Chairperson of the Board of Commissioners, Chairperson of the Finance Committee, County Executive, Treasurer, one citizen member appointed by the Board of Commissioners, one retired member selected by Oakland County and three employee members selected by the membership of the retirement system.



**COUNTY EXECUTIVE**

L. Brooks Patterson

**BOARD OF COMMISSIONERS**

Bill Bullard, Jr., Chairperson  
Michael J. Gingell, Vice-Chairperson

Tim Burns	Mattie McKinney Hatchett	Jeff Potter
Kim T. Capello	Janet Jackson	David W. Potts
Eric Coleman	Bradford C. Jacobsen	Jim Runestad
David Coulter	Christine A. Long	Steven H. Schwartz
Sue Ann Douglas	Gary R. McGillivray	John A. Scott
Marcia Gershenson	Thomas F. Middleton	Shelley G. Taub
Robert Gosselin	Jim Nash	Dave Woodward
Tim Greimel		Helaine Zack

**OTHER ELECTED OFFICIALS**

Clerk/Register of Deeds Ruth Johnson	Treasurer Andy Meisner	Water Resources Commissioner John P. McCulloch
Prosecuting Attorney Jessica R. Cooper	Sheriff Michael J. Bouchard	
Chief Circuit Judge Wendy L. Potts	Chief Probate Judge Elizabeth Pezzetti	Chief District Judge William E. Bolle

**AIRPORT COMMITTEE**

Thomas F. Middleton, Chairperson  
Tim Burns, Vice-Chairperson  
John A. Scott, Secretary  
Christine A. Long  
J. David VanderVeen

**BUILDING AUTHORITY**

Joel A. Garrett, Chairperson  
Tamara Van Wormer-Tazzia, Vice-Chairperson  
Harvey Wedell, Secretary  
L. Brooks Patterson, County Executive  
Andy Meisner, County Treasurer

**PARKS AND RECREATION**

Pecky D. Lewis, Jr., Chairperson  
Richard Skarritt, Vice-Chairperson  
J. David VanderVeen, Secretary

Tim Burns	Christine A. Long	Charles E. Palmer
Robert E. Kostin	John P. McCulloch	John A. Scott

**ROAD COMMISSION**

Richard G. Skarritt, Chairperson  
Eric S. Wilson, Vice-Chairperson  
Gregory C. Jamian, Commissioner

**DRAIN BOARD**

John P. McCulloch, Water Resources Commissioner  
Bill Bullard, Jr., Board of Commissioners Chairperson  
Thomas F. Middleton, Finance Committee Chairperson

Personnel as of September 2009

# 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, 2008

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.



A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, clearly legible as "Jeffrey R. Emer".

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 Basic Financial Statements**
- E. Required Supplementary Information**
- F. Combining and Individual Fund Financial Statements and Schedules – Non-Major Funds**

## Independent Auditor's Report

To the Board of Commissioners  
Oakland County, Michigan

We have audited the accompanying 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 as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oakland County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above 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 Oakland County as of September 30, 2009 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oakland County's basic financial statements. The management's discussion and analysis, retirement system schedules of funding progress, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. The introductory section, combining and individual fund statements and schedules, and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules and the combining and individual fund statements and schedules 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 have applied certain limited procedures to the management's discussion and analysis and retirement systems schedules of funding progress, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

To the Board of Commissioners  
Oakland County, Michigan

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of Oakland County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. 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.

*Plante & Moran, PLLC*

March 23, 2010

# County of Oakland

## Management's Discussion and Analysis

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Oakland County's (the County) financial performance, providing an overview of the activities for the fiscal year ended September 30, 2009. 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's financial position constricted during Fiscal Year 2009, primarily due to the planned transfer of assets from the Interim Retiree Medical Benefit Trust Fund to the Voluntary Employee Benefit Association to cover the annual required contribution for retiree health care.
- Net assets decreased by \$46.6 million to \$1,010.7 billion (excluding component units).
- Governmental activities net assets decreased by \$57.0 million to \$385.1 million.
- Business-type activity net assets increased \$10.4 million to \$625.6 million.

##### Fund Level:

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balance of \$670.7 million, a decrease of \$65.7 million from the fiscal year 2008 governmental funds combined ending fund balance.
- This decrease is primarily a result of the planned use of \$63.1 million in fund balance in the Interim Retiree Medical Benefit Trust Fund (IRMBT). The assets of the fund, which were derived from debt issued in fiscal year 2007, are held in trust to pay the Annual Required Contribution (ARC) to the County's retiree health care trust fund (the VEBA).
- In addition, the Revenue Sharing Reserve Fund (RSRF) made a planned transfer of \$23.7 million to the General Fund. The RSRF was established by state statute to replace state revenue sharing payments.
- The General Fund balance increased by \$22.0 million from \$84.3 million at the end of fiscal year 2008 to \$106.3 million at the end of fiscal year 2009. The increase is primarily attributed to planned accelerated expenditure reductions, building a fund balance in order to maintain critical services as the County implements long-term structural reductions.

##### Capital and Long-term Debt Activities:

- The County's capital assets experienced a net decrease of \$9.7 million during fiscal year 2009.
- The County issued \$2.9 million in new general government debt during fiscal year 2009, which supported improvements to sewage disposal systems.
- The County paid \$31.3 million in general government bond obligations during fiscal year 2009.
- The County is \$5.9 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's 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, proprietary funds and fiduciary 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

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### 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. Accrual accounting 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 presents the entire 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 presents information showing how the County's net assets changed during fiscal year 2009. 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 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 Parks and Recreation 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. Two organizations are included as component units: 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, and expenditures are recognized when they are due and able to be paid from available resources.

Because of the different basis of accounting between the fund statements (described below) and the government-wide statements, reconciliation between the two statement types is presented in the financial section. The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities (depreciation) are not reported on the governmental fund financial statements.
- Capital outlay spending results in capital assets on the government-wide statements, but are reported as expenditures on the governmental 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.



## County of Oakland Management's Discussion and Analysis

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- Long-term contingencies, such as litigation, etc., appear as liabilities on the government-wide statements; however, they will not appear on the governmental fund financial 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 financing 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 buildings, 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 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 Public Health Fund and the Child Care 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, which include the internal services funds (e.g., Motor Pool, Building and Liability Insurance, etc.) and enterprise funds (e.g., Airports 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.

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 governmental 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), and *Debt Service Funds* (accounts for resources used to pay long-term debt principal and interest).

## County of Oakland Management's Discussion and Analysis

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- *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 as well as the cities, villages, and townships located within the County's borders. An example is the Oakland County International Airport. *Internal Service funds* report activities that provide supplies and a service 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. 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.

### 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 special revenue funds as well as pension trend data.

### 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.

**County of Oakland  
Management's Discussion and Analysis**

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**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

As previously stated, Oakland County's financial position appears to have deteriorated during Fiscal Year 2009. As reflected on the table below, the County's combined net assets decreased by \$46.6 million over the course of this fiscal year's operations. In particular, the net assets of the governmental activities decreased by \$57.0 million. However, this decrease in governmental activities net assets simply reflects the planned transfer of \$63.1 million from the Interim Retiree Medical Benefit Trust Fund (IRMBT) to the Voluntary Employee Beneficiary Association Fund (VEBA) to fund the annual required contribution for retirees' health care. Since the VEBA is a fiduciary fund, it does not appear in the County's entity-wide statements; therefore, the planned transfer shows as a reduction in net assets.

When this planned transfer is excluded from the calculations, Oakland County's governmental assets increased by \$6.1 million. The business-type activities had an increase of \$10.4 million in net assets which reflect increased delinquent property tax receivables, related to the challenged housing market. Excluding the IRMBT transfer, total net assets increased by \$16.5 million.

**Oakland County's Net Assets**  
*(in millions of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Current Assets	\$ 555.1	\$ 538.1	\$ 469.0	\$ 436.1	\$ 1,024.1	\$ 974.2
Capital Assets	205.0	214.9	231.6	231.5	436.6	446.4
Restricted Assets	359.5	429.9	-	-	359.5	429.9
Other Long-term Assets	57.6	64.5	-	-	57.6	64.5
<b>Total Assets</b>	<b>1,177.2</b>	<b>1,247.4</b>	<b>700.6</b>	<b>667.6</b>	<b>1,877.8</b>	<b>1,915.0</b>
Current Liabilities	154.9	139.8	75.0	52.4	229.9	192.2
Other Liabilities	637.2	665.5	-	-	637.2	665.5
<b>Total Liabilities</b>	<b>792.1</b>	<b>805.3</b>	<b>75.0</b>	<b>52.4</b>	<b>867.1</b>	<b>857.7</b>
Net Assets:						
Invested in Capital Assets						
Less Related Debt	150.9	156.5	231.6	224.7	382.5	381.2
Restricted	7.4	9.7	13.2	11.2	20.6	20.9
Unrestricted	226.8	275.9	380.8	379.3	607.6	655.2
<b>Total Net Assets</b>	<b>\$ 385.1</b>	<b>\$ 442.1</b>	<b>\$ 625.6</b>	<b>\$ 615.2</b>	<b>\$ 1,010.7</b>	<b>\$ 1,057.3</b>

# 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 Oakland County's Net Assets

(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 117.4	\$ 58.8	\$ 191.8	\$ 178.2	\$ 309.2	\$ 237.0
Grants and Contributions						
Operating	82.4	73.6	0.1	0.3	82.5	73.9
Capital	5.0	5.5	5.3	4.2	10.3	9.7
General Revenues						
Property Taxes	244.0	260.6	15.1	15.1	259.1	275.7
Intergovernmental Revenue	9.9	10.7	-	-	9.9	10.7
Investment Earnings	8.3	18.8	8.0	15.8	16.3	34.6
Other Revenue	5.9	1.7	-	-	5.9	1.7
Gain on Sale of Assets	0.1	0.1	-	-	0.1	0.1
<b>Total Revenues</b>	<u>473.0</u>	<u>429.8</u>	<u>220.3</u>	<u>213.6</u>	<u>693.3</u>	<u>643.4</u>
<b>Expenses</b>						
Public Safety	187.5	193.7	12.5	16.4	200.0	210.1
Justice Administration	88.2	94.2	-	-	88.2	94.2
Citizen Services	87.1	89.5	6.2	6.6	93.3	96.1
Public Works	21.1	33.7	145.6	138.9	166.7	172.6
Recreation and Leisure	2.5	2.5	20.4	20.8	22.9	23.3
Commerce and Community Dev.	59.4	49.5	-	-	59.4	49.5
General Government	65.2	55.9	2.2	2.7	67.4	58.6
Interest on Debt Service	40.0	48.2	-	-	40.0	48.2
Unallocated Depreciation	2.0	1.9	-	-	2.0	1.9
<b>Total Expenses</b>	<u>553.0</u>	<u>569.1</u>	<u>186.9</u>	<u>185.4</u>	<u>739.9</u>	<u>754.5</u>
Revenue Over (Under)						
Expenditures	(80.0)	(139.3)	33.4	28.2	(46.6)	(111.1)
Transfers - On-going	23.0	14.7	(23.0)	(14.7)	-	-
<b>(Decrease) Increase in Net Assets</b>	<u>(57.0)</u>	<u>(124.6)</u>	<u>10.4</u>	<u>13.5</u>	<u>(46.6)</u>	<u>(111.1)</u>
Net Assets - Beginning	442.1	566.7	615.2	601.7	1,057.3	1,168.4
Net Assets - Ending	<u>\$ 385.1</u>	<u>\$ 442.1</u>	<u>\$ 625.6</u>	<u>\$ 615.2</u>	<u>\$ 1,010.7</u>	<u>\$ 1,057.3</u>

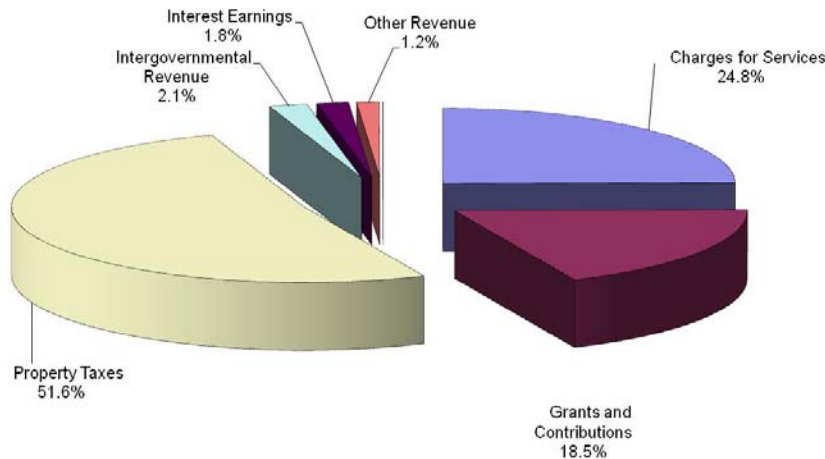
# County of Oakland Management's Discussion and Analysis

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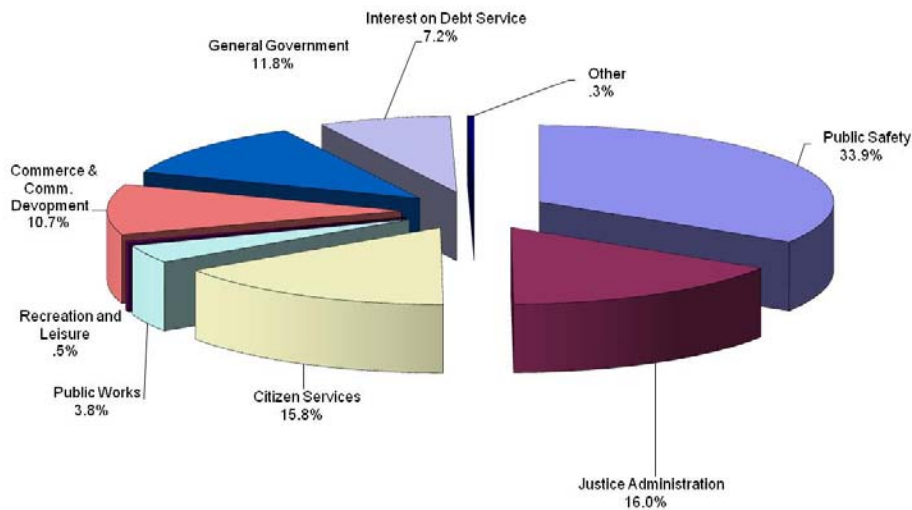
## Governmental Activities:

The following charts depict revenues and expenses of the governmental activities for the fiscal year:

Revenues - Governmental Activities Fiscal Year Ending September 30, 2009



Expenses - Governmental Activities Fiscal Year Ending September 30, 2009



In total, fiscal year 2009 governmental activity revenue collections increased by \$43.2 million from fiscal year 2008. However, as with the discussion of net assets above, the actual revenue performance is slightly different than the pure numbers suggest. Although some activities did experience additional revenue collections over the previous year, the reported “increase” is primarily a result of a lower level of investment earnings loss during fiscal year 2009 than experienced in the previous fiscal year. The County did collect \$8.3 million in additional grants and contributions during fiscal year 2009, as well as \$4.2 million in other revenues. However, the \$58.6 million in additional charges for service revenue reflects the investment issue previously mentioned. In addition, overall investment income decreased by \$10.5 million and property tax revenue decreased by \$16.6 million.

## County of Oakland Management's Discussion and Analysis

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Property taxes, which generated \$244.0 million in revenue, remains the largest source of support for governmental activities, comprising 51.6 percent of all governmental activity revenue. Governmental activities decreased their dependency on property taxes from fiscal year 2008 when these taxes represented 60.6 percent of governmental activity revenue.

Property tax revenue decreased by \$16.6 million from the amount realized during fiscal year 2008. This decrease reflects the deterioration of the local real estate market and the subsequent effects on property values. The 2009 Oakland County Equalization Report published \$62.4 billion as the assessed state taxable value of property within the County's borders. Please note that "state taxable value" is different than "state equalized value"; the latter represents 50 percent of true cash value, while the former is a calculation based upon the State of Michigan's property tax laws. The \$62.4 billion reported as assessed taxable value for 2009 is \$2.3 billion less than the \$64.7 billion reported as assessed taxable value for 2008. This drop in assessed taxable value, multiplied by the County's approved 2009 property tax rate of 4.19 mills generates a loss of property tax revenue of \$9.7 million. However, after accounting for tax increment financing districts, the loss is \$8.3 million.

The remaining \$8.3 million property tax revenue loss reflects the recording of a liability for State Tax Tribunal judgments. Under Michigan law, individual taxpayers (residential, commercial, or industrial) receive a notice of assessment, from their local assessors, in February of each year. That notice is based upon the assessed value as of December 31 of the previous year. The assessed value as noticed in February is used to calculate the property tax bill issued by the various taxing authorities. In the case of Oakland County, the assessed value notice issued in January is used to calculate the property tax bill issued in July of the same calendar year.

Taxpayers have the right to appeal the assessed value placed on a particular piece of property. The appeals are first made to the local Boards of Review, a board created in each city or township made up of private citizens appointed by the local unit of government. These Boards are conducted in March of each year. The Board of Review is charged with finalizing the tax roll by assigning the value of the property. They do so by using either the assessor's figures or the figure provided by the taxpayer. The ruling of the Board (either for the assessor or the taxpayer) is used to calculate the property tax bills.

Even though the various taxing authorities issue tax bills based upon Board of Review action, and even though taxpayers are required to pay those taxes based upon Board of Review action, the appeal process for the taxpayer does not end with the Board of Review. If an individual taxpayer is not satisfied with the Board of Review decision, they may appeal to the State Tax Tribunal. The Tax Tribunal may affirm the actions of the Board of Review or they may reverse the Board's actions. Should the Tax Tribunal find for the taxpayer, any taxes paid and collected by the various taxing authorities pursuant to Board of Review action must be returned to the taxpayer.

Historically, the County loses approximately one-half of one percent of taxable value through the Tax Tribunal process, meaning the Tax Tribunal supports the taxpayer's challenge. However, due to the deteriorating real estate market, Tax Tribunal cases have risen to unprecedented levels. Further, the large number of appeals now means that the Tax Tribunal is three years behind in hearing appeals. Given the growing possibility of successful taxpayer appeals, the County's Department of Management and Budget (Fiscal Services and Equalization Divisions) developed an analysis of the amount of property under appeal and the likelihood of losing those appeals.

## County of Oakland Management's Discussion and Analysis

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The \$8.3 million liability assumes the following:

### Oakland County Property Under Appeal With the Michigan Tax Tribunal

Tax Year	Value Under Appeal Major Properties	County Tax Rate	Property Tax Revenue Contested
Prior to 2007	\$ 175,132,129	4.19	\$ 733,804
2007	182,235,089	4.19	763,565
2008	488,879,518	4.19	2,048,405
2009	1,864,778,772	4.19	<u>7,813,423</u>
Major Property Appeal - Est. Property Taxes			\$ 11,359,197
Estimated Loss of 50% of Value Under Appeal			\$ 5,679,598
Estimated Additional Losses - Small Appeals (Residential / Commercial / Industrial)			\$ 2,700,000
<b>Total Estimated Loss from Tax Tribunal Appeals</b>			<b>\$ 8,379,598</b>

For more details regarding actual property tax collections, please see the statistical section appearing in the last section of this document. The County's operating millage rate of 4.19 mills remains the third lowest county general operating millage rate in the state.

Charges for services, which reflects revenue generated by county operations invoicing specific benefiting parties for services performed as well as recognition of revenues generated by specific programs, is the second largest source of governmental activity revenue, generating \$117.4 million or 24.8 percent of the total. There are a wide variety of activities invoiced under this category including service rendered to individuals, such as fees for marriage licenses, passports, and access to county records, as well as services rendered to other governmental units including Sheriff Patrol and dispatch services, and the housing of state wards in the County's juvenile home.

The \$117.4 million collected in fiscal year 2009 represents a \$58.6 million increase from the previous fiscal year. Included under this category is \$61.7 million in additional revenue for the Interim Retiree Medical Benefit Trust Fund (IRMBT). This "increase", however, reflects the fact that the IRMBT experienced \$7.4 million in investment losses in fiscal year 2009 as opposed to the \$69.1 million in investment losses recorded in fiscal year 2008. As is detailed under the "Financial Analysis of the County's Major Funds" section of this Management's Discussion and Analysis, the IRMBT is a special revenue fund established to meet the County's retiree health care obligation. The only annual revenue received by this fund is earnings from the investment of the fund's assets; these investment earnings are reported as charges for services revenue. Since the IRMBT investment loss for fiscal year 2009 was \$61.7 million less than the investment loss reported for fiscal year 2008, that difference appears as a revenue "increase."

## County of Oakland Management's Discussion and Analysis

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It should be noted that prior to the establishment of the IRMBT in fiscal year 2007, the County's charges for service revenue were \$144.4 million (fiscal year 2006), \$125.9 million (fiscal year 2005), and \$129.5 million (fiscal year 2004). Therefore, the \$117.4 million reported for fiscal year 2009 appears relatively consistent with the County's previous experience.

The remaining portion of the charges for services revenue decreased by \$3.1 million. Some of the largest areas of change include a decrease of \$2.7 million in collections under the Register of Deeds for land transfer tax, mortgage evaluations and other real estate based transactions reflecting the county-wide reduction in property values; many of these fees are based on the value of the property sold or transferred – lower value, lower revenue; \$1.2 million in reduced collections under the Sheriff's Office reflecting a \$600,000 decrease in State payments made for the housing of state prisoners in the Oakland County jail, (the State stopped all payments in June 2009 due to their budget shortfall), and \$600,000 less collected from other counties reflecting a reduced number of other county prisoners housed in the Oakland County Jail; a \$700,000 decrease in the fines and fees collected by the 52<sup>nd</sup> District Court as defendants are increasingly unable to make court ordered payments; and \$300,000 less collected by the 6<sup>th</sup> Judicial Circuit Court for court-ordered mediation as parties engaged in more alternative dispute resolutions. These decreases were partially offset by \$1.0 million in additional Public Health revenue due to the increasing number of environmental inspections (\$429,700), increased number of flu and other vaccinations (\$296,900), and increased reimbursement from third-party insurers for services rendered (\$267,100).

The third largest source of support for governmental activities is the \$87.4 million received in operating and capital grants and contributions during fiscal year 2009, which is 18.5 percent of the total revenue for governmental activities. This amount represents an \$8.3 million increase from fiscal year 2008. Included in this total is \$8.8 million for increased operating grants which consists of an additional \$10.5 million in federal dollars for workforce development efforts and an additional \$1.8 million in federal Housing and Community Development funds provided in response to the struggling economic situation. This increase is partially offset by \$2.6 million in reduced operating grants for law enforcement and homeland security (reflecting the bulk of expenditures in fiscal year 2008); reduced water resource efforts in the amount of \$600,000; and the completion of \$400,000 in pollution control grants.

Capital contributions decreased by \$500,000, reflecting the completion of equipment capitalization in fiscal year 2008 for the Information Technology Fund.

Oakland County governmental activities also recorded \$9.9 million in intergovernmental revenue during fiscal year 2009, an \$800,000 decrease from the amount received in fiscal year 2008, primarily due to decreased liquor tax distribution and court equity payments. This is revenue "shared" by the state and federal government, which is not tied to contractual obligations such as grant agreements.

Governmental activities generated \$8.3 million in investment earnings during fiscal year 2009; this amount reflects a decrease of \$10.5 million from the amount earned in fiscal year 2008. The decrease is attributed to both a shrinking investment base for all funds administered by the County as well as a reduced rate of return reflecting the constricted financial markets.

Governmental activity fiscal year expenses decreased \$16.1 million from the fiscal year 2008 expense level, a 2.8 percent decrease. The primary reason for this decrease is the planned efforts of the County's Elected Officials to reduce expenses to match projected revenue shortfalls. Actions included deletion of authorized positions, implementation of a hiring freeze for all non-24/7 (public safety) positions, and a freeze on all capital projects and purchases, unless required to maintain asset functionality.



## County of Oakland Management's Discussion and Analysis

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Personnel expenses (salaries, overtime, and fringe benefits) fell \$10.7 million from the fiscal year 2008 amount, again reflecting the fact that no vacant full-time, benefit-eligible authorized positions were filled during fiscal year 2009 unless the particular position was required for public safety (24/7 operations). In addition, as the County's Elected Officials redesigned operations to operate within revenue constraints, 59 full-time benefit-eligible authorized positions were deleted during fiscal year 2009 and replaced with 22 new part-time no-benefit (non-eligible) positions. These positions were deleted at various times throughout the fiscal year, so the level of savings varied.

Further, capital outlay expenses, which are purchases of long-lasting goods (such as automobiles) and/or infrastructure improvements, were \$5.9 million less in fiscal year 2009 than fiscal year 2008 expenses. Only those projects and purchases required to continue current operations (e.g., building safety, etc.) were approved. Finally, commodity expenses, purchases of expendable goods such as office and laboratory supplies, were \$4.1 million less in fiscal year 2009 than the previous fiscal year as Elected Officials scrutinized each requested item to make certain that the purchase was required to perform necessary activities.

These actions affected all governmental activity areas, and virtually explain the decreased expenses experienced in fiscal year 2009 in all governmental activities. Two activities, Commerce and Community Development and General Government, however, experienced overall increases, despite participating in the cost reduction efforts listed above. These increases resulted from specific issues outside the resource control of the County and are explained below.

Public Safety continued to be the largest governmental activity, expending \$187.5 million of the \$553.0 million total governmental activities amount (33.9 percent). Public Safety expenses encompass law enforcement, crime prevention, incarceration, emergency management, and technical support. Public Safety expenses decreased by \$6.2 million (3.2 percent) from the previous fiscal year. Although there are a number of variables that explain this decrease, the primary reasons include reduced expenses from the Domestic Preparedness Grant operated by the Homeland Security Unit (\$3.0 million) as the bulk of necessary equipment was purchased in fiscal year 2008; the closing, by the Sheriff's Office, of the Southfield Detention Facility, deleting the positions related to that function and bringing the 60 prisoners housed in that facility back to the main jail in Pontiac (\$2.0 million); reduced expenses for the housing of Oakland County youth deemed wards of the State in State-operated facilities as alternatives to this incarceration were found (\$1.7 million); and elimination of one-time grants for a Biometric ID program and a Bio-terrorism program (\$1.3 million). This amount was partially offset by increased fringe benefit expenses related to health care, pursuant to the collective bargaining agreement with the various deputy unions.

Closely linked to Public Safety, Justice Administration is the second largest expense category accounting for \$88.2 million, or 16.0 percent, of the total governmental activity expenses. The Justice Administration activity, which centers on the operations of the 6<sup>th</sup> Judicial Circuit Court, 52<sup>nd</sup> District Court, as well as the Prosecuting Attorney, County Clerk functions which support the courts, and the Reimbursement Unit of the Fiscal Services Division, experienced a \$6.0 million expense decrease (6.4 percent) from the previous fiscal year. This decrease is spread across all functions included under this activity as the Elected Officials responsible for Justice Administration implemented practices to streamline their operations. These efforts include deleting ten (10) full-time benefit-eligible positions and two (2) part-time non-benefit eligible positions with the adoption of the fiscal year 2009 budget (three in Circuit Court, six in District Court, and three in the Prosecutor's Office).

## County of Oakland Management's Discussion and Analysis

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Of particular note, the 6<sup>th</sup> Judicial Circuit Court reduced expenses by \$1.4 million in fiscal year 2009 from the previous year, through position deletions, holding vacant positions open, and converting courtrooms to audio/video record keeping. The Prosecuting Attorney reduced expenses by \$1.1 million through the restructuring of staff functions and increasing the case loads of current attorneys. Position deletions and business process redesign also allowed the 52<sup>nd</sup> District Court (\$400,000), the County Clerk's divisions (\$400,000), and the Probate Court (\$500,000) to reduce expenses below the fiscal year 2008 amounts. In addition, Drug Grant expenses were decreased by \$700,000 as grant funding was reduced.

The remaining reported expense reduction in Justice Administration results from the adjustments that must be made to convert the modified accrual fund statements to the full accrual entity-wide statements, specifically involving the County's internal service funds. The internal service funds are supported by charging internal customers for their services. The internal service funds, which operate under full accrual, record the payments from customers as revenue and cost of providing the services as expenses. However, the governmental funds also report the amounts paid to the internal service funds as expenditures for those activities. Issues develop when the internal service funds are rolled into the entity-wide governmental activities; a double count of expenses is created which must be eliminated. Once that process is completed, it is likely the internal service funds will show a profit or a loss. If a profit is shown, the excess money must be "credited" back to the governmental activities – this would show a reduction in expenses. If the internal service fund reports a loss, the loss must also be spread among the governmental activities, increasing expenses for those governmental activities.

In fiscal year 2008, the Justice Administration activity was charged \$917,000 since the internal service funds reported a loss. For fiscal year 2009, the internal service funds (primarily the Fringe Benefit Fund) reported revenues over expenses, which resulted in a \$975,000 credit to the Justice Administration activity. This resulted in a net \$1.9 million reduction in reported expenses for Justice Administration.

Citizen Services, which includes all public health activities, public services such as Veterans' Services, and the care of children who have been declared wards of the Oakland County Family Court, is the third largest governmental activity with \$87.1 million in expenses, or 15.8 percent, of the total governmental activities. Expenses for this activity decreased by \$2.4 million from the fiscal year 2008 level (2.7 percent), primarily a result of programmatic changes involving the care of Circuit Court wards. Efforts were engaged to transition these youths out of the child care system into permanent placement or to have support provided through Federal Title IV-E money. These actions dropped the number of youths funded through the County's Child Care Fund.

The General Government activity, which is comprised of the administration and financial management of County business, expended \$65.2 million in fiscal year 2009, or 11.8 percent of the total governmental activities expenditures. The level of expenditures in fiscal year 2009 increased by \$9.3 million from fiscal year 2008 (16.6 percent). Of this total increase, \$8.7 million (93.6 percent of the total increase) reflects activity related to the Interim Retiree Medical Benefit Trust (IRMBT) Fund. Specifically, interest expense related to the funds held in trust for retirees' health care increased by \$7.7 million from the fiscal year 2008 amount. Further, an additional \$1.0 million was required to meet the actuarially determined Annual Required Contribution (ARC) to the County's Voluntary Employee Beneficiary Association (VEBA) necessitated by the closing of the plan to the new hires of several bargaining units. The remainder of the increased expenses reflects increased use of the County's internal service funds by non-governmental activities. This is particularly true of the Fringe Benefit Fund, which experienced a \$1.0 million dollar increase in operating revenue and expenses. Other internal service funds experienced an additional \$300,000 increase. The increases discussed above were partially offset by the deletion of five (5) full-time benefit-eligible authorized positions.

## County of Oakland Management's Discussion and Analysis

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Commerce and Community Development, which reflects all efforts to promote and sustain a strong economic business climate and vibrant communities, experienced \$59.4 million in expenses, an increase of \$9.9 million (20.0 percent) from fiscal year 2008. This additional expense reflects an additional \$10.0 million in federal/state funding to support increased job location and displaced worker training provided through the Workforce Development Division as well as an additional \$3.2 million in Community Development Block Grant (CDBG) funding provided for housing counseling and other activities related to the increasing rate of home foreclosures. These increases were partially offset by reduced personnel and operating expenditures previously discussed.

The Public Works activity, which includes the operating systems that form the infrastructure of basic county functions, expended \$21.1 million in fiscal year 2009, down \$12.6 million from fiscal year 2008, a 37.4 percent decrease. This decrease reflects the completion, or near completion, of a number of capital projects during fiscal year 2008 and the County's decision to severely limit capital and infrastructure expenses in fiscal year 2009. Among the fiscal year 2008 expenses that did not repeat in fiscal year 2009 were \$4.4 million reflecting the purchase of group homes for the Oakland County Community Mental Health Authority (debt and expenses were issued through the Oakland County Building Authority); \$4.1 million reflecting completion of the bulk of a new visitation area in the Oakland County Jail; and \$3.8 million in completed construction of sixteen (16) individual projects funded under the Public Act 342 Water and Sewer Special Revenue Fund, many dealing with water and sewer reconstructions and extensions. The remainder of the decreased expenses reflects the deletion of six (6) full-time benefit-eligible authorized positions.

Finally, operating transfers reflect a net transfer of \$23.0 million from business-type activities. These transfers primarily come from the Delinquent Tax Revolving Fund (DTRF) including \$5.3 million to support debt service payments and \$13.9 million to support General Fund operations and the Tri-Party Road program. In addition, the DTRF transferred \$1.9 million to Information Technology to rewrite the Delinquent Tax (Deltax) system. This net transfer amount is an \$8.2 million increase from the amount transferred during fiscal year 2008 as governmental activities revenue restrictions required additional DTRF support as well as increased debt service payments.

As stated previously, the result of fiscal year 2009 governmental activity was an overall decrease of \$57.0 million in net assets, to \$385.1 million. This amount reflects the fact that the County's governmental activities expended \$80.0 million more than the revenue generated, partially offset by \$23.0 million in transfers in from the business-type activities. This situation resulted from both reduced revenue, due to the loss of restricted investment income in the Interim Retiree Medical Benefit Trust Fund and increased interest expense related to debt service payments on the Certificate of Participation debt issued in July 2007. Of the total \$385.1 million in governmental activities' net assets, \$150.9 million is invested in capital assets less related debt; \$7.4 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; and \$226.8 million is reported as unrestricted.

### **Business-type Activities:**

Net assets in business-type activities are reported at \$625.6 million for fiscal year 2009, an increase of \$10.4 million over the amount reported at the end of fiscal year 2008. Of the total net assets, \$231.6 million is invested in capital assets net of related debt, \$13.2 million is restricted by agreement or covenant, and \$380.8 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.

## County of Oakland Management's Discussion and Analysis

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During fiscal year 2009, business-type activities generated \$220.3 million in revenue; this is an increase of \$6.7 million (3.1 percent) from the previous fiscal year. The overall net increase in revenue reflects increases of \$13.6 million in charges for services revenue and \$900,000 in grants and contributions, partially offset by \$7.8 million in reduced interest earnings.

Of the \$13.6 million in increased charges for services collections during fiscal year 2009, \$8.3 million reflects additional fines and fee collections on delinquent taxes under the Delinquent Tax Revolving Fund (DTRF), as the difficult economic climate forces more residents behind on their tax payments. Also, the four (4) sewage disposal funds (Southeast Oakland, Evergreen-Farmington, Clinton-Huron, and Huron-Rouge) experienced \$5.5 million in additional charges for services revenue, related to fee increases and increased activity.

The Oakland County International Airport also experienced \$1.3 million in increased capital contributions reflecting the acquisition of new snow removal and fire emergency equipment as well as sound attenuation barriers. This amount was partially offset by reductions in operating grants related to pollution control (majority of expenses occurred in fiscal year 2008).

The increases, during fiscal year 2009, in business-type activity revenue collections were partially offset by \$7.8 million in reduced investment earnings as the securities market experienced difficulties. Since the Oakland County Treasurer operates an investment pool for all County funds, the entire County portfolio experienced reduced investment earnings.

Business-type activity posted expenses of \$186.9 million, an increase of \$1.5 million from fiscal year 2008 (0.8 percent). This net expense increase primarily reflects a combination of a \$6.7 million in increased Public Works activities; \$6.3 million represented additional expenses for the operation of the four (4) sewage disposal systems listed above in the business-type activity revenue discussion, related to expansion of services and increasing maintenance cost. In addition, expenses at the Oakland County International Airport increased by \$300,000, reflecting additional depreciation expense related to purchase of additional equipment.

The business-type expense increase was offset by a \$3.9 million decrease in Public Safety related expenses, related to the fact that the Courts and Law Enforcement Management Information System (CLEMIS) fund experienced a \$2.2 million loss on the sale of outdated dispatch equipment in fiscal year 2008 (an increase to fiscal year 2008 expenses), which did not appear in fiscal year 2009, as well as an additional \$900,000 decrease in CLEMIS expenses reflecting reduced depreciation (the disposed fiscal year 2008 equipment). Further, the Jail Commissary Fund expenses decreased by \$900,000, reflecting deletion of positions and a reorganization as most of the commissary operations were transferred to a private vendor.

The remaining business-type activities also experienced slight decreases in expenses during fiscal year 2009 from fiscal year 2008; Recreation and Leisure decreased \$600,000; Citizen Services decreased \$400,000, and General Government expenses decreased \$200,000 as these areas participated in the county-wide hiring and capital outlay expense freeze.

Finally, there was a \$23.0 million transfer to governmental activities discussed in the governmental activity section.

# County of Oakland

## Management's Discussion and Analysis

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### FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

GASB Statement 34 requires that funds designated as "major" be presented as a separate column on the face of the financial statements. Statement 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets, total liabilities, total revenues or total expenditures/expenses that equal at least ten (10) percent of those categories for either the governmental funds or the enterprise funds *and* where the individual fund total also represents five (5) percent of those categories for governmental and enterprise funds combined.

#### Governmental Funds

Six (6) governmental funds are designated as major funds of the County; the *General Fund*, the *Public Health Fund*, the *Revenue Sharing Reserve Fund*, the *Interim Retiree Medical Benefit Trust Fund*, the *Building Authority Debt Act 31 Fund*, and the *Water and Sewer Debt Act 342 Fund*. As the County completed fiscal year 2009, the governmental funds reported *combined* fund balances of \$670.7 million with the fund balances of the General Fund, the Revenue Sharing Reserve Fund, and the Interim Retiree Medical Benefit Trust Fund representing 89.0 percent of the combined governmental funds balance.

The fiscal year ending combined fund balances of \$670.7 million is a decrease of \$65.7 million from the combined fund balances reported at the end of fiscal year 2008. The decrease in the combined governmental funds balance reflects designed reductions in the Revenue Sharing Reserve Fund and the Interim Retiree Medical Benefit Trust Fund, as well as the loss of investment income in the Interim Retiree Medical Benefit Trust Fund due to the deteriorating securities market.

#### **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, 2009, the General Fund reported a fund balance of \$106.3 million. This amount reflects an increase of \$22.0 million from the fund balance of \$84.3 million reported as of September 30, 2008.

The increase in the General Fund balance is primarily due to a concerted effort to limit expenditure growth to match a shrinking revenue base. This is reflected in that General Fund expenditures fell \$12.8 million from the fiscal year 2008 level. As is discussed below under General Fund Budgetary Highlights, the County engaged in a number of practices including deletion of authorized positions, elimination of certain programs, implementation of a hiring and promotion freeze, as well as a freeze on capital expenditures in order to limit expenditure growth.

Net transfers out, from the General Fund to other funds, also decreased by \$15.7 million from the net transfer out amount reported in fiscal year 2008, also adding to the General Fund balance. This net figure consists of transferring \$12.0 million less from the General Fund to other funds in fiscal year 2008, and having the General Fund receive \$3.7 million more in transfers from other funds.

The reduced transfers *from* the General Fund include \$6.6 million less in transfers to Major Department Support Capital Projects Fund which reflects completion of a one-time transfer in fiscal year 2008 for the Collaborative Asset Management System; \$3.5 million less in transfers to the Public Health Fund and the Child Care Fund, reflecting reduced expenditures in those funds; and \$2.1 million less transferred to internal service funds, primarily reflecting the elimination of a fiscal year 2008 transfer to the Motor Pool Fund to support capital expenditures as well as a reduction in the number of information technology projects in fiscal year 2009.

## County of Oakland Management's Discussion and Analysis

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Regarding General Fund revenue, the poor real estate market caused a number of problems including reduction in tax collections of \$12.7 million from fiscal year 2008 levels; as well as charges for services revenue decreased by \$4.3 million due to reduced land transfer tax collection, mortgage filing fees and various construction inspection fees related to the slumping housing market.

The General Fund fiscal year 2009 revenues exceeded fiscal year 2009 expenditures by \$45.7 million. However, when annual net transfers of \$23.8 million are taken into account, the result of fiscal year 2009 activity is an increase in the General Fund balance of \$21.9 million from September 30, 2008 to September 30, 2009. Of the total fund balance, all but \$351,000 is reserved, designated or earmarked for specific purposes. The total fiscal year 2009 General Fund balance represents 25.9 percent of the fiscal year 2010 General Fund/General Purpose operations. However, it should be noted that \$28.1 million from General Fund balance has been designated for "Budget Transition" to support future operations. When this designation is removed, the remaining fund balance represents 19.1 percent of the fiscal year 2010 General Fund/General Purpose operations.

The General Fund balance of \$106.3 million represents 15.9 percent of the combined fund balances of the governmental funds.

### General Fund Budgetary Highlights

Oakland County's budget is a dynamic document. Although adopted in September 2008 (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 \$4.2 million during fiscal year 2009, from \$356.1 million to \$360.3 million (1.2 percent). The revenue budget was amended in a number of different areas; however, the most significant changes involved recognizing receipt of revenue from the State of Michigan above the amount originally planned. Due to the State's fiscal challenges, the County was hesitant to budget for any planned increase in State payments until funding was fully appropriated by the State Legislature and payment was received. Budget amendments related to State payments totaled \$1.9 million including payments for the housing of State prisoners in the Oakland County Jail (\$764,000); reimbursement for Circuit and Probate Court expenses under Public Act 189 (\$600,000); and additional convention facility/liquor tax distributions (\$500,000). Further, reimbursements related to expanded contracting for Sheriff's Office services generated \$1.0 million in revenue amendments as well as additional use of forfeited drug funds from the Sheriff to expand anti-drug equipment, technology and the canine program (\$1.0 million). Finally, the Water Resource Commissioner's revenue budget was amended to recognize increased reimbursement from the water and sewage disposal systems and the drainage districts for work performed by their staff (\$900,000). There were also several amendments reducing the anticipated revenue budget, most notably related to the discontinuation of contracts for Medical Examiner Services between Oakland County and neighboring counties (\$600,000) as these counties shifted their service arrangements to local hospitals.

Actual General Fund revenue totaled \$353.0 million, \$7.3 million less than the final amended budget. Although variances naturally occur in every revenue line item, there were four primary areas where actual revenue fell short of budget, partially offset by revenue brought about by a policy change. Property tax revenue was booked \$4.7 million less than budgeted collections. This was a result of setting up a liability for anticipated loss of collected property tax revenue which will be generated through the Michigan Tax Tribunal process, which was discussed in detail in the "Financial Analysis of the County as a Whole" section of this Management's Discussion and Analysis.

## County of Oakland Management's Discussion and Analysis

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The difficult housing/commercial market also had a negative effect on Clerk/Register of Deeds fee income which generated \$4.5 million less than budgeted. Specifically, less revenue was collected for federal tax liens (\$3.0 million) and mortgage evaluations related to reduced home refinancing activity (\$1.5 million). The Treasurer collected \$1.1 million less than budgeted primarily due to reduced Industrial Facilities Exemption Tax (IFT) receipts. It should be noted that should the Treasurer be unable to collect the appropriate tax, the tax exemption is revoked and the tax is reverted back to the general tax roll. This action did increase property tax collections; however, the increase was offset by the Tax Tribunal liability discussed above. Finally, the Sheriff's Office received \$846,000 less than budgeted due to the State of Michigan ceasing payments for the housing of State prisoners in the Oakland County jail in June (three months before the end of the fiscal year). Even though money was appropriated, the State ran out of resources to make the payments.

The above discussed negative revenue variances were partially offset by a \$3.9 million unbudgeted payment from the Road Commission for Oakland County (RCOC) related to a change in how the Tri-Party Road Improvement Program (TRIP) is funded. The TRIP is a collaborative effort between Oakland County, the RCOC, and the individual cities, townships, and villages (CVTs) located within the county, in which each party contributes one-third of the cost for specific road improvement projects proposed by the CVTs and approved by the RCOC. Under previous arrangements, the County would annually transfer its one-third share of the program to the RCOC once projects had been identified. However, due to the nature of road construction, and the difficulty with the CVTs obtaining funding for their one-third share, the County's third usually sat in RCOC bank accounts for a number of years (RCOC did pay the County interest).

In September 2009, the Oakland County Board of Commissioners adopted a resolution changing the funding practice. The current practice is for the County to retain its one-third share until such time that the CVT has not only identified the project, but has also allocated the funds and has signed an agreement (basically "shovel ready"). Once these requirements are met, the County will transfer the funding to the RCOC pursuant to a specific Board of Commissioners' resolution. At the time of this funding mechanism change, the RCOC had \$3.9 million in Oakland County funds retained in their accounts. The RCOC subsequently paid back the \$3.9 million to the County, which is now holding the amount until the specific projects are ready to implement.

The General Fund expenditure budget decreased by \$1.0 million, from \$335.1 million to \$334.1 million during fiscal year 2009. These budget decreases resulted from reorganizations and position deletions reflecting the acceleration of budget reductions initiated by certain elected officials and departments implemented during the fiscal year. Specifically, the personnel budgets were reduced by \$1.6 million in total for the Clerk/Register of Deeds (\$11,200); Circuit Court/Probate Court (\$577,100); and the County Executive (\$1.0 million). These budget decreases were partially offset by additional patrol service contracts between the Sheriff's Office and local communities (\$207,600), and the use of drug forfeiture funds to purchase crime fighting equipment (\$391,300). It may be noticed that the non-departmental area, which accounts for operations that have a county-wide impact, reflects a budget decrease of \$12.6 million during fiscal year 2009. However, it should be noted that those adjustments reflect the movement of appropriation to operating departments, there is no net change to the overall General Fund budget as a result of these amendments.

Actual General Fund expenditures for fiscal year 2009 were \$26.8 million below budget. Generally, this favorable variance from budget reflects conscious efforts on behalf of the County's elected officials to limit expenditures in response to the anticipated revenue shortfalls discussed in the Transmittal Letter immediately preceding this document.

## County of Oakland Management's Discussion and Analysis

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This favorable expenditure variance includes \$7.4 million in salary and fringe benefit savings (above the position deletions discussed above) resulting from leaving vacant full-time, benefit-eligible authorized positions unfilled or filled with part-time non-benefit-eligible employees, or filling those positions at a lower classification than budgeted. In November 2007, the County implemented a hiring and promotion freeze for all operations except 24/7 emergency services and certain judicial appointments in anticipation of revenue shortages.

In addition, \$7.2 million reflects the cumulative effect of the accelerated budget reductions implemented by the County's elected officials in fiscal year 2008 carried forward to fiscal year 2009. These anticipated savings were planned and budgeted in a non-departmental account titled "Budget Transition." As is explained in the Transmittal Letter preceding this Management's Discussion and Analysis, the generations of these budget savings were by design, in order to provide County officials with budget flexibility as they work to implement long-term structural budget savings. The \$7.2 million in "unspent" Budget Transition appropriation falls to General Fund balance and is held in designation to be used in future fiscal years.

Further, \$7.1 million in operating appropriations were also unspent. This amount includes \$2.8 million in funds appropriated for specific projects which were not completed in fiscal year 2009; thus, the funds were "carried forward" or reappropriated into fiscal year 2010. Some of the larger carryforward amounts include \$1.1 million to support anti-substance abuse programs through local operators; \$1.0 million for indigent hospitalization cost held over as the County negotiates with local hospitals to find a way to secure more federal funding for this effort; and \$396,400 in planned use of funds forfeited to the County through drug arrests and funds earned by Circuit Court mediation efforts, for which purchases could not be completed before September 30, 2009.

Other operating expenditures which end the fiscal year below budget include \$2.1 million, out of the Circuit Court budget reflecting reduced state ward commitments; decreased expenses related to the processing of mortgage and title documents (\$644,800) due to reduced real estate activity (corresponding revenue loss); reduced food services cost for inmates in the Oakland County Jail (\$319,100) due to renegotiating the food service contract with the private provider; reduced forensic laboratory and drug testing cost (\$283,600) due to improved efficiencies in lab operations; and (\$246,500) due to housing of fewer Oakland County prisoners in other counties as part of a concerted effort to find alternative placements to jail sentences for certain offenses.

Finally, the positive expenditure variance includes \$3.1 million in reduced use of Internal Service Funds such as Motor Pool, Equipment Fund and Information Technology as County departments made a conscious effort to reduce expenditures; and \$1.4 million in planned contingency and supplemental appropriation accounts that were not used due to a purposeful commitment on the part of county officials and administrators to reduce expenditures. The amounts of unused contingency funding include \$1.1 million for Information Technology Development reflecting reductions in new information technology projects, and \$435,000 in unspent general contingency.



## County of Oakland Management's Discussion and Analysis

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The adopted budget also included other financing sources and uses for General Fund resources, essentially the net result of the General Fund receiving resources from other funds less the amount of General Fund resources provided to (transferred) to other funds. The adopted budget assumed that the General Fund would transfer \$24.7 million more in resources to other funds (financing uses) than it would take in from those funds (financing sources). The net financing uses budget was increased during fiscal year 2009 by \$8.9 million to \$33.6 million. Amendments included increased planned transfers from the General Fund in the amount of \$7.4 million to provide required matches for grant allocations including the Friend of the Court Grant (\$5.4 million), and Law Enforcement Grants (\$1.5 million); \$1.5 million planned transfer to the Public Health Fund reflecting expanded funding for substance abuse satellite centers (carry forward of fiscal year 2008 unspent funds and additional fiscal year 2009 state appropriation); \$600,000 in planned transfers to the Child Care Fund reflecting anticipated increased cost of care for wards of the Oakland County Circuit Court; \$350,000 in planned transfer to the Radio Communication Fund to support additional law enforcement and emergency radios; and \$100,000 planned transfer to the Information Technology Fund supporting various equipment purchases.

These amendments reflecting planned transfers from the General Fund were partially offset by amendments reflecting a planned transfer of \$750,000 from the Delinquent Tax Revolving Fund into the General Fund to support the Tri-Party Road Improvement Program.

Actual financing uses from the General Fund were \$8.9 million less than budgeted. This reflects the actual resources needed by the Child Care Fund (\$3.5 million), the Public Health Fund (\$3.2 million), and the Friend of the Court Fund (\$1.1 million) being less than anticipated due to reduced expenditures by those operations supported by those funds reflecting the county-wide hiring, promotion, and capital purchase freeze. Further, transfers to the General Fund were \$1.0 million higher than anticipated due to the closing of the Sheriff's Aviation Fund; remaining fund assets were transferred to the General Fund to support the on-going operations of the Sheriff's Aviation unit.

### **Interim Retiree Medical Benefit Trust Fund**

The Interim Retiree Medical Benefit Trust Fund (IRMBT) is a special revenue fund established for the purpose of making the Annual Required Contribution (ARC) payment to the County's Voluntary Employee Beneficiary Association (VEBA). The ARC payment is an actuarially determined amount which is calculated to cover the current cost of retiree health care as well as an amount to reduce the unfunded retiree health care liability.

The IRMBT was originally funded through receipt of \$557.0 million in proceeds from the issuance of Certificates of Participation (COPs) in July 2007. The County Treasurer invests those proceeds on behalf of the fund, which receives all interest from those investments. Annually, the Fund transfers money to the VEBA to cover the ARC payment as determined by the County's actuary. With investment income being the only revenue source, and annual ARC payments required, the IRMBT is designed to experience annual reductions in fund balance. The plan is that the original proceeds and investment income should generate sufficient resources to fund the annual ARC payment for 20 years. At that time, the VEBA unfunded liability should be eliminated.

For fiscal year 2009, the County's contracted actuary calculated the ARC payment to be \$63.1 million. This amount, which was transferred out of the IRMBT to the VEBA, represents an expenditure of the IRMBT and a reduction in fund balance. However, due to the losses experienced in the securities and bond markets, IRMBT fund investments lost \$7.4 million during fiscal year 2009. Since there are no other sources of revenue for the IRMBT, other than minor charges for services amount to the VEBA (\$167,196), the investment loss is also a direct reduction of fund balance.

## County of Oakland Management's Discussion and Analysis

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As of September 30, 2009, the fund had a balance of \$359.0 million recorded in reserve for future ARC payments. This amount is \$70.4 million less than the fund balance reported as of September 30, 2008. However, it is encouraging to note that fund performance improved substantially in fiscal year 2009 compared to the fiscal year 2008 performance. During fiscal year 2008, the IRMBT fund lost \$69.1 million through investments (in addition to the \$62.1 million VEBA payment). The IRMBT fund balance of \$359.0 million represents 53.5 percent of the combined fund balance of the governmental funds.

It should be noted that, although the funds held in trust in the IRMBT are designated to pay the ARC payment, the trust agreement and public ordinance which established the fund include one additional purpose. If for some reason the ARC payment is no longer required, such as the implementation of a federal or state funded retiree health care system, the remaining balance of IRMBT funds can be used to pay the remaining debt service generated by the COPs sale.

### Revenue Sharing Reserve Fund

The Revenue Sharing Reserve Fund (RSRF), created pursuant to Michigan Public Act 357 of 2004, is a special revenue fund designed to replace annual revenue sharing payments, which were suspended by the State as part of a budget balancing action in September 2004. Specifically, this statute accelerated the County's annual property tax levy from a December 1 levy date to a July 1 levy date, over a three-year period beginning July 2005. The process of this acceleration generated additional annual property tax revenue in an amount equal to one-third of the fiscal year levy; proceeds from this additional levy were placed in the Revenue Sharing Reserve Fund. Annually, the County may draw funds from the Revenue Sharing Reserve Fund, equal to the state revenue sharing payment received in fiscal year 2004, including an inflation factor (approximately \$23.0 million annually).

As of September 30, 2009, the Revenue Sharing Reserve Fund had a fund balance of \$131.1 million, which represents 19.6 percent of the combined fund balance of the governmental funds. This amount is a \$22.4 million decrease from the fund balance as of September 30, 2008. The decrease reflects the fact that since the RSRF no longer receives the \$75.9 million property tax transfer from the General Fund, earned investment income (\$1.4 million in fiscal year 2009) is the only source of revenue. The RSRF transferred \$23.7 million to the General Fund to replace the suspended state revenue sharing payment. The anticipated annual transfers from this fund to the General Fund will deplete the Revenue Sharing Reserve fund during fiscal year 2015. The State has committed to restore revenue sharing payments once the Revenue Sharing Reserve Fund is depleted.

The three remaining governmental funds classified as major - the *Public Health Fund*, the *Water and Sewer Debt Act 342 Fund*, and the *Building Authority Debt Act 31 Fund* - experienced combined increase in funds balance of \$2,251. These funds function as a pass-through for various activities and are designed to retain a small fund balance. As of September 30, 2009, the combined fund balance of these three funds totaled \$31,080. The General Fund is committed to supporting the *Public Health Fund* balance should the need arise. By agreement, any shortfall in the *Water and Sewer Debt Act 342 Fund* and the *Building Authority Debt Act 31 Fund* would be supported by the local communities.

## County of Oakland Management's Discussion and Analysis

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### Enterprise Funds

There are four (4) *Enterprise Funds* that are classified as major: the *Delinquent Tax Revolving Fund*, the *Parks and Recreation Fund*, the *Water and Sewer Trust Fund*, and the *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund*. As of September 30, 2009, the Enterprise Funds had combined net assets of \$625.6 million, an increase of \$10.4 million from the combined fund balances reported at the end of fiscal year 2008. The four major Enterprise Funds alone reported net assets of \$408.6 million (65.3 percent of the total combined Enterprise Fund net assets). The net assets of these four major Enterprise Funds increased by \$7.0 million during fiscal year 2009, which is 67.3 percent of the combined Enterprise Fund net asset increase. The \$10.4 million increase represents a 1.7 percent increase in the net assets of the four major Enterprise Fund balances.

Three of the four major Enterprise Funds experienced an increase in net assets. The *Delinquent Tax Revolving Fund* net assets increased by \$5.8 million (2.6 percent), primarily reflecting increasing tax delinquencies due to the challenged regional housing market. The increased delinquencies generated \$8.3 million more in charges for services revenue than was experienced in fiscal year 2008, an increase which more than offset the receipt of \$4.3 million less in interest revenue than was experienced in fiscal year 2008. The *Parks and Recreation Fund* net assets increased \$3.3 million (3.6 percent) during fiscal year 2009. This increase resulted from operating reductions as the Parks and Recreation Commission participated in the County-wide effort to curtail expenditures.

The *Water and Sewer Trust Fund* increased its net assets by \$2.6 million (4.3 percent), primarily due to a rate increase that offset a slight decrease in flow. Finally, the *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund* experienced a decrease in net assets of \$4.7 million (17.5 percent). This decrease is attributed to the fact that the system planned to have a slight increase in flow; however, actual flow decreased by 8 percent during fiscal year 2009. The rates were set assuming an increase in flow, hence a revenue shortfall and reduction in net assets.

# County of Oakland

## Management's Discussion and Analysis

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal year 2009, the County had invested \$436.7 million, net of accumulated depreciation, in a broad range of capital assets (see table below). This amount of net capital assets reflects a decrease of \$9.7 million from the fiscal year 2008 amount, all of it located in the governmental activities.

#### Oakland County's Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 7.4	\$ 7.4	\$ 55.6	\$ 55.0	\$ 63.0	\$ 62.4
Land Improvements	0.2	0.2	6.5	7.6	6.7	7.8
Buildings and Improvements	151.1	138.0	48.8	50.2	199.9	188.2
Equipment and Vehicles	25.3	30.2	10.9	7.4	36.2	37.6
Infrastructure	15.2	15.6	76.4	81.3	91.6	96.9
Subtotal	<u>199.2</u>	<u>191.4</u>	<u>198.2</u>	<u>201.5</u>	<u>397.4</u>	<u>392.9</u>
Construction in Progress	<u>5.9</u>	<u>23.5</u>	<u>33.4</u>	<u>30.0</u>	<u>39.3</u>	<u>53.5</u>
Total Capital Assets	<u>\$ 205.1</u>	<u>\$ 214.9</u>	<u>\$ 231.6</u>	<u>\$ 231.5</u>	<u>\$ 436.7</u>	<u>\$ 446.4</u>

Net capital assets for the governmental activities decreased by \$9.8 million in fiscal year 2009. This change includes an increase of \$13.1 million (net of depreciation) in building and improvements. This increase is offset by a net reduction of \$17.6 million in construction in progress (moved to buildings and improvements) and a \$5.3 million decrease in equipment, vehicles and infrastructure. In terms of gross numbers, the County's governmental activities had additions to capital assets of \$24.0 million, \$2.4 million in disposals of capital assets, and \$12.0 million increase in net accumulated depreciation.

Changes in governmental capital assets include \$18.5 million in additions for buildings and improvements (this figure does not include depreciation) reflecting the capitalization of several major projects under construction in 2008. The primary additions include improvements to the Sheriff's Administration Building (\$9.4 million); completion of an addition to the visitation area in the Oakland County Jail (\$6.0 million); and improvements to the 52<sup>nd</sup> District Court – Division II courthouse in Clarkston (\$2.4 million).

## County of Oakland Management's Discussion and Analysis

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Governmental activities also purchased \$3.4 million in equipment and vehicles during fiscal year 2009 (this figure does not include depreciation) including: \$1.4 million in replacement vehicles for the Sheriff, Facilities Maintenance and Operations, and the Water Resources Commissioner; \$600,000 in general equipment including 65 mobile data computers for Sheriff patrol vehicles and equipping two additional courtrooms with video recording equipment (taking the place of court reporters); \$350,000 for replacement of the air conditioning system in the Public Works building; \$300,000 in additional Information Technology equipment for various departments; \$275,000 for the purchase of a new generator for the North Health Office Building to allow continuation of vital lab and testing equipment in the event of a power loss; \$250,000 for equipment related to water/sewer and drain activity including a specialty vehicle; and \$125,000 for five (5) sewage grinders for jail discharge. In addition, the County disposed of \$2.4 million in equipment and vehicles during fiscal year 2009. The disposals primarily reflected the vehicles which were replaced by the new purchases discussed above.

The increase in governmental activities capital assets were offset by \$19.6 million in reductions in construction in progress activities, which reflects the capitalization of improvements during fiscal year 2009 which were reclassified as increases to buildings and improvements (Sheriff's Administration Building, Oakland County Jail Visitation Addition, 52<sup>nd</sup> District Court – Division II courthouse). There were new projects started during fiscal year 2009 including rebuilding of the parking lot in the South Oakland Office Building in Southfield (\$350,000); work on the Jail Management technology system (\$330,000); installation of a new fuel tank for the Central Garage (\$263,000), improvements to the tax assessment technology system (\$260,000); and a complete roof replacement for the Children's Village School (\$235,000). A portion of these has been closed as well.

Net capital assets for the business-type activities increased \$100,000 during fiscal year 2009 *on a bottom-line basis*; however, there were changes between asset categories. Specifically, this includes a decrease of \$3.3 million (net of depreciation) in land, land improvements, building and improvements, equipment and vehicles and infrastructure. This increase is offset by a net increase of \$3.4 million in construction in progress. In terms of gross numbers, the County's business-type activities had additions to capital assets of \$6.7 million, \$619,000 in disposals of capital assets, and a \$10.0 million increase in accumulated depreciation.

The net decrease of \$3.4 million in current assets consists of various additions, disposals, and depreciation. The additions include the purchase of \$600,000 in additional land by the Parks and Recreation Commission to expand both Waterford Oaks Park and Rose Oaks Park; additional building improvements of \$300,000 related to a new building for Lyon Oaks (maintenance), Orion Oaks (restroom) and Springfield Oaks (barn improvement); \$6.3 million in new equipment and vehicles including \$4.6 million related to the Courts and Law Enforcement Management Information System (CLEMIS) for the records management system, biometric identification system, palm scan system, OakVideo arraignment system, and the eCrash and eCitation system; \$1.3 million in new snow removal and fire emergency equipment for the Oakland County International Airport; and \$400,000 in new Parks and Recreation equipment.

The above additions were offset by \$10.5 million in depreciation expense.

## County of Oakland Management's Discussion and Analysis

The net decrease of \$3.4 million in current assets was offset by an increase of \$3.4 million in construction in progress of business-type activities. This net figure includes \$7.7 million in additional or on-going projects including \$4.1 million in Parks and Recreation activity of which \$2.7 million was land acquisitions for Waterford Oaks Park and Highland Oaks Park, \$825,000 for new play areas for Waterford Oaks Park and Red Oaks Park, and \$630,000 in road and parking lot improvements also in Waterford Oaks Park and Red Oaks Park; \$2.0 million for CLEMIS activity related to COPS MORE grant activity (\$840,000), the Integrated Biometric Identification System (\$680,000) and the eCitation project (\$490,000); and \$1.3 million for the Oakland County International Airport primarily related to snow removal and fire emergency equipment as well as sound attenuation.

These additions were offset by \$4.3 million in reductions in construction in progress which includes completion of the CLEMIS activity (\$2.1 million) and Oakland County International Airport activity (\$1.3 million) discussed above and a portion of the Parks and Recreation projects (\$1.0 million) discussed above.

Please review Note 7 of the financial statements for additional information regarding capital assets.

Long-term Debt - As of September 30, 2009, the County had \$687.5 million in bonds and notes outstanding. Of this amount, \$637.5 million are bonds with limited taxing authority, and \$50.0 million are notes with limited taxing authority. This obligation is \$3.3 million less than the obligation recorded as of September 30, 2008, which reflects decreased obligations of \$28.3 million in limited tax authority bonds and an increase of \$25.0 million in limited taxing authority notes. In addition, the County uses its full faith and credit (as a secondary obligator) to back \$147.4 million in Drainage District component unit debt. Of this total obligation, \$16.5 million reflected new debt issues offset by \$21.8 in debt reductions. The Drainage District component unit debt experienced a \$5.4 million net obligation reduction during fiscal year 2009.

	Governmental Activities		Business-type Activities		Total Primary Government		Drainage Districts Component Unit		Total County Commitment	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Bonds - Limited Tax Authority	\$ 637.5	\$ 665.8	\$ -	\$ -	\$ 637.5	\$ 665.8	\$ 147.4	\$ 152.8	\$ 784.9	\$ 818.6
Total Bonds	\$ 637.5	\$ 665.8	\$ -	\$ -	\$ 637.5	\$ 665.8	\$ 147.4	\$ 152.8	\$ 784.9	\$ 818.6
Notes - Limited Tax Authority	\$ -	\$ -	\$ 50.0	\$ 25.0	\$ 50.0	\$ 25.0	\$ -	\$ -	\$ 50.0	\$ 25.0
Total Outstanding Debt	\$ 637.5	\$ 665.8	\$ 50.0	\$ 25.0	\$ 687.5	\$ 690.8	\$ 147.4	\$ 152.8	\$ 834.9	\$ 843.6
Debt Limit (10% of SEV)									\$ 6,785.8	\$ 7,449.1
Available Statutory Debt Limit									\$ 5,950.9	\$ 6,605.5

Oakland County issued \$2.9 million in general government debt in fiscal year 2009. Of this amount, \$2.7 million represented refunding for the City of Orchard Lake Village refunding bond series 1994 (originally issued March 1, 1994) related to their sewage disposal system. Further, the County drew down \$174,000, in fiscal year 2009, from a \$2.0 million sewage disposal system bond offered through the Michigan Bond Authority. This particular issue is related to the Softwater Lake Capital Improvement Project under the Clinton Oakland Sewage Disposal system, to replace a pump station and decommission a waste water treatment plant. These bonds will be covered by charges to the participating municipalities.

## County of Oakland Management's Discussion and Analysis

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The Drainage Districts component unit issued \$16.5 million in new debt during fiscal year 2009. This includes \$6.7 million in State Revolving Fund debt for improvements to the George W. Kuhn Drainage District; \$5.1 million in refunding bonds for the Birmingham CSO Drainage District; and \$4.7 million in refunding bonds for the Bloomfield Village CSO Drainage District.

Finally, \$50.0 million in limited taxing authority notes related to the Delinquent Tax Revolving Fund was issued. This represents double the amount issued in fiscal year 2008. The additional borrowing was required due to the increasing number of tax defaults levied as a result of the deteriorating housing market. These notes are routinely paid off during the fiscal year.

During fiscal year 2009, \$31.3 million in outstanding general government debt was paid, primarily reflecting the retirement of a portion of the Certificate of Participation taxable notes (retiree health care - \$16.6 million), the refunding of certain water and sewer bonds (\$6.1 million), the scheduled payment of some Building Authority bonds (\$4.5 million), refunding of various Building Authority Bonds (\$1.4 million), and the scheduled payment of some water and sewer bonds (\$2.6 million). Also, \$25.0 million limited taxing authority notes were also retired.

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, 2009 was \$67.8 billion.

## **ECONOMIC OUTLOOK**

The economic prospectus for Southeast Michigan remains constricted for at least the next fiscal year, with potential for some recovery beginning in the last quarter of calendar year 2010 (according to University of Michigan economists). However, due to the State of Michigan's constitutional and statutory provisions which limit the growth of the taxable value on individual parcels of real property AND limits the growth of overall property tax revenue for local governments (beyond the individual property limits), the impact of the current economic constriction will last well beyond 2010 for all local governments in Michigan, including Oakland County. The County's Department of Management and Budget anticipates a 12% reduction in the taxable value of property located within the County's borders for fiscal year 2010, an additional 13% reduction for fiscal year 2011, and a further 5% reduction for 2012. Property tax revenue, which is directly correlated to property values, is the primary source of revenue for the County's General Fund/General Purpose operations.

Oakland County for years has used a two-year operating budget and a five-year forecasting process, which ensured a longer-term focus on the County's fiscal health. This process allowed the County to anticipate fiscal problems (such as property value loss) and react within a sufficient timeframe so as to minimize the disruption of vital public services. Although this practice has served the County well, the current economic difficulty experienced in Southeast Michigan emphasizes the need for even more detailed financial forecasting and analysis. Accordingly, beginning with fiscal year 2010, the County implemented a three-year operating budget process.

## **County of Oakland Management's Discussion and Analysis**

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The Transmittal Letter, which precedes this Management's Discussion and Analysis, provides a detailed discussion of the action steps Oakland County will take to balance the General Fund/General Purpose budget through fiscal year 2012, and how those steps will ensure the long-term fiscal viability of the County. Through the use of a long-term fiscal focus, the County realizes an on-going structural issue that must be addressed and is developing contingencies to handle fiscal concerns before they become a fiscal crisis.

### **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.



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**Basic  
Financial Statements**

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**County of Oakland**  
**Statement of Net Assets**  
**September 30, 2009**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Totals</b>	
<b>Assets</b>				
<b>Current assets</b>				
Pooled cash and investments	\$ 455,995,779	\$ 291,554,434	\$ 747,550,213	\$ 23,149,976
Cash and cash equivalents	-	-	-	28,171,795
Investments	-	-	-	11,316,792
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	31,828,453	-	31,828,453	-
Delinquent property taxes	2,454,473	115,773,596	118,228,069	-
Special assessments	-	-	-	10,801,726
Due from other governmental units	25,468,927	23,274,638	48,743,565	416,265
Due from component units	1,562,834	157,443	1,720,277	-
Accrued interest receivable	1,489,685	2,138,797	3,628,482	205,151
Accounts receivable	8,277,979	38,440,490	46,718,469	17,343,423
Contracts receivable	10,806,001	1,093,129	11,899,130	-
Internal balances - footnote 19	5,725,277	(5,725,277)	-	-
Inventories and supplies	516,387	733,441	1,249,828	3,989,000
Prepayments and other assets	11,018,406	1,525,143	12,543,549	826,941
<b>Total current assets</b>	<b>555,144,201</b>	<b>468,965,834</b>	<b>1,024,110,035</b>	<b>96,221,069</b>
<b>Non-current assets</b>				
Special assessments receivable	31,135,734	-	31,135,734	150,640,000
Contracts receivable	26,465,000	-	26,465,000	209,286
<b>Restricted assets</b>				
Cash and investments	358,050,757	-	358,050,757	-
Accrued interest receivable	1,344,626	-	1,344,626	-
<b>Capital assets, net</b>				
Land and other nondepreciable assets	13,252,123	88,974,240	102,226,363	313,742,289
Land improvements, net	182,415	6,514,288	6,696,703	273,295
Buildings and improvements, net	151,082,333	48,816,571	199,898,904	9,037,931
Equipment and vehicles, net	25,329,137	10,904,608	36,233,745	6,136,644
Infrastructure, net	15,195,027	76,365,219	91,560,246	773,134,386
<b>Total capital assets, net</b>	<b>205,041,035</b>	<b>231,574,926</b>	<b>436,615,961</b>	<b>1,102,324,545</b>
<b>Total non-current assets</b>	<b>622,037,152</b>	<b>231,574,926</b>	<b>853,612,078</b>	<b>1,253,173,831</b>
<b>Total assets</b>	<b>\$ 1,177,181,353</b>	<b>\$ 700,540,760</b>	<b>\$ 1,877,722,113</b>	<b>\$ 1,349,394,900</b>

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

**County of Oakland**  
**Statement of Net Assets (Continued)**  
**September 30, 2009**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Totals</b>	
<b>Liabilities</b>				
<b>Current liabilities</b>				
Vouchers payable	\$ 29,968,053	\$ 4,152,340	\$ 34,120,393	\$ 10,272,802
Accrued payroll	24,353,711	-	24,353,711	-
Due to other governmental units	2,757,214	15,495,092	18,252,306	3,148,022
Due to primary government	-	-	-	1,720,277
Accrued interest payable	227,263	-	227,263	36,668
Other accrued liabilities	41,284,693	3,629,086	44,913,779	4,338,072
Accrued compensated absences	1,296,516	-	1,296,516	-
Unearned revenue	21,309,888	1,674,061	22,983,949	11,597,301
Claims and judgments	5,333,872	-	5,333,872	-
Bonds and notes payable	28,380,000	50,000,000	78,380,000	14,395,000
Total current liabilities	<u>154,911,210</u>	<u>74,950,579</u>	<u>229,861,789</u>	<u>45,508,142</u>
<b>Non-current liabilities</b>				
Accrued compensated absences	11,668,645	-	11,668,645	3,083,032
Claims and judgments	16,444,920	-	16,444,920	2,100,000
Other postemployment benefits	-	-	-	6,424,140
Unearned revenue	-	-	-	3,158,920
Bonds and notes payable	609,063,579	-	609,063,579	138,586,080
Total noncurrent liabilities	<u>637,177,144</u>	<u>-</u>	<u>637,177,144</u>	<u>153,352,172</u>
Total liabilities	<u>792,088,354</u>	<u>74,950,579</u>	<u>867,038,933</u>	<u>198,860,314</u>
<b>Net assets</b>				
Investment in capital assets, net of related debt	150,871,035	231,574,926	382,445,961	949,343,465
<b>Restricted for</b>				
Capital projects	7,063,814	-	7,063,814	9,891,105
Debt service	350,723	-	350,723	148,449,112
Airports	-	58,454	58,454	-
Community water and sewer	-	13,191,590	13,191,590	-
Unrestricted	226,807,427	380,765,211	607,572,638	42,850,904
Total net assets	<u>\$ 385,092,999</u>	<u>\$ 625,590,181</u>	<u>\$ 1,010,683,180</u>	<u>\$1,150,534,586</u>

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

**County of Oakland**  
**Statement of Activities**  
**Year Ended September 30, 2009**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
<b>Primary government</b>				
Governmental activities				
General government, administrative	\$ 65,190,329	\$ 16,229,781	\$ 911,378	\$ -
Public safety	187,538,293	46,860,800	23,627,427	3,061,210
Justice administration	88,190,975	29,137,859	344,724	-
Citizen services	87,111,105	8,210,126	20,900,530	-
Public works	21,098,772	3,056,376	68,125	1,905,878
Recreation and leisure	2,537,737	613,819	3,700	-
Commerce and community development	59,391,426	13,352,180	36,598,640	-
Unallocated depreciation	1,959,201	-	-	-
Interest on debt	40,013,064	-	-	-
Total governmental activities	<u>553,030,902</u>	<u>117,460,941</u>	<u>82,454,524</u>	<u>4,967,088</u>
Business-type activities				
Airports	6,454,806	4,088,960	-	1,217,057
Community safety support	11,812,058	11,562,650	-	4,089,196
Community tax financing	2,233,942	28,753,074	-	-
Community water and sewer	43,447,751	45,494,838	-	-
Jail commissary	648,125	648,781	-	-
Recreation and leisure	20,215,453	7,712,091	52,752	-
Sewage disposal systems	102,123,883	93,560,303	16,208	-
Total business-type activities	<u>186,936,018</u>	<u>191,820,697</u>	<u>68,960</u>	<u>5,306,253</u>
Total primary government	<u>\$ 739,966,920</u>	<u>\$ 309,281,638</u>	<u>\$ 82,523,484</u>	<u>\$ 10,273,341</u>
<b>Component units</b>				
Drainage districts	\$ 16,656,357	\$ 4,025,300	\$ 72,396	\$ 12,655,881
Road commission	97,995,650	18,672,910	58,073,149	26,861,709
Total component units	<u>\$ 114,652,007</u>	<u>\$ 22,698,210</u>	<u>\$ 58,145,545</u>	<u>\$ 39,517,590</u>
General revenues				
Taxes				
Property taxes				
State-shared revenue (unrestricted)				
Unrestricted investment earnings				
Gain on sale of capital assets				
Other revenues				
Transfers in (out)				
Total general revenues and transfers				
Change in net assets				
<b>Net assets</b>				
Beginning				
Ending				

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

**County of Oakland**  
**Statement of Activities (Continued)**  
**Year Ended September 30, 2009**

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business Type Activities	Totals	
\$ (48,049,170)	\$ -	\$ (48,049,170)	\$ -
(113,988,856)	-	(113,988,856)	-
(58,708,392)	-	(58,708,392)	-
(58,000,449)	-	(58,000,449)	-
(16,068,393)	-	(16,068,393)	-
(1,920,218)	-	(1,920,218)	-
(9,440,606)	-	(9,440,606)	-
(1,959,201)	-	(1,959,201)	-
(40,013,064)	-	(40,013,064)	-
<u>(348,148,349)</u>	<u>-</u>	<u>(348,148,349)</u>	<u>-</u>
-	(1,148,789)	(1,148,789)	-
-	3,839,788	3,839,788	-
-	26,519,132	26,519,132	-
-	2,047,087	2,047,087	-
-	656	656	-
-	(12,450,610)	(12,450,610)	-
-	(8,547,372)	(8,547,372)	-
<u>-</u>	<u>10,259,892</u>	<u>10,259,892</u>	<u>-</u>
<u>(348,148,349)</u>	<u>10,259,892</u>	<u>(337,888,457)</u>	<u>-</u>
-	-	-	97,220
-	-	-	5,612,118
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,709,338</u>
243,995,434	15,128,620	259,124,054	-
9,902,653	-	9,902,653	-
8,257,985	7,977,096	16,235,081	1,523,703
91,828	-	91,828	-
5,859,798	-	5,859,798	-
22,982,426	(22,982,426)	-	-
<u>291,090,124</u>	<u>123,290</u>	<u>291,213,414</u>	<u>1,523,703</u>
(57,058,225)	10,383,182	(46,675,043)	7,233,041
<u>442,151,224</u>	<u>615,206,999</u>	<u>1,057,358,223</u>	<u>1,143,301,545</u>
<u>\$ 385,092,999</u>	<u>\$ 625,590,181</u>	<u>\$ 1,010,683,180</u>	<u>\$ 1,150,534,586</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.

**Revenue-Sharing Reserve Fund** - This fund was created in 2005 under State of Michigan Public Act 357 of 2004 to serve as a substitute to county revenue-sharing payments. This fund provides a funding mechanism to shift county property tax levies from winter to summer over a three-year period.

**Interim Retiree Medical Benefits Trust Fund** - This fund was created in 2007 under the authority of Act 139 of Michigan Public Acts of 1973 to account for money placed in trust from Certificates of Participation sold to fund future estimated accrued actuarial liabilities of County retiree medical benefits.

**Building Authority Debt Act 31 Fund** - This fund was established to accumulate the resources for the payment of bonded debt issued for the construction of, or improvement to various facilities (currently nine issues). The fund also includes debt issued as assistance in obtaining favorable lending rates for other units of government within the County.

**Water and Sewer Debt Act 342 Fund** - This fund was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the construction of water and sewer systems under Public Act 342 of 1939 (currently nine issues).

## Non-Major Funds

Non-major governmental funds are presented, by fund type, in the following sections:

Special Revenue funds

Debt Service funds

Capital Projects funds

**County of Oakland  
Balance Sheet  
Governmental Funds  
September 30, 2009**

	<b>Major Funds</b>			
	<b>General</b>	<b>Public Health</b>	<b>Revenue Sharing Reserve</b>	<b>Interim Retiree Medical Benefits Trust</b>
<b>Assets</b>				
<b>Current assets</b>				
Pooled cash and investments	\$ 117,512,617	\$ 2,940,726	\$ 130,825,132	\$ 174,728
Investments, at fair value	-	-	-	357,876,029
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	31,828,453	-	-	-
Delinquent property taxes	2,454,473	-	-	-
Due from other governmental units	6,176,495	128,041	-	-
Due from component units	27,340	-	-	-
Accrued interest receivable	229,602	-	245,167	1,344,626
Accounts receivable	7,345,029	39,010	-	5,092
Contracts receivable	10,789,334	-	-	-
Due from other funds	15,852,088	39,473	-	-
Prepayments and other assets	117,868	400	-	-
Total current assets	<u>192,333,299</u>	<u>3,147,650</u>	<u>131,070,299</u>	<u>359,400,475</u>
Advances	-	-	-	-
Special assessments receivable	-	-	-	-
Contracts receivable	-	-	-	-
Total assets	<u>\$ 192,333,299</u>	<u>\$ 3,147,650</u>	<u>\$ 131,070,299</u>	<u>\$ 359,400,475</u>
<b>Liabilities and Fund Balances</b>				
<b>Current liabilities</b>				
Vouchers payable	\$ 5,516,743	\$ 271,870	\$ -	\$ 23,747
Accrued payroll	24,353,711	-	-	-
Due to other governmental units	1,566,083	99,260	-	-
Due to other funds	6,898,718	2,766,809	-	-
Deferred revenue	13,002,861	-	-	-
Deferred revenue - property taxes	21,650,470	-	-	-
Other accrued liabilities	13,078,060	8,807	-	343,678
Total current liabilities	<u>86,066,646</u>	<u>3,146,746</u>	<u>-</u>	<u>367,425</u>
Deferred revenue	-	-	-	-
Advances	-	-	-	-
Total liabilities	<u>86,066,646</u>	<u>3,146,746</u>	<u>-</u>	<u>367,425</u>
<b>Fund balances</b>				
<b>Reserved</b>				
Long-term receivables	-	-	-	-
Prepayments	117,868	-	-	-
Programs	266,350	-	-	359,033,050
Debt service	-	-	-	-
<b>Unreserved, designated for, reported in:</b>				
General fund	105,531,347	-	-	-
Special revenue funds	-	904	131,070,299	-
Capital projects funds	-	-	-	-
<b>Unreserved, undesignated reported in:</b>				
General fund	351,088	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balances	<u>106,266,653</u>	<u>904</u>	<u>131,070,299</u>	<u>359,033,050</u>
Total liabilities and fund balances	<u>\$ 192,333,299</u>	<u>\$ 3,147,650</u>	<u>\$ 131,070,299</u>	<u>\$ 359,400,475</u>

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

**County of Oakland  
Balance Sheet (Continued)  
Governmental Funds  
September 30, 2009**

	<b>Major Funds</b>			<b>Totals September 30, 2009</b>
	<b>Building Authority Debt Act 31</b>	<b>Water and Sewer Debt Act 342</b>	<b>Non-Major Funds</b>	
<b>Assets</b>				
<b>Current assets</b>				
Pooled cash and investments	\$ 3,178	\$ 699,564	\$ 84,831,218	\$ 336,987,163
Investments, at fair value	-	-	-	357,876,029
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	-	-	-	31,828,453
Delinquent property taxes	-	-	-	2,454,473
Due from other governmental units	271,390	2,709	18,813,852	25,392,487
Due from component units	-	-	1,511,115	1,538,455
Accrued interest receivable	2,944	1,701	319,930	2,143,970
Accounts receivable	-	-	563,325	7,952,456
Contracts receivable	-	-	16,667	10,806,001
Due from other funds	-	-	3,187,442	19,079,003
Prepayments and other assets	-	-	6,384,766	6,503,034
Total current assets	<u>277,512</u>	<u>703,974</u>	<u>115,628,315</u>	<u>802,561,524</u>
Advances	-	-	50,123	50,123
Special assessments receivable	-	22,445,000	8,690,734	31,135,734
Contracts receivable	18,505,000	-	7,960,000	26,465,000
Total assets	<u>\$ 18,782,512</u>	<u>\$ 23,148,974</u>	<u>\$ 132,329,172</u>	<u>\$ 860,212,381</u>
<b>Liabilities and Fund Balances</b>				
<b>Current liabilities</b>				
Vouchers payable	\$ 1,100	\$ 553,500	\$ 5,384,068	\$ 11,751,028
Accrued payroll	-	-	-	24,353,711
Due to other governmental units	-	-	551,529	2,216,872
Due to other funds	-	-	12,785,287	22,450,814
Deferred revenue	271,390	-	5,579,789	18,854,040
Deferred revenue - property taxes	-	-	-	21,650,470
Other accrued liabilities	-	125,320	17,118,375	30,674,240
Total current liabilities	<u>272,490</u>	<u>678,820</u>	<u>41,419,048</u>	<u>131,951,175</u>
Deferred revenue	18,505,000	22,445,000	16,600,734	57,550,734
Advances payable	-	-	50,123	50,123
Total liabilities	<u>18,777,490</u>	<u>23,123,820</u>	<u>58,069,905</u>	<u>189,552,032</u>
<b>Fund balances</b>				
<b>Reserved</b>				
Long-term receivables	-	-	100,123	100,123
Prepayments	-	-	-	117,868
Programs	-	-	5,786,041	365,085,441
Debt service	5,022	25,154	320,547	350,723
<b>Unreserved, designated for, reported in:</b>				
General fund	-	-	-	105,531,347
Special revenue funds	-	-	48,566,740	179,637,943
Capital projects funds	-	-	7,063,814	7,063,814
<b>Unreserved, undesignated reported in:</b>				
General fund	-	-	-	351,088
Special revenue funds	-	-	(96,051)	(96,051)
Capital projects funds	-	-	12,518,053	12,518,053
Total fund balances	<u>5,022</u>	<u>25,154</u>	<u>74,259,267</u>	<u>670,660,349</u>
Total liabilities and fund balances	<u>\$ 18,782,512</u>	<u>\$ 23,148,974</u>	<u>\$ 132,329,172</u>	<u>\$ 860,212,381</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, 2009**

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Total fund balances for governmental funds		\$ 670,660,349
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	\$ 7,235,551	
Construction in progress, not being depreciated	1,915,984	
Land improvements, net of \$948,867 depreciation	182,415	
Buildings and improvements, net of \$78,421,440 depreciation	149,765,450	
Equipment and vehicles, net of \$11,516,230 depreciation	8,171,057	
Infrastructure, net of \$10,324,385 depreciation	14,989,419	
	<u>182,259,876</u>	182,259,876
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.		
Capital lease receivable		6,000,000
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.		87,096,885
Real property tax revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenues in the funds.		19,195,997
Long-term receivables such as special assessments and contracts receivable are expected to be collected over several years and are deferred in the governmental funds and are not available to pay for current year expenditures.		57,550,734
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	(637,443,579)	
Accrued interest payable	(227,263)	
	<u>(637,670,842)</u>	(637,670,842)
Net assets of governmental activities		<u>\$ 385,092,999</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, 2009**

	<b>Major Funds</b>			
	<b>General</b>	<b>Public Health</b>	<b>Revenue Sharing Reserve</b>	<b>Interim Retiree Medical Benefits Trust</b>
<b>Revenues</b>				
Taxes	\$ 244,919,383	\$ -	\$ -	\$ -
Special assessments		-	-	-
Federal grants	171,203	13,178	-	-
State grants	46,885	4,962,912	-	-
Other intergovernmental revenues	12,383,213	-	-	-
Charges for services	77,203,226	2,781,121	-	167,196
Contributions	99,000	500	-	-
Investment income	3,299,452	-	1,389,327	(7,425,304)
Indirect cost recovery	9,315,137	-	-	-
Other	5,544,078	529	-	-
Total revenues	<u>352,981,577</u>	<u>7,758,240</u>	<u>1,389,327</u>	<u>(7,258,108)</u>
<b>Expenditures</b>				
Current operations				
County executive	60,301,854	31,701,458	-	-
Clerk/register of deeds	10,955,846	-	-	-
Treasurer	4,183,707	-	-	-
Justice administration	57,915,845	-	-	-
Law enforcement	146,137,551	-	-	-
Legislative	5,222,130	-	-	-
Water resource commissioner	5,406,411	-	-	-
Non-departmental	16,954,034	-	-	63,112,352
Total current operations	<u>307,077,378</u>	<u>31,701,458</u>	<u>-</u>	<u>63,112,352</u>
Capital outlay	183,746	-	-	-
Intergovernmental	-	-	-	-
Debt service				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>307,261,124</u>	<u>31,701,458</u>	<u>-</u>	<u>63,112,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,720,453</u>	<u>(23,943,218)</u>	<u>1,389,327</u>	<u>(70,370,460)</u>
Other financing sources (uses)				
Transfers in	43,331,381	23,942,876	-	-
Transfers out	(67,112,543)	-	(23,740,126)	-
Issuance of bonds	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premiums on bonds sold	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(23,781,162)</u>	<u>23,942,876</u>	<u>(23,740,126)</u>	<u>-</u>
Net change in fund balances	21,939,291	(342)	(22,350,799)	(70,370,460)
<b>Fund balances</b>				
October 1, 2008	<u>84,327,362</u>	<u>1,246</u>	<u>153,421,098</u>	<u>429,403,510</u>
September 30, 2009	<u>\$ 106,266,653</u>	<u>\$ 904</u>	<u>\$ 131,070,299</u>	<u>\$ 359,033,050</u>

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

**County of Oakland**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**Year Ended September 30, 2009**

	<b>Major Funds</b>			<b>Totals September 30, 2009</b>
	<b>Building Authority Debt Act 31</b>	<b>Water and Sewer Debt Act 342</b>	<b>Non-Major Funds</b>	
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 244,919,383
Special assessments	2,787,001	2,952,752	5,663,073	11,402,826
Federal grants	-	-	58,044,502	58,228,883
State grants	-	-	23,598,120	28,607,917
Other intergovernmental revenues	-	-	2,221,970	14,605,183
Charges for services	550	2,350	25,041,030	105,195,473
Contributions	-	-	158,486	257,986
Investment income	5,750	11,442	1,058,153	(1,661,180)
Indirect cost recovery	-	-	-	9,315,137
Other	-	-	315,191	5,859,798
Total revenues	<u>2,793,301</u>	<u>2,966,544</u>	<u>116,100,525</u>	<u>476,731,406</u>
<b>Expenditures</b>				
Current operations				
County executive	-	-	91,550,440	183,553,752
Clerk/register of deeds	-	-	1,158,235	12,114,081
Treasurer	-	-	3,695,654	7,879,361
Justice administration	-	-	26,878,773	84,794,618
Law enforcement	-	-	6,166,189	152,303,740
Legislative	-	-	-	5,222,130
Water resource commissioner	-	-	3,940,403	9,346,814
Non-departmental	-	-	617,385	80,683,771
Total current operations	-	-	134,007,079	535,898,267
Capital outlay	-	-	9,538,196	9,721,942
Intergovernmental	-	10,284	124,554	134,838
Debt service				
Principal payments	4,455,000	2,060,000	5,440,000	11,955,000
Interest and fiscal charges	3,687,154	896,265	941,154	5,524,573
Total expenditures	<u>8,142,154</u>	<u>2,966,549</u>	<u>150,050,983</u>	<u>563,234,620</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,348,853)</u>	<u>(5)</u>	<u>(33,950,458)</u>	<u>(86,503,214)</u>
Other financing sources (uses)				
Transfers in	5,351,451	-	47,289,188	119,914,896
Transfers out	-	-	(8,454,982)	(99,307,651)
Issuance of bonds	-	-	174,208	174,208
Issuance of refunding bonds	-	-	2,710,000	2,710,000
Premiums on bonds sold	-	-	38,144	38,144
Payments to bond escrow agent	-	-	(2,699,858)	(2,699,858)
Total other financing sources (uses)	<u>5,351,451</u>	<u>-</u>	<u>39,056,700</u>	<u>20,829,739</u>
Net change in fund balances	2,598	(5)	5,106,242	(65,673,475)
<b>Fund balances</b>				
October 1, 2008	<u>2,424</u>	<u>25,159</u>	<u>69,153,025</u>	<u>736,333,824</u>
September 30, 2009	<u>\$ 5,022</u>	<u>\$ 25,154</u>	<u>\$ 74,259,267</u>	<u>\$ 670,660,349</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**  
**Year Ended September 30, 2009**

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Net change in fund balance - total governmental funds		\$ (65,673,475)
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.		
Construction in progress	\$ 1,373,188	
Equipment and vehicles	48,523	
Depreciation expense	<u>(7,532,483)</u>	(6,110,772)
The net effect of the transfer of capital assets from Internal Service fund-type to the general government is to increase net assets.		2,506,810
The net effect of the transfer of capital assets from Enterprise fund-type to the general government is to increase net assets.		42,157
Payment received on capital lease from a business-type fund provides current financial resources and therefore revenue to governmental funds. The payment received reduces a capital lease receivable in the Statement of Net Assets.		(805,000)
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.		(7,594,512)
Real property tax revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenues in the funds.		
Prior year's deferral	(20,119,946)	
Current year deferral	<u>19,195,997</u>	(923,949)
Revenue from special assessments and contracts receivable reported in the Statement of Activities in previous years did not provide current financial resources in the governmental funds until the current year.		(6,898,428)
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	(2,884,208)	
Repayment of bond principal	31,265,000	
Accrued interest	<u>18,152</u>	28,398,944
Change in net assets of governmental activities		<u>\$ (57,058,225)</u>

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

# Proprietary Fund Financial Statements

## Major Funds

**Parks and Recreation** - This fund is used to account for revenue earmarked for the operation of the County parks (currently 13). Principal revenues are from a voter-approved millage and user 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.

**Southeastern Oakland County S.D.S. (S.O.C.S.D.S.)** - This 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.

**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 respective city, villages, or townships by Oakland County. There are currently 22 municipal water systems, and 16 municipal sewer systems that are operated under these contractual arrangements.

## Non-Major Funds

Non-major proprietary funds are presented, by fund type, in the following sections:

Internal Service funds

Enterprise funds

**County of Oakland  
Statement of Net Assets  
Proprietary Funds  
September 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Major</b>			
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>S.O.C.S.D.S.</b>	<b>Water and Sewer Trust</b>
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 26,029,046	\$ 141,205,433	\$ 13,281,294	\$ 21,889,493
Delinquent property taxes	-	115,773,596	-	-
Due from other governmental units	47,463	2,282,564	5,024,297	1,233,859
Due from component units	-	-	-	-
Accrued interest receivable	26,136	1,324,102	106,885	125,416
Accounts receivable (net of allowance for uncollectibles where applicable)	368,292	20,025,725	7,138	16,532,933
Due from other funds	21,875	-	-	-
Current portion of contracts receivable	-	-	-	-
Current portion of advances receivable	-	12,883	-	-
Inventories and supplies	46,967	-	-	100,700
Prepayments and other assets	3,611	-	748,000	-
Total current assets	<u>26,543,390</u>	<u>280,624,303</u>	<u>19,167,614</u>	<u>39,882,401</u>
Noncurrent assets				
Advances	-	141,713	-	-
Capital assets, net				
Land and other nondepreciable assets	29,058,906	-	613,529	-
Land improvements, net	-	-	-	-
Building and improvements, net	18,856,369	-	42,355	-
Equipment and vehicles, net	1,059,054	-	125,958	-
Infrastructure, net	19,827,458	-	7,851,799	27,775,328
Total noncurrent assets	<u>68,801,787</u>	<u>141,713</u>	<u>8,633,641</u>	<u>27,775,328</u>
Total assets	<u>95,345,177</u>	<u>280,766,016</u>	<u>27,801,255</u>	<u>67,657,729</u>
<b>Liabilities</b>				
Current liabilities				
Vouchers payable	323,390	994,686	6,384	2,307,606
Due to other governmental units	-	370,648	5,626,704	532,115
Due to other funds	-	-	1,899	-
Deferred revenue	191,935	-	-	-
Capital lease obligation - current portion	550,000	-	-	-
Notes payable	-	50,000,000	-	-
Current portion of compensated absences	-	-	-	-
Current portion of claims and judgments	-	-	-	-
Current portion of advances payable	-	-	-	-
Other accrued liabilities	44,497	49,052	101,462	1,939,467
Total current liabilities	<u>1,109,822</u>	<u>51,414,386</u>	<u>5,736,449</u>	<u>4,779,188</u>
Noncurrent liabilities				
Capital lease obligations	-	-	-	-
Accrued compensated absences	-	-	-	-
Claims and judgments	-	-	-	-
Advances	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,109,822</u>	<u>51,414,386</u>	<u>5,736,449</u>	<u>4,779,188</u>
<b>Net assets</b>				
Invested in capital assets	68,801,787	-	8,633,641	27,775,328
Restricted for programs	-	-	-	13,191,590
Unrestricted	25,433,568	229,351,630	13,431,165	21,911,623
Total net assets	<u>\$ 94,235,355</u>	<u>\$ 229,351,630</u>	<u>\$ 22,064,806</u>	<u>\$ 62,878,541</u>

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

**County of Oakland  
Statement of Net Assets (Continued)  
Proprietary Funds  
September 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Funds</b>
	<b>Non-Major Funds</b>	<b>Totals September 30, 2009</b>	
<b>Assets</b>			
Current assets			
Pooled cash and investments	\$ 89,149,168	\$ 291,554,434	\$ 119,183,344
Delinquent property taxes	-	115,773,596	-
Due from other governmental units	14,686,455	23,274,638	76,440
Due from component units	157,443	157,443	24,379
Accrued interest receivable	556,258	2,138,797	690,341
Accounts receivable (net of allowance for uncollectibles where applicable)	1,506,402	38,440,490	325,523
Due from other funds	102,766	124,641	4,468,305
Current portion of contracts receivable	1,093,129	1,093,129	-
Current portion of advances receivable	-	12,883	-
Inventories and supplies	585,774	733,441	516,387
Prepayments and other assets	773,532	1,525,143	4,515,372
Total current assets	<u>108,610,927</u>	<u>474,828,635</u>	<u>129,800,091</u>
Noncurrent assets			
Advances	-	141,713	-
Capital assets, net			
Land and other nondepreciable assets	59,301,805	88,974,240	4,100,588
Land improvements, net	6,514,288	6,514,288	-
Building and improvements, net	29,917,847	48,816,571	1,316,883
Equipment and vehicles, net	9,719,596	10,904,608	17,158,080
Infrastructure, net	20,910,634	76,365,219	205,608
Total noncurrent assets	<u>126,364,170</u>	<u>231,716,639</u>	<u>22,781,159</u>
Total assets	<u>234,975,097</u>	<u>706,545,274</u>	<u>152,581,250</u>
<b>Liabilities</b>			
Current liabilities			
Vouchers payable	520,274	4,152,340	18,217,025
Due to other governmental units	8,965,625	15,495,092	540,342
Due to other funds	2,615	4,514	1,216,621
Deferred revenue	1,482,126	1,674,061	1,375
Capital lease obligation - current portion	265,000	815,000	-
Notes payable	-	50,000,000	-
Current portion of compensated absences	-	-	1,296,516
Current portion of claims and judgments	-	-	5,333,872
Current portion of advances payable	-	-	12,883
Other accrued liabilities	1,494,608	3,629,086	10,610,453
Total current liabilities	<u>12,730,248</u>	<u>75,770,093</u>	<u>37,229,087</u>
Noncurrent liabilities			
Capital lease obligations	5,185,000	5,185,000	-
Accrued compensated absences	-	-	11,668,645
Claims and judgments	-	-	16,444,920
Advances	-	-	141,713
Total noncurrent liabilities	<u>5,185,000</u>	<u>5,185,000</u>	<u>28,255,278</u>
Total liabilities	<u>17,915,248</u>	<u>80,955,093</u>	<u>65,484,365</u>
<b>Net assets</b>			
Invested in capital assets	126,364,170	231,574,926	22,781,159
Restricted for programs	58,454	13,250,044	-
Unrestricted	90,637,225	380,765,211	64,315,726
Total net assets	<u>\$ 217,059,849</u>	<u>\$ 625,590,181</u>	<u>\$ 87,096,885</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**  
**Year Ended September 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Major</b>			
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>S.O.C.S.D.S.</b>	<b>Water and Sewer Trust</b>
<b>Operating revenues</b>				
Charges for services	\$ 7,662,720	\$ 28,653,668	\$ 33,971,834	\$ 45,482,682
Other	16,797	99,406	17,621	12,156
Total operating revenues	<u>7,679,517</u>	<u>28,753,074</u>	<u>33,989,455</u>	<u>45,494,838</u>
<b>Operating expenses</b>				
Salaries	7,757,645	56,843	574,145	7,160,624
Fringe benefits	2,473,902	37,064	262,074	3,340,230
Contractual services	5,071,236	257,431	36,551,096	26,516,005
Commodities	643,893	-	172,514	2,191,359
Depreciation	2,875,504	-	1,360,745	599,668
Internal services	1,359,585	808,854	197,425	2,839,756
Intergovernmental	-	-	-	800,109
Total operating expenses	<u>20,181,765</u>	<u>1,160,192</u>	<u>39,117,999</u>	<u>43,447,751</u>
Operating income (loss)	<u>(12,502,248)</u>	<u>27,592,882</u>	<u>(5,128,544)</u>	<u>2,047,087</u>
<b>Nonoperating revenues (expenses)</b>				
Property taxes	15,128,620	-	-	-
Contributions	52,752	-	-	-
Interest revenue	648,214	4,114,645	400,735	597,816
Interest expense and paying agent fees	(33,688)	(1,073,750)	-	-
Bonds maturing	-	-	-	-
Gain (loss) on sale of property and equipment	32,574	-	-	-
Total nonoperating revenues	<u>15,828,472</u>	<u>3,040,895</u>	<u>400,735</u>	<u>597,816</u>
Income (loss) before transfers and contributions	<u>3,326,224</u>	<u>30,633,777</u>	<u>(4,727,809)</u>	<u>2,644,903</u>
Transfers and contributions				
Capital contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(10,734)	(24,872,713)	-	(30,000)
Total transfers and contributions	<u>(10,734)</u>	<u>(24,872,713)</u>	<u>-</u>	<u>(30,000)</u>
Change in net assets	<u>3,315,490</u>	<u>5,761,064</u>	<u>(4,727,809)</u>	<u>2,614,903</u>
<b>Net assets</b>				
October 1, 2008	<u>90,919,865</u>	<u>223,590,566</u>	<u>26,792,615</u>	<u>60,263,638</u>
September 30, 2009	<u>\$ 94,235,355</u>	<u>\$ 229,351,630</u>	<u>\$ 22,064,806</u>	<u>\$ 62,878,541</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 (Continued)**  
**Proprietary Funds**  
**Year Ended September 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Funds</b>
	<b>Non-Major Funds</b>	<b>Totals September 30, 2009</b>	
<b>Operating revenues</b>			
Charges for services	\$ 75,804,455	\$ 191,575,359	\$ 201,745,601
Other	124,913	270,893	54,340
Total operating revenues	<u>75,929,368</u>	<u>191,846,252</u>	<u>201,799,941</u>
<b>Operating expenses</b>			
Salaries	4,546,186	20,095,443	20,920,335
Fringe benefits	2,316,080	8,429,350	11,144,220
Contractual services	64,918,714	133,314,482	112,850,412
Commodities	1,635,227	4,642,993	5,669,807
Depreciation	5,697,399	10,533,316	6,463,826
Internal services	2,576,470	7,782,090	5,967,797
Intergovernmental	-	800,109	-
Total operating expenses	<u>81,690,076</u>	<u>185,597,783</u>	<u>163,016,397</u>
Operating income (loss)	<u>(5,760,708)</u>	<u>6,248,469</u>	<u>38,783,544</u>
<b>Nonoperating revenues (expenses)</b>			
Property taxes	-	15,128,620	-
Contributions	-	52,752	-
Interest revenue	2,215,686	7,977,096	2,493,861
Interest expense and paying agent fees	(230,797)	(1,338,235)	(32,506,785)
Bonds maturing	-	-	(16,610,000)
Gain (loss) on sale of property and equipment	(41,921)	(9,347)	91,828
Total nonoperating revenues	<u>1,942,968</u>	<u>21,810,886</u>	<u>(46,531,096)</u>
Income (loss) before transfers and contributions	<u>(3,817,740)</u>	<u>28,059,355</u>	<u>(7,747,552)</u>
Transfers and contributions			
Capital contributions	5,306,253	5,306,253	326,826
Transfers in	2,561,367	2,561,367	4,330,656
Transfers out	(630,346)	(25,543,793)	(4,504,442)
Total transfers and contributions	<u>7,237,274</u>	<u>(17,676,173)</u>	<u>153,040</u>
Change in net assets	<u>3,419,534</u>	<u>10,383,182</u>	<u>(7,594,512)</u>
<b>Net assets</b>			
October 1, 2008	<u>213,640,315</u>	<u>615,206,999</u>	<u>94,691,397</u>
September 30, 2009	<u>\$ 217,059,849</u>	<u>\$ 625,590,181</u>	<u>\$ 87,096,885</u>

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

**County of Oakland**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended September 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Major</b>			
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>S.O.C.S.D.S.</b>	<b>Water and Sewer Trust</b>
<b>Cash flows from operating activities</b>				
Cash received from users	\$ 9,130,348	\$ 21,470,781	\$ 32,661,305	\$ 46,579,400
Cash paid to suppliers	(9,421,349)	(1,103,349)	(38,215,863)	(36,908,286)
Cash paid to employees	(7,757,645)	(56,843)	(574,145)	(7,160,624)
Net cash provided by (used in) operating activities	(8,048,646)	20,310,589	(6,128,703)	2,510,490
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(10,734)	(24,872,713)	-	(30,000)
Contributions	52,752	-	-	-
Principal paid on debt	-	-	-	-
Interest paid on debt	-	-	-	-
Purchase of delinquent property taxes	-	(149,741,827)	-	-
Delinquent property taxes collected	-	131,184,766	-	-
Issuance of short-term borrowings	-	50,000,000	-	-
Repayments received on advances	-	850,383	-	-
Property taxes	15,128,620	-	-	-
Interest paid on short-term borrowings	-	(323,750)	-	-
Payments on short-term borrowings	-	(25,000,000)	-	-
Net cash provided by (used in) noncapital financing activities	15,170,638	(17,903,141)	-	(30,000)
<b>Cash flows from capital and related financing activities</b>				
Transfers from other funds	-	-	-	-
Proceeds from sale of capital assets	58,252	-	-	-
Acquisition of capital assets	(4,491,649)	-	(34,725)	-
Payments on capital lease obligation	(550,000)	-	-	-
Interest and fees paid on capital lease obligation	(33,688)	-	-	-
Amount paid on advances	-	-	-	-
Interest paid on advances	-	-	-	-
Net cash used in capital and related financing activities	(5,017,085)	-	(34,725)	-
<b>Cash flows from investing activities</b>				
Interest on investments	705,523	4,482,245	489,687	631,116
Net cash provided by investing activities	705,523	4,482,245	489,687	631,116
Net increase (decrease) in cash and cash equivalents	2,810,430	6,889,693	(5,673,741)	3,111,606
<b>Pooled cash and investments</b>				
October 1, 2008	23,218,616	134,315,740	18,955,035	18,777,887
September 30, 2009	\$ 26,029,046	\$ 141,205,433	\$ 13,281,294	\$ 21,889,493

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

**County of Oakland**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**Year Ended September 30, 2009**

	<b>Business-Type Activities Enterprise Funds</b>		<b>Governmental Activities - Internal Service Funds</b>
	<b>Non-Major Funds</b>	<b>Totals September 30, 2009</b>	
<b>Cash flows from operating activities</b>			
Cash received from users	\$ 76,521,395	\$ 186,363,229	\$ 203,393,503
Cash paid to suppliers	(73,071,481)	(158,720,328)	(133,777,843)
Cash paid to employees	(4,546,186)	(20,095,443)	(20,979,690)
Net cash provided by (used in) operating activities	<u>(1,096,272)</u>	<u>7,547,458</u>	<u>48,635,970</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers from other funds	2,211,367	2,211,367	2,413,586
Transfers to other funds	(588,188)	(25,501,635)	(1,997,632)
Contributions	-	52,752	-
Principal paid on debt	-	-	(16,610,000)
Interest paid on debt	-	-	(32,482,888)
Purchase of delinquent property taxes	-	(149,741,827)	-
Delinquent property taxes collected	-	131,184,766	-
Issuance of short-term borrowings	-	50,000,000	-
Repayments received on advances	-	850,383	-
Property taxes	-	15,128,620	-
Interest paid on short-term borrowings	-	(323,750)	-
Payments on short-term borrowings	-	(25,000,000)	-
Net cash provided by (used in) noncapital financing activities	<u>1,623,179</u>	<u>(1,139,324)</u>	<u>(48,676,934)</u>
<b>Cash flows from capital and related financing activities</b>			
Transfers from other funds	350,000	350,000	1,917,070
Proceeds from sale of capital assets	234	58,486	530,843
Acquisition of capital assets	(889,235)	(5,415,609)	(2,793,961)
Payments on capital lease obligation	(255,000)	(805,000)	-
Interest and fees paid on capital lease obligation	(230,797)	(264,485)	-
Amount paid on advances and equipment contracts	-	-	(850,383)
Interest paid on advances and equipment contracts	-	-	(23,897)
Net cash used in capital and related financing activities	<u>(1,024,798)</u>	<u>(6,076,608)</u>	<u>(1,220,328)</u>
<b>Cash flows from investing activities</b>			
Interest on investments	<u>2,387,027</u>	<u>8,695,598</u>	<u>2,646,258</u>
Net cash provided by investing activities	<u>2,387,027</u>	<u>8,695,598</u>	<u>2,646,258</u>
Net increase (decrease) in cash and cash equivalents	1,889,136	9,027,124	1,384,966
<b>Pooled cash and investments</b>			
October 1, 2008	<u>87,260,032</u>	<u>282,527,310</u>	<u>117,798,378</u>
September 30, 2009	<u>\$ 89,149,168</u>	<u>\$ 291,554,434</u>	<u>\$ 119,183,344</u>

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

**County of Oakland**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**Year Ended September 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Major</b>			
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>S.O.C.S.D.S.</b>	<b>Water and Sewer Trust</b>
Operating income (loss)	\$ (12,502,248)	\$ 27,592,882	\$ (5,128,544)	\$ 2,047,087
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	2,875,504	-	1,360,745	599,668
(Increase) decrease in due from other governmental units	1,263,840	1,061,505	(1,326,985)	129,504
(Increase) decrease in due from component units	-	-	-	-
(Increase) decrease in accounts receivable	19,281	(8,471,910)	(1,165)	488,122
(Increase) decrease in due from other funds	(21,875)	-	-	466,936
(Increase) decrease in contracts receivable	-	-	-	-
(Increase) decrease in inventories and supplies	(4,885)	-	-	11,196
(Increase) decrease in prepayments and other assets	80,774	-	34,000	3,385
Increase (decrease) in vouchers payable	98,555	105,279	(45,200)	(333,100)
Increase (decrease) in accrued payroll	-	-	-	-
Increase (decrease) in due to other governmental units	-	44,519	(1,022,267)	(187,916)
Increase (decrease) in due to other funds	-	-	-	(472,842)
Increase (decrease) in deferred revenue	189,585	-	-	-
Increase (decrease) in current portion of compensated absences	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-
Increase (decrease) in other accrued liabilities	(47,177)	(21,686)	713	(241,550)
Increase (decrease) in accrued compensated absences	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (8,048,646)</u>	<u>\$ 20,310,589</u>	<u>\$ (6,128,703)</u>	<u>\$ 2,510,490</u>

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

**County of Oakland**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**Year Ended September 30, 2009**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities -</b>
	<b>Non-Major Funds</b>	<b>Totals September 30, 2009</b>	<b>Internal Service Funds</b>
Operating income (loss)	\$ (5,760,708)	\$ 6,248,469	\$ 38,783,544
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	5,697,399	10,533,316	6,463,826
(Increase) decrease in due from other governmental units	618,050	1,745,914	(17,326)
(Increase) decrease in due from component units	(23,960)	(23,960)	(8,288)
(Increase) decrease in accounts receivable	(462,837)	(8,428,509)	(22,198)
(Increase) decrease in due from other funds	263,771	708,832	1,641,499
(Increase) decrease in contracts receivable	126,248	126,248	-
(Increase) decrease in inventories and supplies	87,676	93,987	(67,535)
(Increase) decrease in prepayments and other assets	(106,451)	11,708	1,209,670
Increase (decrease) in vouchers payable	60,128	(114,338)	(1,561,823)
Increase (decrease) in accrued payroll	-	-	(59,355)
Increase (decrease) in due to other govern- mental units	(1,300,472)	(2,466,136)	240,173
Increase (decrease) in due to other funds	(196,674)	(669,516)	(3,128,310)
Increase (decrease) in deferred revenue	70,755	260,340	(125)
Increase (decrease) in current portion of compensated absences	-	-	54,071
Increase (decrease) in current portion of claims and judgments	-	-	1,761,193
Increase (decrease) in other accrued liabilities	(169,197)	(478,897)	3,493,652
Increase (decrease) in accrued compensated absences	-	-	486,642
Increase (decrease) in claims and judgments	-	-	(633,340)
Net cash provided by (used in) operating activities	<u>\$ (1,096,272)</u>	<u>\$ 7,547,458</u>	<u>\$ 48,635,970</u>

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

**County of Oakland**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**Year Ended September 30, 2009**

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**Noncash transactions**

**Enterprise Funds**

Major funds:

Noncash and capital related financing activities included write-off of \$7,381 (net of accumulated depreciation of \$11,980) in the Parks and Recreation fund.

Noncash and non-capital related financing activities included interest expense of \$750,000 included in Vouchers Payable liability in the Delinquent Tax Revolving fund.

Nonmajor funds:

Noncash and capital related financing activities included contribution of capital assets of \$4,089,196 and \$1,217,057 in the CLEMIS and County Airports funds, respectively; write-off of \$16,960 and \$38,804 of capital assets in the Radio Communications and County Airports funds, respectively; \$42,158 of capital assets contributed to the general government in the Jail Inmate Commissary fund.

Noncash and non-capital related financing activities included recording of Contracts Receivable and Deferred Revenue of \$12,938 and \$1,080,191 in the CLEMIS and County Airports funds, respectively.

**Internal Service Funds**

Noncash capital and related financing included write-off of \$31,967 of fully depreciated capital assets and \$326,826 of capital assets contributed in the Information Technology fund; transfer of \$2,506,810 of capital assets to the general government in the Sheriff Aviation fund.

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

## **Fiduciary Fund Financial Statements**

**Pension (and Other Postemployment Benefits) Trust Funds** - Employee Pension Trust funds accept payments made by the County, invest fund resources, and calculate and pay pensions to beneficiaries. Postemployment benefit trust funds accumulate resources to provide health-related benefits to retired employees, dependents and beneficiaries.

**Investment Trust Funds** - These funds account for monies from external local units of government, held in a pooled investment portfolio for the benefit of the respective governmental units under contractual arrangement.

**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.

Combining schedules for fiduciary funds are presented, by fund type, in the following sections:

Pension (and Other Postemployment Benefits) Trust funds

Investment Trust funds

Agency funds

**County of Oakland**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**September 30, 2009**

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	<b>Pension (and Other Post- employment Benefits) Trust Funds</b>	<b>Investment Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 13,549,028	\$ 71,644,972	\$ 280,353,831
Pooled cash and investments	-	-	1,239,482
Investments, at fair value			
Common stock	415,049,247	-	-
Government securities	85,190,062	-	-
Corporate bonds	159,459,660	-	-
Municipal bonds	2,113,862	-	-
Commingled	179,301,710	-	-
Limited partnerships	55,195,447	-	-
Asset-backed fixed income	18,295,104	-	-
CMO/REMIC investments	13,001,425	-	-
Mortgage-backed securities	25,274,374	-	-
Short-term investments	229,566	-	-
Commercial mortgage-backed securities	36,292,058	-	-
Money market funds	36,303,847	-	-
International common stock	28,951,785	-	-
Equity REIT	8,826,675	-	-
Other	15,542,335	-	-
Total investments	<u>1,079,027,157</u>	<u>-</u>	<u>-</u>
Receivables - interest and dividends	3,872,907	143,261	220,584
Receivables - other	34,005	-	-
Prepaid expenses	115,985	-	-
Total assets	<u>1,096,599,082</u>	<u>71,788,233</u>	<u>281,813,897</u>
<b>Liabilities</b>			
Vouchers payable	618,229	-	140,709
Due to other governmental units	1,229,552	-	269,152,812
Other accrued liabilities	-	-	12,520,376
Total liabilities	<u>1,847,781</u>	<u>-</u>	<u>281,813,897</u>
<b>Net assets</b>			
Held in Trust for Pension and other Postemployment healthcare benefits, and pool participants	<u>\$ 1,094,751,301</u>	<u>\$ 71,788,233</u>	<u>\$ -</u>

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, 2009**

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	<b>Pension (and Other Post- employment Benefits) Trust Funds</b>	<b>Investment Trust Funds</b>
<b>Additions</b>		
Contributions		
Employer	\$ 61,863,580	\$ -
Pool participants	-	53,054,915
Plan members	1,119,025	-
Total contributions	<u>62,982,605</u>	<u>53,054,915</u>
Investment income	20,959,594	1,246,403
Other revenue	2,214,578	-
Total additions	<u>86,156,777</u>	<u>54,301,318</u>
<b>Deductions</b>		
Benefits	59,664,428	-
Administrative expenses	2,429,040	-
Distribution to pool participants	-	13,794,853
Total deductions	<u>62,093,468</u>	<u>13,794,853</u>
Net increase	24,063,309	40,506,465
Net assets held in trust for pension and other postemployment healthcare benefits, and pool participants		
October 1, 2008	<u>1,070,687,992</u>	<u>31,281,768</u>
September 30, 2009	<u>\$ 1,094,751,301</u>	<u>\$ 71,788,233</u>

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

# 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 accounting for the resources and costs associated with the construction, maintenance, and financing of the individual drainage districts.

**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 Michigan Public Act 51 of 1951.

Combining schedules for Drainage Districts Funds are presented, by fund type, in the Drainage Districts section.

**County of Oakland  
Statement of Net Assets  
Component Units  
September 30, 2009**

	Drainage Districts	Road Commission	Total Component Units
<b>Assets</b>			
<b>Current assets</b>			
Pooled cash and investments	\$ 23,149,976	\$ -	\$ 23,149,976
Cash and cash equivalents	-	28,171,795	28,171,795
Investments	-	11,316,792	11,316,792
Receivables (net of allowance for uncollectibles where applicable)			
Special assessments	-	10,801,726	10,801,726
Due from other governmental units	416,265	-	416,265
Accrued interest receivable	183,465	21,686	205,151
Accounts receivable	8,265	17,335,158	17,343,423
Inventories and supplies	-	3,989,000	3,989,000
Prepayments and other assets	-	826,941	826,941
Total current assets	<u>23,757,971</u>	<u>72,463,098</u>	<u>96,221,069</u>
<b>Capital assets, net</b>			
Land and other nondepreciable assets	148,256,403	165,485,886	313,742,289
Land improvements, net	-	273,295	273,295
Buildings and improvements, net	-	9,037,931	9,037,931
Equipment and vehicles, net	-	6,136,644	6,136,644
Infrastructure, net	275,761,104	497,373,282	773,134,386
Total capital assets, net	<u>424,017,507</u>	<u>678,307,038</u>	<u>1,102,324,545</u>
<b>Noncurrent assets</b>			
Contracts receivable	209,286	-	209,286
Special assessments receivable	150,640,000	-	150,640,000
Total assets	<u>598,624,764</u>	<u>750,770,136</u>	<u>1,349,394,900</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Vouchers payable	3,100,985	7,171,817	10,272,802
Due to other governmental units	3,148,022	-	3,148,022
Due to primary government	1,700,630	19,647	1,720,277
Deferred revenue and advances	-	11,597,301	11,597,301
Accrued interest payable	-	36,668	36,668
Current portion of long-term debt	12,895,000	1,500,000	14,395,000
Other accrued liabilities	817,084	3,520,988	4,338,072
Total current liabilities	<u>21,661,721</u>	<u>23,846,421</u>	<u>45,508,142</u>
Deferred revenue	3,158,920	-	3,158,920
Bonds and notes payable	134,586,080	4,000,000	138,586,080
Accrued compensated absences	-	3,083,032	3,083,032
Claims and judgments	-	2,100,000	2,100,000
Other postemployment benefits	-	6,424,140	6,424,140
Total liabilities	<u>159,406,721</u>	<u>39,453,593</u>	<u>198,860,314</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	276,536,427	672,807,038	949,343,465
Restricted for			
Capital projects	9,891,105	-	9,891,105
Debt service	148,449,112	-	148,449,112
Unrestricted	4,341,399	38,509,505	42,850,904
Total net assets	<u>\$ 439,218,043</u>	<u>\$ 711,316,543</u>	<u>\$ 1,150,534,586</u>

The accompanying notes are an integral part of the financial statements

**County of Oakland  
Statement of Activities  
Component Units  
Year Ended September 30, 2009**

	Program Revenues				Drainage Districts	Road Commission	Total Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
<b>Functions/Programs</b>							
Drainage Districts	\$ 16,656,357	\$ 4,025,300	\$ 72,396	\$ 12,655,881	\$ 97,220	\$ -	\$ 97,220
Road Commission	97,995,650	18,672,910	58,073,149	26,861,709	-	5,612,118	5,612,118
Total component units	<u>\$ 114,652,007</u>	<u>\$ 22,698,210</u>	<u>\$ 58,145,545</u>	<u>\$ 39,517,590</u>	<u>97,220</u>	<u>5,612,118</u>	<u>5,709,338</u>
<b>General Revenues</b>							
Unrestricted investment earnings					791,167	732,536	1,523,703
Change in net assets					888,387	6,344,654	7,233,041
<b>Net assets</b>							
Beginning					438,329,656	704,971,889	1,143,301,545
Ending					<u>\$ 439,218,043</u>	<u>\$ 711,316,543</u>	<u>\$ 1,150,534,586</u>

The accompanying notes are an integral part of the financial statements

# County of Oakland

## Notes to Basic Financial Statements

### September 30, 2009

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#### 1. Summary of Significant Accounting Policies

The basic 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**  
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**Discretely Presented Component Unit**

A 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 Michigan Public Act 51 of 1951. 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, 2009, are 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, 2007, is not reported in the financial statements of Oakland County.
- Complete financial statements of the Road Commission, which includes the Road Commission Retirement System and its separately issued 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 200 individual districts created under Chapters 20 and 21 of Michigan Public Act 40 of 1956, 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, which consists of 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 Road Commission for Oakland County and the State of Michigan for road drainage. All activities of the various drainage districts are administered by the Oakland County Drain Commissioner. However, the drainage districts are not subject to the County's appropriation process. Because of the relationship between the component unit and the primary government, it would be misleading to exclude the Drainage Districts' Component Unit from the financial statements of Oakland County.
- The financial activities of the Drainage Districts as of and for the year ended September 30, 2009 are 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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**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** consist 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.

The government-wide Statement of Activities reflects the degree to which direct expenses that are clearly identifiable with a given functional category (General Government, Public Safety, Justice Administration, Citizen Services, Public Works, Recreation and Leisure, and Commerce and Community Development) are offset by program revenues. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or category, restricted investment earnings, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Property taxes and certain intergovernmental revenues are reported instead as general revenues, which are used to cover the net cost of the various functional categories of the County.

During fiscal year 2009, the Interim Retiree Medical Benefit Trust fund had losses of \$7,425,304 in restricted investment earnings which have been included in the General Government charges for services on the Statement of Activities.

The County policy is to eliminate internal activity from the Statement of Activities. This policy dictates the elimination of indirect expenses, but not direct expenses. The exception to this general rule is activities between funds reported as governmental activities and funds reported as business-type activities (i.e., billings for services or products by Internal Service Funds to Enterprise Funds).

# County of Oakland

## Notes to Basic Financial Statements

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The County does not currently employ an indirect cost allocation system. Rather, an administrative service fee is charged by the General Fund to the other operating funds to address General Fund services such as finance, personnel, purchasing, legal, administration, etc. This is treated like a reimbursement, eliminating revenues and expenses on the Statement of Activities.

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 governmental funds statements 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 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.

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.



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The County reports the following major governmental funds:

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.

The Public Health Fund accounts for revenues reserved for the provision of health protection, maintenance, and improvement for the residents of Oakland County.

The Revenue Sharing Reserve Fund accounts for the State mandated transfers of equal amounts for a three-year period of the property tax shift from a winter levy to a summer levy to replace county revenue-sharing payments. These transfers from the General Fund will amount to the property tax levy for fiscal year 2004.

The Interim Retirees' Medical Benefits Trust Fund accounts for monies received from the sale of trust certificates for the purpose of funding future estimated accrued actuarial liabilities of medical benefits of Oakland County retirees.

The Building Authority Debt Act 31 Fund was established to accumulate the resources for payment of bonded debt issued for the construction of, or improvement to various facilities. This also includes debt issued as assistance in obtaining favorable lending rates for other units of government within the County.

The Water and Sewer Refunding Debt Act 342 Fund accounts for the accumulation of resources, mainly special assessments against benefiting municipalities, for the payment of bonded debt issued for construction of various water and sewer systems in Oakland County.

The County reports the following major enterprise funds:

The Parks and Recreation Fund accounts for the operation of the Oakland County parks system.

The Delinquent Tax Revolving Fund accounts for money advanced to the County and other local units of government for unpaid property taxes, and the subsequent collection of delinquencies.

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 served.

The Water and Sewer Trust Fund accounts for the collection of resources for operation of various water and sewer systems maintained by the County rather than the respective municipalities.

Additionally, the County reports the following fund types:

**Governmental Fund Types**

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.

**County of Oakland**  
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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 include 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.

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. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. The exception to this general rule is 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 non-operating 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 non-operating revenues and expenses.

**Fiduciary Fund Types**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Oakland County's fiduciary funds include Pension (and other post-employment benefits) Trust funds to account for retirees' retirement and medical benefits; Investment Trust funds, which report funds deposited by and invested for local units of government; and Agency funds, which account for assets held in trust by the County for others. These funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the programs of Oakland County.

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**Notes to Basic Financial Statements**  
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**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, Pension Trust and Investment 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.
- 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 susceptible to accrual, generally when they become both measurable and available. Property taxes are levied on December 1 and July 1 of each year (see Note 4) and are recognized as revenues in the fiscal year during which they are levied, and interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other revenues are considered to be available when anticipated to be collected within 60 days of the end of the fiscal period. Expenditures are recorded when the related fund liability is incurred, except debt service expenditures, which are recorded when paid.
- Proprietary, Pension Trust and Investment 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.

**County of Oakland**  
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The Drainage Districts use 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 debt service expenditures, which are recorded when paid.

**Budgets**

Budgets and budgetary accounting are on the modified accrual basis, which is consistent with generally accepted accounting principles (GAAP basis) 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, 2008 and presented in a separate document. Appropriation budgets were adopted for the General Fund and the following Special Revenue funds: Public Health, Child Care, and Social Welfare-Foster Care. 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.

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 designated 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 maintains a cash and investment pool for all funds except the pension trust funds, the Interim Retiree Medical Benefits Trust fund, 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, 2009 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 is also reclassified at year end as an inter-fund liability.

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, 2009.

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.

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**Inter-fund 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.

Non-current portions of long-term inter-fund 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 cost or market using the first-in, first-out method. Inventories in the Facilities Maintenance and Operations fund are stated at cost or market using the average-cost basis.

**Prepayments**

Payments made for services that will benefit periods beyond September 30, 2009 are recorded as prepayments.

**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 lives of the major classes of property and equipment follow:

<b>Class</b>	<b>Years</b>
Land improvements	10-15
Buildings and improvements	35-45
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.

**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.

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

**Pension and Other Postemployment Benefit Costs**

The County offers both pension and retiree healthcare benefits to retirees. The County receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements, the County reports the full accrual cost equal to the current year required contribution, adjusted for interest and “adjustment to the ARC” on the beginning of year balance, if any.

**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.

**Deferred Revenue**

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

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2008 through September 30, 2009) and are reported as revenues in the financial statements. Amounts not collected within 60 days of the end of the fiscal year are considered unavailable for the current period, and are reported as deferred revenue.

**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 basic financial statements, September 30, 2009. 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 personnel expenditures (salaries, overtime, and fringes), operating expenditures, and internal support 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, Revenue Sharing Reserve, Interim Retirees’ Medical Benefits Trust, Child Care, and Social Welfare-Foster Care. The budgetary comparison for the General Fund, the Public Health, Interim Retirees’ Medical Benefits Trust, and Revenue Sharing Reserve funds (major special revenue funds) are presented in the Required Supplementary Information. The Child Care and Social Welfare Foster Care funds are presented in the Special Revenue Funds section.

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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.
- (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 Human Resources 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:

	<b>Appropriation</b>	<b>Expenditures</b>	<b>Excess Expenditures</b>
<b>General Fund</b>			
Justice administration			
District Court			
Operating expenditures	\$ 1,991,345	\$ 2,409,601	\$ 418,256
<b>Special Revenue Funds</b>			
Interim Retirees' Medical Benefits Trust			
Non-departmental			
Operating expenditures	61,863,580	63,112,352	1,248,772

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 2010.

**3. Deposits and Investments**

The County has deposits and investments which are maintained for its primary government, component unit and fiduciary fund types.

For the primary government, the County manages its investments in a pool format which is used by all County funds. Share value is maintained at \$1, with interest rates floating daily. Investment income is allocated back to County funds based on their share of the pool which is calculated on their average daily cash balance.

# County of Oakland

## Notes to Basic Financial Statements

### September 30, 2009

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For its pool, the County only uses federal and state-chartered banks and savings institutions, which are members of the FDIC, and have a location in the state of Michigan. All deposits and investments for the pool are held in the County's name and tax ID number.

The County Treasurer is permitted to offer an investment option to local units of government, within the County, called the Local Government Investment Pool (LGIP). Contracted participant deposits are treated just like County funds and receive a share of earnings based on their average daily cash balance. The LGIP is not subject to regulatory oversight, is not registered with the SEC and does not issue a separate report. The LGIP is managed as a 2(a)7 fund with its net asset value maintained at \$1. Fair value of the position in the pool is the same as the value of the pool shares. The LGIP has not provided or obtained any legally binding guarantees during the period to support the value of the shares. Investments are valued monthly.

#### **Deposits**

It is County policy to review and verify a bank's creditworthiness through a system of ratio analysis and from information provided by several third-party sources. In addition, the County places concentration limits on banks based on creditworthiness resulting from both the ratio analysis and third-party information.

*Custodial Credit Risk – Deposits.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be returned.

As of September 30, 2009, the bank balance of the County's deposits was \$495,534,134. Insured deposits were \$321,193,142, and the remaining \$174,340,992 was uninsured, uncollateralized, and held in the County's name.

The Drainage District's component units cash, deposit and investments are maintained in pooled accounts of the County; therefore, their amount of insurance would be allocated to the Drainage District's deposits based on their prorated share of the investment portfolio.

The County's Investment Policy allows for the use of bank deposits including certificates of deposit. The only limitation placed on bank deposits is that they cannot exceed 60% of the total investment portfolio. In addition, the County's investment policy limits the investment with any single financial institution to 15%.

At September 30, 2009, the Road Commission component unit had \$4,672,952 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The book balance for these deposits has been reported on the Statement of Net Assets as cash and cash equivalents of \$28,171,795 and investments of \$6,100,000.



**County of Oakland**  
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**Investments - Internal Investment Pool**

Investments, except those of the Retirement Systems, Interim Retiree Medical Benefits Trust and Deferred Compensation Plan, are administered by the Treasurer under guidelines established by Act 20 of the Michigan Public Acts of 1943, as amended and the Investment policy as adopted by the County's Board of Commissioners. The County's Investment Policy is more restrictive than state law and allows for the following instruments:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of Michigan financial institutions.
3. Commercial paper rated at the time of purchase at the *highest* classification established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
4. Repurchase agreements consisting of instruments in subdivision 1. The PSA Master Repurchase Agreement prototype agreement shall be employed with appropriate supplemental provisions regarding security delivery, security substitutions, and governing law. A signed Repurchase Agreement must be on file before entering into a repurchase transaction.
5. Bankers' acceptances of United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
7. Obligations described in subdivisions 1 through 6 if purchased through an inter-local agreement under the Urban Cooperation Act of 1967.
8. Investment pools organized under the Surplus Funds Investment Pool Act, PA 367 of 1982.
9. Investment pools organized under the Local Government Investment Pool Act, PA 121 of 1985.
10. Mutual funds registered under the Investment Company Act of 1940 with authority to only purchase investment vehicles that are legal for direct investment by a Michigan public corporation. Investment is limited to mutual funds that maintain a net asset value of \$1.00 per share.

As of September 30, 2009, the County had the following deposit and investment types in its internal investment pool.

<b>Deposit and Investment Type</b>	<b>Market Value</b>	<b>Weighted Average Maturity (days)</b>
Certificates of Deposit (1)	\$ 244,012,000	326
Deposit Accounts (1)	251,578,866	1
Money Market Investment Pools	235,897,527	1
MI Government Coupon	33,483,781	6,016
U.S. Agencies	364,792,095	785
 Total Market Value of Internal Investment Pool	 \$ 1,129,764,269	
 Weighted Average Maturity of Internal Investment Pool (in days)		 456

**County of Oakland**  
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- (1) These items are non-negotiable and therefore are considered deposits and not investments. They are presented here to give a clear picture of the investment pool's overall weighted average maturity.

*Credit Risk* – The County has \$364,792,095 invested in U.S. government securities which are rated AAA by Standard & Poor's and Aaa by Moody's. State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating organization (NRSROs). It is the County's policy to further limit its investments in commercial paper to only the top rating as issued by NRSROs. As of September 30, 2009, the County had no investments in commercial paper. Three of the money market investment pools used by the County, with a fair value of \$82,904,005 at September 30, 2009, carry an AAA (Standard & Poor's) and an Aaa (Moody's) rating. One other money market investment pool used by the County, with a fair value of \$152,993,522 at September 30, 2009, is not rated. The County's investment policy is silent on the use of rated versus unrated money market funds. In addition, there is no rating level requirement for unrated money market funds.

*Custodial Credit Risk – Investments* is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of another side party. The County's Investment Policy requires that all investment transactions (including collateral for repurchase agreements) be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third-party custodian, as designated by the County Treasurer, and shall be evidenced by a safekeeping receipt. As of September 30, 2009, \$398,275,876 in investments, at par value, was held in third-party safekeeping in the County's name.

The County also invests in money market funds that have their securities safe kept with a third party selected by the counterparty. However, the pool's securities are held in trust for the participants of the fund and are not available to the counterparty if the counterparty should happen to fail. We believe this arrangement satisfies the County's investment policy safe-keeping requirement.

*Concentration of Credit Risk – Investments* - The County's investment policy allows for no more than 15% be invested with any single financial institution. On September 30, 2009, the County had investments of 5% or more of the total portfolio with the following U.S. Agency issuers: Fannie Mae 6.90%, Federal Home Loan Bank 12.10%, and Freddie Mac 7.48%. No other issuer of investments exceeded 5%.

*Interest Rate Risk* – To limit its exposure to fair value losses from rising interest rates, the County's Investment Policy states the County will not directly invest in securities that mature more than three years from date of purchase; however, securities exceeding the three-year limitation may be purchased provided maturity dates coincide with the expected use of the funds. As of September 30, 2009, the internal investment pool had a weighted average maturity of 456 days and the longest investment maturity in the portfolio was 6,742 days (18.7 years).

**County of Oakland**  
**Notes to Basic Financial Statements**  
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**Investments – Pension Trust and Intermediate Retiree Medical Benefits Trust Funds**

The Pension Trust Funds and the Intermediate Retirees' Medical Benefits Trust Fund investments are made in accordance with Act 55 of the Michigan Public Acts of 1982, as amended, and are limited to no more than 65 percent in common stock. In addition, no investments, loans, or leases are with parties related to the pension plan.

Pension investments are made through the use of Investment Advisors which are selected and retained by the various Retirement Boards (PERS, VEBA and IRMB). The advisors serve at the leisure of the various boards as provided by investment agreements. At September 30, 2009, the Primary Government's Pension Trust fund had 18 investment advisors. Investments are held in street name by safekeeping agents under formal trust agreements and/or in the Retirement Systems' name.

As of September 30, 2009, the County had the following investment types in its Retirement System:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Percentage</b>	<b>Average Duration (In Years)</b>
Government Bonds	\$ 115,017,728	8.19 %	7.07613
Asset-Backed Fixed Income	25,139,073	1.79	1.06286
Commercial Mortgage-Backed Securities	48,683,210	3.46	4.31311
Mortgage-Backed Securities	34,611,527	2.46	1.61532
Municipal Bonds	2,999,984	0.21	7.45333
Corporate Bonds	218,239,345	15.53	5.36229
CMO/REMIC Investments	16,115,781	1.15	2.49441
Common Stock	548,667,141	39.05	N/A
Equity ADR	2,258,100	0.16	N/A
Equity REIT	11,740,357	0.84	N/A
Investment Companies-SPDR	930,130	0.07	N/A
International Common Stock	39,607,186	2.82	N/A
Investment Companies - Commingled Funds	236,360,211	16.82	N/A
Investment Companies-Mutual Funds	13,438,186	0.96	N/A
Money Market Funds	15,373,255	1.09	0.08782
Short-Term Investments	5,413,904	0.39	0.24178
Real Estate	3,506	0.00	N/A
Alternative Investments	3,073,796	0.22	N/A
Limited Partnership	67,452,786	4.80	N/A
<b>Total</b>	<b>\$ 1,405,125,206</b>	<b>100.0 %</b>	

**County of Oakland**  
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*Credit Risk* The Board's adopted Statement of Investment Goals and Objectives (SIGO) states that no non-convertible bonds and convertible securities are authorized for purchase. In addition, no more than 10% of the total value of the portfolio, at the time of purchase, may be held in non-investment grade bonds as rated by Moody's and/or Standard & Poor's. Ninety percent of the total value of the portfolio must have a quality rating of A or better by Moody's and Standard & Poor's. If any security held in the portfolio drops below investment grade as rated by Moody's or Standard & Poor's, the investment manager is to advise the board of that fact along with a buy/hold recommendation. The Board then shall instruct the investment manager as to which action should be taken. As of September 30, 2009, debt obligation investments held in the retirement system had the following ratings:

Fair Value	Percentage	Ratings	
		Moody's	S&P
\$294,653,863	59.75 %	Aaa	AAA
6,575,575	1.33	Aa1	AA+
13,831,712	2.80	Aa2	AA
21,033,730	4.27	Aa3	AA-
27,670,581	5.61	A1	A+
74,269,725	15.06	A2	A
16,571,953	3.36	A3	A-
15,865,740	3.22	Baa1	BBB+
15,521,555	3.15	Baa2	BBB
1,827,775	0.37	Baa3	BBB-
1,112,016	0.23	Ba1	BB+
1,806,262	0.37	Ba2	BB
756,153	0.15	Ba3	B
140,546	0.03	B1	B-
1,349,476	0.27	Caa1	CCC
159,525	0.03	Ca2	CC
<u>\$493,146,187</u>	<u>100.00 %</u>		

*Custodial Credit Risk* is the risk associated with the failure of the counterparty, the Retirement System would not be able to recover the value of its investments that are in the possession of another side party. The Retirement System's Statement of Investment Goals and Objectives (SIGO) requires that all investment transactions shall be conducted through a custodian that will act as the system's third party. Securities shall be held by the custodian, as designated by the Retirement Boards, and shall be evidenced by a custodial report. As of September 30, 2009, \$1,403,702,408 in investments was held in third-party safekeeping in the County's name.

*Concentration of Credit Risk* The Board's adopted Statement of Investment Goals and Objectives (SIGO) states that no more than 5% of the assets of the Retirement System's portfolio may be invested in the fixed income obligations of any one corporation or its affiliates and no more than 10% may be invested in the equity of any one corporation or its affiliates. Further, for fixed income investments, no more than 10% of the assets of the portfolio may be invested in the securities of any governmental agency that is not fully backed by the U.S. government. No limitation applies to obligations of the United States Treasury or any fully guaranteed agency of the federal government.

## County of Oakland

### Notes to Basic Financial Statements

#### September 30, 2009

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For equities, holdings of all securities of an industry group should not exceed 25% of the portfolio at cost. ADRs should not exceed a maximum of 10% of the portfolio at cost and shall be further limited to Canadian securities and non-U.S. domiciled corporations issuing U.S. securities. As of September 30, 2009, as reported by the system's investment managers, no holdings exceed any of the Board's adopted limits.

*Interest Rate Risk* The Board's adopted Statement of Investment Goals and Objectives (SIGO) places no limitation on the system's fixed income managers on the length to maturity for fixed income investments. As the schedule on page 87 indicates, the system's fixed income investments had average durations of between .088 years and 7.45 years which is reasonable given the long-term nature of the system. Having reasonable durations will reduce the retirement system's risk exposure to rapidly adjusting interest rates.

*Security Lending Transactions* Under the provisions of State statutes, the Oakland County Employees' Retirement System lends U.S. government securities, corporate bonds, and common stock to brokers and/or dealers in exchange 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 cash equivalent securities 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 but not less than 102 percent of the market value of the loaned securities.

The County did not impose any restrictions during the year ended September 30, 2009 on the amount of loans that the agent made on its behalf. There were also 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, 2009, 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, 2009 were \$131,482,384 and \$128,390,794, respectively, or 102.4% collateral to market value coverage.

*Collateralized Mortgage Obligations (CMOs)* are U.S. government-issued asset-backed certificates and corporate-issued asset-backed certificates. Current CMO holdings have maturity lengths ranging from .27 years to 39.1 years and are backed by investments in various assets, including mortgages. As of September 30, 2009, the market value was \$32,432,211.

*Interest Rate Risk - Collateralized Mortgage Obligations* The market value of such investments can be affected by, among other factors, changes in interest rates, including the effect of prepayments, marketability, and default rates on assets underlying the securities. At September 30, 2009, the Retirement System's investment in CMOs included investment in the Interest Only (IO) Class. Prepayments on the CMO related mortgages, especially those with relatively high interest rates, could reduce the yields on the Interest Only Class and could even result in the failure of investors in that Class to recover their investments. As prepayments increase in falling interest rate environments, IOs have a negative duration, which means their price typically rises when interest rates rise. At September 30, 2009, the County's CMO portfolio had effective duration ranges of -3.3 years and 3.5 years.

**County of Oakland**  
**Notes to Basic Financial Statements**  
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*Variable Rate Coupon Notes and Bonds* In the County's Retirement System investment portfolio are Variable Rate coupon instruments with a market value of \$29,654,281 as of September 30, 2009. Such investments include U.S. government-issued securities and corporate-issued securities. The variable rate securities have maturities through the year 2049 and are backed by investments in various assets, including mortgages.

*Interest Rate Risk – Variable Rate Coupon Notes and Bonds* The market value of these investments may be influenced by, among other factors, changes in interest rates which affect their marketability. At September 30, 2009, the Retirement System was holding variable rate instruments that are reset against the LIBOR (London Interbank Offering Rate) with a plus factor. The coupons had short reset points ranging from twice a year, quarterly and monthly. The shorter the reset point, the less sensitive the investment is to interest rate changes.

**4. Receivables – Property Taxes**

Prior to 2004, taxes were levied on December 1 on the taxable value of real and personal property as established the preceding December 31. Taxes became a lien on the property on December 1 and were due and payable on that date through February 28 of the following year, after which unpaid taxes became delinquent and subject to penalty. Michigan Public Act 357 of 2004 required a gradual shift over a three-year period, of county property tax levies from winter to summer as a substitute to county revenue sharing from the State. The entire County Operating Tax is levied on July 1 each year beginning in 2007; however, the date for delinquencies did not change with the shift in levy dates. 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 2009 summer levy amounted to \$67,858,986,149 with taxable values of \$62,416,676,895. The operating tax rate for the 2009 levy was 4.19 mills, with an additional 0.2415 mills voted for Parks and Recreation (winter levy only). The amount unpaid at fiscal year-end is reported as current property taxes receivable in the County's General Fund. These receivables (current and delinquent) for the County operating tax levy amounted to \$34,282,926 at September 30, 2009.

The Treasurer purchases, at face amount, real property tax receivables for all municipalities and school districts within Oakland County that are delinquent on March 1, with transactions recorded in the Delinquent Tax Revolving fund (Enterprise fund type). These receivables (\$115,773,596 at September 30, 2009) 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 \$32,768,313 in 2009, are used to service the notes payable.

**County of Oakland**  
**Notes to Basic Financial Statements**  
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**5. Allowances for Uncollectible Receivables**

At September 30, 2009, the allowances for uncollectible receivables were as follows:

**General Fund** \$ 200,000

**6. Investment Income – Pension Trust Funds**

The following is a breakdown of the investment income for Pension Trust funds, and the Interim Retirees' Medical Benefits Trust fund of the primary government for the year ended September 30, 2009:

	<b>Employees' Retirement</b>	<b>VEBA Trust</b>	<b>IRMB Trust</b>
Interest and dividends	\$ 17,979,977	\$ 11,606,291	\$ 11,017,187
Unrealized/ Realized gain (loss) on investments (net)	(10,127,937)	1,501,263	(18,442,491)
Total	<u>\$ 7,852,040</u>	<u>\$ 13,107,554</u>	<u>\$ (7,425,304)</u>

**County of Oakland**  
**Notes to Basic Financial Statements**  
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**7. Capital Assets**

An analysis of property and equipment as reported in the Statement of Net Assets, and related accumulated depreciation, at September 30, 2009, for governmental activities follows:

	<b>Balance October 1, 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance September 30, 2009</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 7,365,551	\$ -	\$ -	\$ 7,365,551
Construction in progress	23,537,166	1,960,409	(19,611,003)	5,886,572
Total capital assets not being depreciated	<u>30,902,717</u>	<u>1,960,409</u>	<u>(19,611,003)</u>	<u>13,252,123</u>
Capital assets being depreciated				
Land improvements	1,131,282	-	-	1,131,282
Buildings and improvements	212,214,722	18,464,285	-	230,679,007
Equipment and vehicles	101,078,414	3,412,253	(2,408,615)	102,082,052
Infrastructure	28,120,943	362,544	-	28,483,487
Total capital assets being depreciated	<u>342,545,361</u>	<u>22,239,082</u>	<u>(2,408,615)</u>	<u>362,375,828</u>
Less: Accumulated depreciation				
Land improvements	927,243	21,624	-	948,867
Buildings and improvements	74,247,644	5,349,030	-	79,596,674
Equipment and vehicles	70,840,700	7,881,815	(1,969,600)	76,752,915
Infrastructure	12,540,787	747,673	-	13,288,460
Total accumulated depreciation	<u>158,556,374</u>	<u>14,000,142</u>	<u>(1,969,600)</u>	<u>170,586,916</u>
Total capital assets being depreciated, net	<u>183,988,987</u>	<u>8,238,940</u>	<u>(439,015)</u>	<u>191,788,912</u>
Governmental activities capital assets, net	<u>\$ 214,891,704</u>	<u>\$ 10,199,349</u>	<u>\$ (20,050,018)</u>	<u>\$ 205,041,035</u>
Depreciation expense was charged to functions as follows:				
Public safety		\$ 3,422,991		
Justice administration		1,140,251		
Citizens services		353,968		
Public infrastructure		628,729		
Commerce and Community Development		27,343		
Unallocated depreciation		1,959,201		
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>6,463,826</u>		
Total depreciation expense - governmental activities		<u>\$ 13,996,309</u>		

The variance in depreciation expense (\$3,833) compared to additions to accumulated depreciation is a result of the transfer of accumulated depreciation from the Jail Commissary, enterprise fund to the general government. Sheriff Aviation, an internal service fund, was also closed and the assets (\$2,506,810) were transferred to general government.



**County of Oakland**  
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A summary of business-type property and equipment at September 30, 2009 follows:

	<b>Balance October 1, 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance September 30, 2009</b>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 54,991,153	\$ 575,731	\$ -	\$ 55,566,884
Construction in progress	29,942,988	7,792,171	(4,339,803)	33,395,356
Other	12,000	-	-	12,000
Total capital assets not being depreciated	<u>84,946,141</u>	<u>8,367,902</u>	<u>(4,339,803)</u>	<u>88,974,240</u>
Capital assets being depreciated				
Land improvements	23,895,684	-	-	23,895,684
Buildings and improvements	68,128,013	294,166	(65,351)	68,356,828
Equipment and vehicles	51,971,742	6,318,491	(496,738)	57,793,495
Infrastructure	229,598,608	81,107	(56,934)	229,622,781
Total capital assets being depreciated	<u>373,594,047</u>	<u>6,693,764</u>	<u>(619,023)</u>	<u>379,668,788</u>
Less: Accumulated depreciation				
Land improvements	16,321,317	1,060,079	-	17,381,396
Buildings and improvements	17,919,458	1,636,611	(15,812)	19,540,257
Equipment and vehicles	44,552,930	2,772,242	(436,285)	46,888,887
Infrastructure	148,250,112	5,064,384	(56,934)	153,257,562
Total accumulated depreciation	<u>227,043,817</u>	<u>10,533,316</u>	<u>(509,031)</u>	<u>237,068,102</u>
Total capital assets being depreciated, net	<u>146,550,230</u>	<u>(3,839,552)</u>	<u>(109,992)</u>	<u>142,600,686</u>
Business-type activities capital assets, net	<u>\$ 231,496,371</u>	<u>\$ 4,528,350</u>	<u>\$ (4,449,795)</u>	<u>\$ 231,574,926</u>
Depreciation expense was charged to functions as follows:				
Airports		\$ 2,070,922		
Community safety support		1,956,706		
Community water and sewer		599,668		
Recreation and leisure		2,875,504		
Sewage disposal systems		<u>3,030,516</u>		
Total depreciation expense - business-type activities		<u>\$ 10,533,316</u>		

Disposals included the transfer of capital assets of \$42,157 (net of accumulated depreciation from Jail Commissary, enterprise fund) to the general government.

**County of Oakland**  
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An analysis of property and equipment, and related accumulated depreciation where applicable, at September 30, 2009, for component units follows:

	<b>Balance October 1, 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance September 30, 2009</b>
<b>Component Units</b>				
<b>Drainage Districts</b>				
Capital assets not being depreciated				
Construction in progress	\$ 144,426,679	\$ 7,925,658	\$ (4,095,934)	\$ 148,256,403
Capital assets being depreciated				
Infrastructure	344,880,809	1,574,484	-	346,455,293
Less: Accumulated depreciation				
Infrastructure	67,217,275	3,476,914	-	70,694,189
Total capital assets being depreciated, net	277,663,534	(1,902,430)	-	275,761,104
Governmental activity capital assets, net	<u>\$ 422,090,213</u>	<u>\$ 6,023,228</u>	<u>\$ (4,095,934)</u>	<u>\$ 424,017,507</u>
<b>Road Commission</b>				
Capital assets not being depreciated				
Land and other	\$ 155,981,664	\$ 9,246,818	\$ -	\$ 165,228,482
Construction in progress	328,845	100,743	(172,184)	257,404
Total capital assets not being depreciated	156,310,509	9,347,561	(172,184)	165,485,886
Capital assets being depreciated				
Buildings and storage bins	17,899,380	582,363	-	18,481,743
Road equipment	51,906,885	440,289	(4,940,802)	47,406,372
Other equipment	5,739,444	40,923	(223,680)	5,556,687
Infrastructure	858,708,662	37,132,217	-	895,840,879
Brine wells and gravel pits	1,389,028	-	-	1,389,028
Total capital assets being depreciated	935,643,399	38,195,792	(5,164,482)	968,674,709
Less: Accumulated depreciation				
Buildings and storage bins	9,011,705	432,107	-	9,443,812
Road equipment	43,741,463	3,382,865	(4,937,890)	42,186,438
Other equipment	4,466,301	397,356	(223,680)	4,639,977
Infrastructure	364,872,735	33,594,862	-	398,467,597
Brine wells and gravel pits	1,061,124	54,609	-	1,115,733
Total accumulated depreciation	423,153,328	37,861,799	(5,161,570)	455,853,557
Total capital assets being depreciated, net	512,490,071	333,993	(2,912)	512,821,152
Governmental activity capital assets, net	<u>\$ 668,800,580</u>	<u>\$ 9,681,554</u>	<u>\$ (175,096)</u>	<u>\$ 678,307,038</u>

**County of Oakland**  
**Notes to Basic Financial Statements**  
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**8. Long-term Debt**

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

**Primary Government**

	<b>Interest rate</b>	<b>October 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2009</b>	<b>Amounts due within one year</b>	<b>Amounts due thereafter</b>	<b>General obligation</b>	<b>With governmental commitment</b>
<b>Debt with limited taxing authority</b>									
Building authority - Act 31	2.50%-5.60%	\$ 81,735,000	\$ -	\$ (4,455,000)	\$ 77,280,000	\$ 4,590,000	\$ 72,690,000	\$ 58,775,000	\$ 18,505,000
Building authority refunding	4.37%-4.75%	10,710,000	-	(1,405,000)	9,305,000	1,445,000	7,860,000	1,395,000	7,910,000
Certificates of Participation - Taxable	6.00%-6.25%	536,220,000	-	(16,610,000)	519,610,000	17,590,000	502,020,000	519,610,000	-
Lake levels - Act 451	2.25%-3.40%	385,000	-	(55,000)	330,000	60,000	270,000	-	330,000
Sewage disposal - Act 342	3.50%-8.50%	2,960,000	-	(1,000,000)	1,960,000	505,000	1,455,000	-	1,960,000
Water and sewer - Act 342	4.00%-4.50%	3,400,000	-	(150,000)	3,250,000	150,000	3,100,000	-	3,250,000
Water supply - Act 342	4.40%-7.00%	11,015,000	-	(340,000)	10,675,000	360,000	10,315,000	-	10,675,000
Water and sewer refunding bonds	2.00%-3.50%	1,615,000	-	(315,000)	1,300,000	305,000	995,000	-	1,300,000
Water supply refunding bonds	4.40%-4.70%	1,570,000	-	(255,000)	1,315,000	265,000	1,050,000	-	1,315,000
Sewage disposal refunding bonds	3.00%-5.20%	9,345,000	2,710,000	(6,110,000)	5,945,000	2,530,000	3,415,000	-	5,945,000
Michigan Bond Authority - Sewage Disposal Bonds	2.25%	6,869,371	174,208	(570,000)	6,473,579	580,000	5,893,579	-	6,473,579
Total bonds - governmental activities		<u>\$ 665,824,371</u>	<u>\$ 2,884,208</u>	<u>\$ (31,265,000)</u>	<u>\$ 637,443,579</u>	<u>\$ 28,380,000</u>	<u>\$ 609,063,579</u>	<u>\$ 579,780,000</u>	<u>\$ 57,663,579</u>
<b>Tax notes - limited taxing authority - business-type activities</b>	1.625%	<u>\$ 25,000,000</u>	<u>\$ 50,000,000</u>	<u>\$ (25,000,000)</u>	<u>\$ 50,000,000</u>	<u>\$ 50,000,000</u>	<u>\$ -</u>	<u>\$ 50,000,000</u>	<u>\$ -</u>
<b>Component units</b>									
	<b>Interest rate</b>	<b>October 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2009</b>	<b>Amounts due within one year</b>	<b>Amounts due thereafter</b>	<b>General obligation</b>	<b>With governmental commitment</b>
<b>Drainage Districts</b>									
<b>Debt with limited taxing authority</b>									
Drain bonds - Act 40	3.60%-8.00%	\$ 20,690,000	\$ -	\$ (2,170,000)	\$ 18,520,000	\$ 1,995,000	\$ 16,525,000	\$ 1,407,316	\$ 17,112,684
Drain refunding bonds	3.75%-6.70%	42,075,000	9,855,000	(14,525,000)	37,405,000	5,350,000	32,055,000	2,001,936	35,403,064
Michigan Bond Authority - Drain Bonds	2.00%-2.50%	90,023,234	6,667,846	(5,135,000)	91,556,080	5,550,000	86,006,080	451,409	91,104,671
Total Drainage Districts		<u>\$ 152,788,234</u>	<u>\$ 16,522,846</u>	<u>\$ (21,830,000)</u>	<u>\$ 147,481,080</u>	<u>\$ 12,895,000</u>	<u>\$ 134,586,080</u>	<u>\$ 3,860,661</u>	<u>\$ 143,620,419</u>
Total County Debt		<u>\$ 843,612,605</u>	<u>\$ 69,407,054</u>	<u>\$ (78,095,000)</u>	<u>\$ 834,924,659</u>	<u>\$ 91,275,000</u>	<u>\$ 743,649,659</u>	<u>\$ 633,640,661</u>	<u>\$ 201,283,998</u>

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

**Component Units (Continued)**

<b>Road Commission</b>	<b>Interest rate</b>	<b>October 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2009</b>	<b>Amounts due within one year</b>	<b>Amounts due thereafter</b>	<b>General obligation</b>	<b>With governmental commitment</b>
Compensated absences	--	\$ 3,295,222	\$ -	\$ (212,190)	\$ 3,083,032	\$ -	\$ 3,083,032	\$ -	\$ 3,083,032
Self-insured losses	--	1,900,000	200,000	-	2,100,000	-	2,100,000	-	2,100,000
Other postemployment benefits	--	2,260,219	4,163,921	-	6,424,140	-	6,424,140	-	6,424,140
Michigan Transportation Fund revenue notes	3.75%-4.75%	7,975,000	-	(2,475,000)	5,500,000	1,500,000	4,000,000	-	5,500,000
<b>Total Road Commission</b>		<b>\$ 15,430,441</b>	<b>\$ 4,363,921</b>	<b>\$ (2,687,190)</b>	<b>\$ 17,107,172</b>	<b>\$ 1,500,000</b>	<b>\$ 15,607,172</b>	<b>\$ -</b>	<b>\$ 17,107,172</b>
<b>Total reporting entity</b>		<b>\$ 859,043,046</b>	<b>\$ 73,770,975</b>	<b>\$ (80,782,190)</b>	<b>\$ 852,031,831</b>	<b>\$ 92,775,000</b>	<b>\$ 759,256,831</b>	<b>\$ 633,640,661</b>	<b>\$ 218,391,170</b>

The annual requirements to pay principal and interest on debt outstanding at September 30, 2009 (excluding the liabilities for compensated absences, other postemployment benefits and uninsured losses for the Road Commission component unit) were:

	<b>Bonds with limited taxing authority</b>		<b>Certificates of Participation limited taxing authority</b>		<b>Notes with limited taxing authority</b>		<b>Total primary government</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2010	\$ 10,790,000	\$ 5,001,604	\$ 17,590,000	\$ 31,456,888	\$ 50,000,000	\$ 750,000	\$ 78,380,000	\$ 37,208,492
2011	7,305,000	4,575,848	18,320,000	30,379,587	-	-	25,625,000	34,955,435
2012	7,330,000	4,320,633	19,545,000	29,243,638	-	-	26,875,000	33,564,271
2013	7,875,000	4,051,041	20,520,000	28,041,687	-	-	28,395,000	32,092,728
2014	6,960,000	3,768,360	21,500,000	26,781,088	-	-	28,460,000	30,549,448
2015-2019	36,460,000	14,366,228	127,280,000	112,403,512	-	-	163,740,000	126,769,740
2020-2024	32,055,000	6,165,317	168,070,000	67,086,875	-	-	200,125,000	73,252,192
2025-2029	8,338,579	1,006,774	126,785,000	12,191,406	-	-	135,123,579	13,198,180
2030-2033	720,000	32,400	-	-	-	-	720,000	32,400
<b>Totals</b>	<b>\$ 117,833,579</b>	<b>\$ 43,288,205</b>	<b>\$ 519,610,000</b>	<b>\$ 337,584,681</b>	<b>\$ 50,000,000</b>	<b>\$ 750,000</b>	<b>\$ 687,443,579</b>	<b>\$ 381,622,886</b>

	<b>Drainage Districts</b>		<b>Road Commission</b>		<b>Total reporting entity</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2010	\$ 12,895,000	\$ 4,305,009	\$ 1,500,000	\$ 220,000	\$ 92,775,000	\$ 41,733,501
2011	13,205,000	3,867,306	1,500,000	160,000	40,330,000	38,982,741
2012	11,755,000	3,453,354	500,000	100,000	39,130,000	37,117,625
2013	12,030,000	3,104,193	500,000	80,000	40,925,000	35,276,921
2014	11,070,000	2,743,765	500,000	60,000	40,030,000	33,353,213
2015-2019	44,815,000	9,172,500	1,000,000	60,000	209,555,000	136,002,240
2020-2024	39,450,408	3,117,320	-	-	239,575,408	76,369,512
2025-2029	2,260,672	168,438	-	-	137,384,251	13,366,618
2030-2033	-	-	-	-	720,000	32,400
<b>Totals</b>	<b>\$ 147,481,080</b>	<b>\$ 29,931,885</b>	<b>\$ 5,500,000</b>	<b>\$ 680,000</b>	<b>\$ 840,424,659</b>	<b>\$ 412,234,771</b>

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

**Component Units (Continued)**

<b>Road Commission</b>	<b>Interest rate</b>	<b>October 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2009</b>	<b>Amounts due within one year</b>	<b>Amounts due thereafter</b>	<b>General obligation</b>	<b>With governmental commitment</b>
Compensated absences	--	\$ 3,295,222	\$ -	\$ (212,190)	\$ 3,083,032	\$ -	\$ 3,083,032	\$ -	\$ 3,083,032
Self-insured losses	--	1,900,000	200,000	-	2,100,000	-	2,100,000	-	2,100,000
Other postemployment benefits	--	2,260,219	4,163,921	-	6,424,140	-	6,424,140	-	6,424,140
Michigan Transportation Fund revenue notes	3.75%-4.75%	7,975,000	-	(2,475,000)	5,500,000	1,500,000	4,000,000	-	5,500,000
<b>Total Road Commission</b>		<b>\$ 15,430,441</b>	<b>\$ 4,363,921</b>	<b>\$ (2,687,190)</b>	<b>\$ 17,107,172</b>	<b>\$ 1,500,000</b>	<b>\$ 15,607,172</b>	<b>\$ -</b>	<b>\$ 17,107,172</b>
<b>Total reporting entity</b>		<b>\$ 859,043,046</b>	<b>\$ 73,770,975</b>	<b>\$ (80,782,190)</b>	<b>\$ 852,031,831</b>	<b>\$ 92,775,000</b>	<b>\$ 759,256,831</b>	<b>\$ 633,640,661</b>	<b>\$ 218,391,170</b>

The annual requirements to pay principal and interest on debt outstanding at September 30, 2009 (excluding the liabilities for compensated absences, other postemployment benefits and uninsured losses for the Road Commission component unit) were:

	<b>Bonds with limited taxing authority</b>		<b>Certificates of Participation limited taxing authority</b>		<b>Notes with limited taxing authority</b>		<b>Total primary government</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2010	\$ 10,790,000	\$ 5,001,604	\$ 17,590,000	\$ 31,456,888	\$ 50,000,000	\$ 750,000	\$ 78,380,000	\$ 37,208,492
2011	7,305,000	4,575,848	18,320,000	30,379,587	-	-	25,625,000	34,955,435
2012	7,330,000	4,320,633	19,545,000	29,243,638	-	-	26,875,000	33,564,271
2013	7,875,000	4,051,041	20,520,000	28,041,687	-	-	28,395,000	32,092,728
2014	6,960,000	3,768,360	21,500,000	26,781,088	-	-	28,460,000	30,549,448
2015-2019	36,460,000	14,366,228	127,280,000	112,403,512	-	-	163,740,000	126,769,740
2020-2024	32,055,000	6,165,317	168,070,000	67,086,875	-	-	200,125,000	73,252,192
2025-2029	8,338,579	1,006,774	126,785,000	12,191,406	-	-	135,123,579	13,198,180
2030-2033	720,000	32,400	-	-	-	-	720,000	32,400
<b>Totals</b>	<b>\$ 117,833,579</b>	<b>\$ 43,288,205</b>	<b>\$ 519,610,000</b>	<b>\$ 337,584,681</b>	<b>\$ 50,000,000</b>	<b>\$ 750,000</b>	<b>\$ 687,443,579</b>	<b>\$ 381,622,886</b>

	<b>Drainage Districts</b>		<b>Road Commission</b>		<b>Total reporting entity</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2010	\$ 12,895,000	\$ 4,305,009	\$ 1,500,000	\$ 220,000	\$ 92,775,000	\$ 41,733,501
2011	13,205,000	3,867,306	1,500,000	160,000	40,330,000	38,982,741
2012	11,755,000	3,453,354	500,000	100,000	39,130,000	37,117,625
2013	12,030,000	3,104,193	500,000	80,000	40,925,000	35,276,921
2014	11,070,000	2,743,765	500,000	60,000	40,030,000	33,353,213
2015-2019	44,815,000	9,172,500	1,000,000	60,000	209,555,000	136,002,240
2020-2024	39,450,408	3,117,320	-	-	239,575,408	76,369,512
2025-2029	2,260,672	168,438	-	-	137,384,251	13,366,618
2030-2033	-	-	-	-	720,000	32,400
<b>Totals</b>	<b>\$ 147,481,080</b>	<b>\$ 29,931,885</b>	<b>\$ 5,500,000</b>	<b>\$ 680,000</b>	<b>\$ 840,424,659</b>	<b>\$ 412,234,771</b>

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

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The County has pledged its full faith and credit on debt totaling \$834,924,659. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2009, the debt limit was \$6,785,898,615. The County is obligated if payments received on assessments or contracts levied against benefiting municipalities are insufficient to meet principal and interest requirements of this debt when due, and is shown in the preceding table as debt "with governmental commitment."

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

**Building Authority – Act 31**

Act 31, Michigan Public Acts of 1948, 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, 2009, there were nine issues outstanding, totaling \$77,280,000, maturing in the years 2010-2027, which represents debt originally issued in the years 1999-2007 totaling \$103,260,000.

**Taxable Certificates of Participation**

Represents debt issued in the form of trust certificates to fund future retiree health care costs reported in the VEBA Trust fund. Debt was issued under the authority of Public Act 139, Michigan Public Acts of 1973, in the amount of \$556,985,000, maturing in the years 2008 through 2027, and funds were placed in trust in the Intermediate Retirees' Medical Benefits Trust fund, a special revenue fund. The annual actuarially determined amount will be transferred from the trust to the VEBA Trust Fund. At September 30, 2009, there remained debt outstanding in the amount of \$519,610,000, maturing in the years 2010-2027.

**Sewage Disposal, Water and Sewer, and Water Supply Bonds – Act 342**

Act 342, Michigan Public Acts of 1939 provides 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, 2009, there were seven issues outstanding, totaling \$15,885,000, maturing in the years 2010-2030. This represents debt originally issued in the amount of \$22,110,000 issued in the years 1991-2005.

**Refunding Bonds**

Michigan Public Act 202 of 1943 and Act 34 of 2001 provide for the refunding of bonds based on covenants contained in the acts. 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, 2009, there were nine issues outstanding, totaling \$17,865,000, maturing in the years 2010-2027. This represents debt originally issued in the years 1998-2009 totaling \$51,825,000.

**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 entire amount was received as of the end of fiscal year 1999. The amount outstanding for this issue at September 30, 2009 was \$4,730,000, which matures in the years 2010-2018.

# County of Oakland

## Notes to Basic Financial Statements

### September 30, 2009

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In September 2007, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to \$2,000,000 for the Softwater Lake Capital Improvement Sewage Disposal System project. Through September 30, 2009, the County received \$1,913,579 from the State Revolving Loan fund. The amount outstanding at September 30, 2009 for this issue is \$1,743,579, which matures in the years 2010-2027.

#### **Lake Levels – Act 146**

Act 451 of Michigan Public Acts of 1994 permits the issuance of debt for providing lake level control. Bonds are to be repaid through special assessments levied against benefiting property owners. In October 2004, the County authorized the issuance of bonds in the amount of \$575,000 for the Watkins Lake Level. The amount outstanding at September 30, 2009 was \$330,000, which matures in the years 2010-2014.

#### **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 \$280,766,016 at September 30, 2009, 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, 2009 was \$50,000,000. Subsequent collections on delinquent taxes receivable, plus interest penalties and collection fees thereon, and investment earnings are used to service the debt.

#### **Drain Bonds and Notes – 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, 2009, there were seventeen issues outstanding, totaling \$18,520,000, maturing in the years 2010-2028. This represents original debt issued for \$37,970,000 in the years 1993-2008.

#### **Drain Refunding Bonds (Component Unit)**

Act 202 of 1943 and Act 34 of 2001 provide for the refunding of bonds based on covenants contained in the acts. The County initiates the refunding of various drain bonds issued under Act 40 on behalf of the drainage district's component unit. Bonds will be repaid from assessments levied against the benefiting municipalities. At September 30, 2009, there were seventeen issues outstanding, totaling \$37,405,000, maturing in the years 2010-2024. This represents debt originally issued in the years 1997-2009 in the amount of \$57,150,000.

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

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**Michigan Bond Authority Drain Bonds (Component Unit)**

The County authorized issuance of bonds in the amount of \$9,365,000 in 1994 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, with the entire amount from the State Revolving Loan Fund being received by 2005. Further, in 2001, the County authorized an additional \$82,200,000 for the George W. Kuhn Drainage District Segment II, with successive authorizations in the years 2005 through 2008 amounting to \$14,240,000. Through September 30, 2009, the drainage district received \$93,281,080 from the State Revolving Loan Fund for Segment II. At September 30, 2009, there were ten issues outstanding, totaling \$91,556,080, maturing in the years 2010-2028.

**Advance Refunding of General Obligation Limited Tax Bonds**

In June 2006, the County advance refunded a portion of a general obligation limited tax bond issue with surplus construction funds transferred to the debt service fund. These funds were placed in trust for the purpose of generating resources for the repayment 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, 2009, there is an in-substance defeasance of \$820,000 of Building Authority Bonds Series 2002A (Rochester Hills - Sheriff Substation), maturing in the years 2020 through 2022 inclusively.

In August 2009, the County issued \$4,720,000 of refunding bonds for a current refunding of a general obligation limited tax refunding bond issue on behalf of the Drainage Districts' component unit, pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding drain bonds were issued for the payment of future debt service obligations of the refunded debt. Accordingly, the trust account assets and liability for the refunding bonds are not included in the Drainage Districts' component unit, or the County's financial statements. The debt refunded amounted to \$4,715,000 for the Bloomfield Village CSO Drainage District Refunding Bonds, Series 2001B maturing in the years 2010 through 2016 inclusively. The refunding was undertaken to reduce the debt service payments over the next seven years by \$405,571 and obtain an economic (present value) gain to the benefiting municipalities of \$370,813.

In August 2009, the County issued \$5,135,000 of refunding bonds for a current refunding of a general obligation limited tax refunding bond issue on behalf of the Drainage Districts' component unit, pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding drain bonds were issued for the payment of future debt service payment of the refunded debt. Accordingly, the trust account assets and liability for the refunding bonds are not included in the Drainage Districts' component unit, or the County's financial statements. The debt refunded amounted to \$5,125,000 for the Birmingham CSO Drainage District Refunding Bonds Series 2001 maturing in the years 2010 through 2016 inclusively. The refunding was undertaken to reduce the debt service payments over the next eight years by \$420,973 and obtain an economic (present value) gain to the benefiting municipalities of \$384,153.

In September 2009, the County issued \$2,710,000 of refunding bonds for a current refunding of a general obligation limited tax refunding bond issue, pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding sewage disposal bonds were issued for the payment of future debt service obligations of the refunded debt. The debt refunded amounted to \$2,700,000 for the City of Orchard Lake Village Refunding Bonds, Series 1999, maturing in the years 2010 through 2012 inclusively. The refunding was undertaken to reduce the debt service payments over the next three years by \$148,245 and to obtain an economic (present value) gain for the City of Orchard Lake Village of \$145,245.



**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

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**Changes in Other Long-term Liabilities**

Long-term liabilities activity, as reported in and liquidated through the Fringe Benefit Fund and Building Liability Insurance Fund, Internal Service funds, for the fiscal year ended September 30, 2009, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
<b>Governmental activities</b>					
Accrued compensated absences	\$ 12,424,448	\$ 540,713	\$ -	\$ 12,965,161	\$ 1,296,516
Claims and judgments					
Accrued unreported health costs	2,732,000	-	(170,000)	2,562,000	854,000
Accrued workers' compensation	12,758,106	-	(739,865)	12,018,241	1,750,000
Building and liability insurance	5,160,833	2,037,718	-	7,198,551	2,729,872
Governmental activity long-term liabilities	<u>\$ 33,075,387</u>	<u>\$ 2,578,431</u>	<u>\$ (909,865)</u>	<u>\$ 34,743,953</u>	<u>\$ 6,630,388</u>

**9. Interfund Balances**

Interfund receivables and payables at September 30, 2009 were:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Public Health	\$ 2,766,809
	Nonmajor governmental	12,312,904
	Nonmajor enterprise	2,615
	Internal service	769,760
	Total	<u>15,852,088</u>
Public Health	Nonmajor governmental	27,178
	Internal service	12,295
	Total	<u>39,473</u>
Nonmajor governmental	General	2,439,960
	Nonmajor governmental	419,445
	S.O.C.S.D.S.	1,899
	Internal service	326,138
	Total	<u>3,187,442</u>
Parks and Recreation	General	<u>21,875</u>
Nonmajor enterprise	General	4,950
	Nonmajor governmental	21,440
	Internal service	76,376
	Total	<u>102,766</u>
Internal service	General	4,431,933
	Nonmajor governmental	4,320
	Internal service	32,052
	Total	<u>4,468,305</u>
	Total	<u>\$ 23,671,949</u>

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

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These balances result from the time difference between the dates that services are provided or transfers are authorized, transactions are recorded in the accounting system, and payments between funds are made.

Receivables and payables between funds of the Primary Government and the Component Units at September 30, 2009 were:

<b>Primary Government</b>	<b>Component Unit</b>	
<b>Due from Component Unit</b>	<b>Due to Primary Government</b>	
General Fund	Drainage Districts	<u>\$ 27,340</u>
Nonmajor governmental	Drainage Districts	<u>1,511,115</u>
Nonmajor enterprise	Drainage Districts	<u>157,443</u>
Internal Service	Drainage Districts	4,732
	Road Commission	<u>19,647</u>
		<u>24,379</u>
	Total	<u>\$ 1,720,277</u>

Advances to/from other funds (including current and long-term portions) at September 30, 2009 were:

<b>Receivable Fund</b>	<b>Payable Fund</b>	
Nonmajor governmental	Nonmajor governmental	<u>\$ 50,123</u>
Delinquent Tax Revolving	Internal Service	<u>154,596</u>
	Total	<u>\$ 204,719</u>

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

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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, 2009 were:

<b>Transfers In</b>	<b>Transfers Out</b>	<b>Amount</b>
General Fund	Revenue Sharing Reserve	\$ 23,740,126
	Nonmajor governmental	450,464
	Delinquent Tax Revolving	17,673,120
	Nonmajor enterprise	281,382
	Internal service	1,186,289
		<u>43,331,381</u>
Public Health	General Fund	<u>23,942,876</u>
Building Authority Act 31	Delinquent Tax Revolving	<u>5,351,451</u>
Nonmajor governmental	General Fund	40,735,827
	Nonmajor governmental	5,594,477
	Parks and Recreation	10,734
	Water and Sewer Trust	30,000
	Nonmajor enterprise	106,807
	Internal Service	811,343
		<u>47,289,188</u>
Nonmajor enterprise	General Fund	2,361,367
	Nonmajor enterprise	200,000
		<u>2,561,367</u>
Internal Service	General Fund	72,473
	Nonmajor governmental	2,410,041
	Delinquent Tax Revolving	1,848,142
		<u>4,330,656</u>
*General government	Nonmajor enterprise	42,157
	Internal service	2,506,810
		<u>2,548,967</u>
	Total transfers	<u>\$ 129,355,886</u>

\*Transfers of capital assets from Jail Inmate Commissary fund, enterprise fund and from Sheriff Aviation fund, internal service fund to general government

The transfers to and from the various funds are made to account for budgetary authorizations and/or providing funding for operations as needed.

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

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**10. Fund Equities**

At September 30, 2009, a deficit existed in the following funds:

<b>Special Revenue Funds</b>	
Lake Levels Act 146	\$ 89,797
Pollution Control Grants	6,254
<b>Capital Projects Fund</b>	
Lake Levels Act 146	109,018
<b>Internal Service Funds</b>	
Drain Equipment	965,946

In the Special Revenue funds, the Lake Levels Act 146 fund consists of 30 separate lake level funds. Annually, lake level funds are reviewed and assessments authorized. Assessments are determined in July and are placed on December tax bills. The assessments are meant to cover any individual fund deficits identified at that time, and also to cover the anticipated operating costs for the following year. Due to unexpected costs in FY 2009, there are several individual lake level funds with deficit balances; however, the majority of the overall net negative unreserved fund balance is due to a \$74,397 deficit in the Oxford Multi Lake Level fund. The Oxford Multi Lake Level Fund deficit is related to a large maintenance project being funded through a five-year special assessment which began in 2009. Negative unreserved fund balances in the various other lake level funds will be reviewed and eliminated in future years' assessments.

The negative unreserved fund balances in the Pollution Control Grant fund reflects the fact that this grant fund operates on a reimbursement basis; e.g., the County pays the original expenses and is reimbursed by the grantor agency after submission of the proper support documentation. Typically, reimbursement for year-end expenditures lags by two to three months. Once reimbursement is obtained, the negative unreserved fund balance will be eliminated. Should the reimbursement not be sufficient to cover the expenditures, the County has match funds budgeted which will be transferred to cover any remaining deficit.

The negative unreserved fund balance in the Lake Levels Act 146 Fund (Capital Projects fund type) primarily reflects costs that are related to the Bush Lake Level project. Costs-to-date include preliminary design costs as well as litigation costs associated with an on-going legal action that has not been resolved to date. The litigation is expected to be settled within the next year. The design phase has been completed and once the permits are received from the MDEQ, the project will move to the next phase where a total project cost analysis will be prepared and funding will be determined. If the project does not move forward, a special assessment will be issued to cover the preliminary design costs as well as the costs for litigation.

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The negative unrestricted net assets balance in the Drain Equipment Fund (Internal Service fund type) is primarily due to a change over the past several years to replace Drain Equipment owned vehicles with leased vehicles from the Motor Pool Fund. The replacement of Drain Equipment owned vehicles requires a transfer from the Drain Equipment Fund to the Motor Pool Fund at the time of purchase and the number of owned vehicle replacements has been fairly significant over the past several years. The Drain Equipment Fund was able to make a significant improvement in FY 2009, realizing a positive change of net assets of \$850,662 as compared to the \$137,171 increase in the prior year. The \$850,662 positive change in net assets is more than the \$323,789 projection provided to the State of Michigan with the FY 2008 deficit elimination plan detail. The Drain Equipment vehicle rates, as well as other equipment rates, were increased for FY 2009 and will continue to escalate in order to cover annual operations and future replacement. It is anticipated the negative unrestricted net assets will be eliminated by the end of FY 2011 based on the continued rate adjustments, and the decrease in the number of Drain Equipment owned vehicles requiring one-time transfers to the Motor Pool Fund for replacement.

Reserved, designated, and undesignated fund balances and net assets at September 30, 2009, including the Road Commission and Drainage Districts component units, were as follows:

	Reserved	Unreserved	
		Designated	Undesignated
<b>Primary Government</b>			
<b>General Fund</b>			
Encumbrances	\$ -	\$ 227,277	\$ -
Prepays	117,868	-	-
Future operating requirements	-	83,288,836	-
Capital outlay	-	10,186,292	-
Other programs	266,350	11,828,942	-
Uncommitted	-	-	351,088
	<u>\$ 384,218</u>	<u>\$ 105,531,347</u>	<u>\$ 351,088</u>
<b>Special Revenue Funds</b>			
Encumbrances	\$ -	\$ 7,401	\$ -
Specific programs	359,033,050	179,630,542	(96,051)
	<u>\$ 359,033,050</u>	<u>\$ 179,637,943</u>	<u>\$ (96,051)</u>
<b>Debt Service Funds</b>			
Debt service - general obligations	\$ 350,723	\$ -	\$ -
<b>Capital Projects Funds</b>			
Long-term receivables	\$ 100,123	\$ -	\$ -
Work projects	5,786,041	7,063,814	-
Uncommitted	-	-	12,518,053
	<u>\$ 5,886,164</u>	<u>\$ 7,063,814</u>	<u>\$ 12,518,053</u>

**County of Oakland**  
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Component Units	Reserved	Unreserved	
		Designated	Undesignated
<b>Road Commission</b>			
Governmental Fund			
Construction and maintenance	\$ 13,099,561	\$ 12,010,579	\$ -
Subsequent year's budget	-	3,736,249	-
Long-term portion of provision for uninsured losses	-	2,100,000	-
Compensated absences	-	3,083,032	-
Postemployment benefits	-	1,215,940	-
	<u>\$ 13,099,561</u>	<u>\$ 22,145,800</u>	<u>\$ -</u>
<b>Drainage Districts</b>			
Governmental Fund			
Construction and maintenance	\$ 14,232,504	\$ -	\$ -
Debt Service	968,032	-	-
	<u>\$ 15,200,536</u>	<u>\$ -</u>	<u>\$ -</u>

**11. Employee Benefits**

**Primary Government**

The County provides various benefits to its employees. Expenditures in 2009 for these benefits totaled the following: medical insurance, \$25,525,354; dental insurance, \$3,086,648; optical insurance, \$272,112; annual and sick leave, \$1,495,679; disability, \$2,308,011; tuition reimbursement, \$250,654; Social Security, \$15,015,054; workers' compensation, \$1,577,100; and unemployment claims, \$681,972.

**Road Commission**

The Road Commission provides medical, dental, and optical insurance to its employees. Expenditures in 2009 for these benefits approximated \$11,857,495. Workers' compensation expense in 2009 approximated \$1,142,492.

**12. Defined Benefit Pension Plan**

**Plan Description**

The County has a single-employer defined benefit pension plan, covering substantially all full-time employees. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

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Since the County does not issue a stand-alone report for its County PERS, following are condensed financial statements for the period as of and including September 30, 2009:

Statement of Net Assets

Cash and investments	\$ 660,260,356
Other assets	2,388,766
Total assets	<u>662,649,122</u>
Liabilities	<u>725,659</u>
Net assets	<u>\$ 661,923,463</u>

Statement of Changes in Net Assets

Additions:	
Contributions	\$ 1,007,374
Investment income	7,852,040
Other revenue	921,887
Total additions	<u>9,781,301</u>
Deductions:	
Benefit payments	37,720,427
Other expenses	2,429,040
Total deductions	<u>40,149,467</u>
Change in net assets	(30,368,166)
Net assets held in trust, beginning of year	<u>692,291,629</u>
Net assets held in trust, end of year	<u>\$ 661,923,463</u>

**Basis of Accounting**

The County's 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, 2007 and September 30, 2006, respectively. There were no contributions from County funds for the years 2000 through 2009.

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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 years ended September 30, 2009 and September 30, 2008 amounted to \$1,007,374 and \$940,823, 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 Oakland County.

**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 eight years of service. Members vest after eight 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. Maximum County retirement is 75% of final average compensation, defined as the average of the highest five consecutive years during the last 10 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 10 years of service are computed as a regular retirement. Death benefits are provided to beneficiaries after 10 years of service, based on years of service.

**Classes of Employees**

The County PERS covers the majority of full-time employees of the County hired prior to July 1, 1994. The Plans' membership consists of the following at September 30, 2008, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,773
Terminated plan members entitled to, but not yet receiving benefits	198
Active plan members	<u>759</u>
Total	<u><u>2,730</u></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.



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**Annual Pension Cost**

The Oakland County Employees' Retirement System is considered 100% funded since fiscal year 2001; the annual contribution is \$0 and 0% since that period.

**Funded Status and Funding Progress**

	Actuarial Valuation as of September 30,		
	2008	2007	2006
Actuarial value of assets	\$ 791,541,576	\$ 799,307,403	\$ 746,695,624
Actuarial Accrued Liability (entry age)	675,166,642	652,118,082	668,999,513
Unfunded AAL	<u>\$ (116,374,934)</u>	<u>\$ (147,189,321)</u>	<u>\$ (77,696,111)</u>
Funded ratio	117.2%	122.6%	111.6%
Covered payroll	\$ 46,690,015	\$ 55,704,389	\$ 57,453,054
UAAL as percentage of covered payroll	0.0%	0.0%	0.0%

Required supplementary information, which includes a Schedule of Employer Contributions, significant actuarial assumptions, and a Schedule of Funding Progress for the County, is presented immediately following the notes to the financial statements.

**Actuarial Methods and Assumptions**

The annual required contribution was determined as part of the actuarial valuation as of September 30, 2007, using the aggregate actuarial cost method. Significant actuarial assumptions used include (a) a 7.25 investment rate of return, (b) projected salary increases of 4.5 to 10.5 percent per year and (c) 1.5 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.50 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a three-year period.

**Fund Balance Reserved for Employees' Pension Benefits**

Fund balances reserved for employees' pension benefits include legally required reserves. Fund balance as of September 30, 2009 consists of the following reserves:

Annuity reserve	\$ 8,531,060
Pension reserve	274,029,924
Pension accumulated reserve	<u>379,362,479</u>
Total fund balance	<u>\$ 661,923,463</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.

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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 first 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. Subsequent to 1995, the County reopened the opportunity for transfer several times, resulting in an additional 1,477 employees transferred from the County PERS to the OPRS.

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 their contribution with a county match of 2% for new hires 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.

Total membership in the OPRS as of September 30, 2009 was 2,717, which includes 595 employees who elected to transfer from the PERS in 1995 through 2000 and 2,122 current employees hired since July 1, 1994.

The County's payroll for employees covered by the OPRS for the year ended September 30, 2009 was \$153,801,567, and the County's total payroll was \$220,151,963. The required contributions, which matched those actually made, were \$5,921,399 by employees and \$13,937,481 by the County, representing 3.9% and 9.1% of covered payroll, respectively.

In 2008, the County offered a voluntary defined contribution plan for part-time non-eligible employees. The plan qualifies under the Omnibus Budget Reconciliation Act of 1990 (OBRA) and IRS Section 3121 (b) (&) (F) which allows for a defined contribution plan in lieu of Social Security. With the implementation of this plan, the County contributes 1.3% and the employee contributes 6.2% of their earnings into a defined contribution plan. The employee would be immediately 100% vested in both the employer and employee contributions, but cannot access the money invested in the plan until they are separated from County employment. During fiscal year 2009, the County contributed \$191,206 to the plan.

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.

**14. Postemployment Benefits**

Oakland County 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). This single-employer defined benefit plan is administered through the Oakland County VEBA Trust (the Trust).

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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 2009, the County provided 1,938 retirees medical insurance and reimbursed them for Medicare premiums under the Trust. In 2009, the County disbursed \$21,944,001 for this purpose.

Postemployment benefits are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and plan provisions. The plan covers the following classes of employees: General, Command Officers, and Deputies. The general class is now closed to new hires. The County has established a "Retirement Health Savings Plan" beginning January 1, 2007, whereby the general class of employees hired on or after this date will no longer receive a defined health insurance benefit, but will receive a cash payment upon retirement from which they can purchase their own health insurance. At September 30, 2008, the date of the most recent actuarial valuation, membership in the OPEB consisted of 2,149 retirees and beneficiaries currently receiving benefits, 3,234 active employees and 296 terminated employees entitled to benefits but not yet receiving them.

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years were as follows:

	Fiscal year ended September 30,		
	2009	2008	2007
Annual OPEB cost (ARC)	\$ 61,863,580	\$ 60,200,684	\$ 54,780,659
Percentage of ARC contributed	100%	100%	100%
Net OPEB obligation	\$ -	\$ -	\$ -

In 2009, the County contributed \$61,863,580 and experienced a gain of \$13,107,554 in interest income, with retirees contributing \$111,651 toward the cost of hospitalization riders. Employer contributions in 2009 for the County OPEB as determined through actuarial valuations performed at September 30, 2007 were: General \$50,101,657, Command Officers \$2,424,927, and Deputies \$9,336,996. This is expressed in percentages of covered payroll as 26.44%, 19.02%, respectively, for the last two classes. The General division is expressed only in dollars due to a change to the level dollar amortization method used to finance the unfunded accrued liability. Employees are not required to contribute to the plan.

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The funding progress of the plan as of September 30, 2008, the most recent actuarial valuation report, is as follows:

Retirees and beneficiaries	\$ 429,252,521
Vested terminated employees who will be eligible when they collect retirement (age 60 in most cases) and their beneficiaries	57,539,887
Active employees and beneficiaries	<u>401,789,994</u>
Actuarial accrued liability	888,582,402
Actuarial value of assets	411,280,137
Unfunded AAL (UAAL)	<u>\$ 477,302,265</u>
Funded ratio	46.3%
Annual covered payroll	\$ 186,274,882
UAAL as a percentage of covered payroll	256.2%

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2008 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which consists of a real rate of return of 2.25 percent per year plus a long-term rate of inflation of 5.25 percent per year and an annual healthcare cost trend rate of 10.0 percent initially, reduced by decrements to an ultimate rate of 5.25 percent after 10 years. Both rates included a 5.25 percent inflation assumption. The actuarial value of assets was determined using the average of the market value at the valuation date with adjusted market values from the two prior years. Prior year market values are adjusted by adding contributions and regular investment income and subtracting benefits, refunds and expenses for the intervening years. The UAAL for the General group was amortized using a level dollar payment method. All other groups were amortized by level (principal and interest combined) percent-of-payroll contributions. Active member payroll was assumed to increase 5.25 percent per year for the purpose of determining the level percent contributions. The remaining amortization period at September 30, 2009 was 27 years.

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Since the County does not issue stand-alone financial reports for the VEBA Trust, following are condensed financial statements as of and including September 30, 2009:

Statement of Net Assets

Cash and investments	\$ 432,315,829
Other assets	1,634,131
Total assets	<u>433,949,960</u>
Liabilities	<u>1,122,122</u>
Net assets	<u>\$ 432,827,838</u>

Statement of Changes in Net Assets

Additions:	
Contributions	\$ 61,975,231
Investment income	13,107,554
Other revenue	1,292,691
Total additions	<u>76,375,476</u>
Deductions:	
Benefits	<u>21,944,001</u>
Change in net assets	54,431,475
Net assets held in trust, beginning of year	<u>378,396,363</u>
Net assets held in trust, end of year	<u>\$ 432,827,838</u>

The Road Commission contributes to the Road Commission for Oakland County Retiree Health Care Trust (the "Trust"). The Trust provides for future payment of medical benefits for eligible retirees, their spouses and their dependents. The obligation to provide benefits to employees was established by negotiation with various collective bargaining units or other actions of the Oakland County Board of Road Commissioners. At December 31, 2008, the date of the most recent actuarial valuation, membership consisted of 583 retirees and beneficiaries currently receiving benefits, 353 vested active employees, and 171 nonvested active employees. For the year ended September 30, 2009, the Road Commission's annual required contribution to the Trust was \$10,066,823. The Road Commission contributed \$999,441 to the Trust during the year and paid \$5,149,311 directly toward insurance premiums and medical costs for retirees during fiscal year 2008, leaving a net OPEB obligation of \$6,424,140 at September 30, 2009.

**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 the 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.

**16. Risk Management**

The County is exposed to various risks of loss related to property, employee injuries, general liability claims, and torts, as well as medical benefits provided to employees. The County has purchased a commercial property policy for its building and contents, electronic data processing equipment, boats and motors, ATV/snowmobiles and automobile catastrophe physical damage coverage. The policy is subject to a maximum per occurrence catastrophic loss limit of \$300,000,000. Policy limits (subject to the maximum \$300,000,000 per occurrence catastrophic loss limit) are: building and contents in the amount of \$510,322,241, electronic data processing equipment in the amount of \$35,879,178, boats and motors in the amount of \$503,000, ATV/snowmobiles in the amount of \$66,000, automobile catastrophe physical damage in the amount of \$2,000,000, flood coverage in the amount of \$50,000,000, earthquake coverage in the amount of \$50,000,000, boiler and machinery coverage in the amount of \$100,000,000, property insurance for helicopter hull physical damage in the amount of \$2,825,920 and helicopter additional equipment physical damage in the amount of \$1,218,000. Liability insurance has been purchased for: airport operations in the amount of \$50,000,000, helicopter operations in the amount of \$100,000,000, automobile fleet operations in the amount of \$5,000,000, fiduciary liability in the amount of \$25,000,000, employee bonds in the amount of \$3,000,000, travel accident in the amount of \$100,000 per person/\$500,000 aggregate, N.E.T. law enforcement liability in the amount of \$5,000,000, workers' compensation statutory coverage in excess of \$500,000 each occurrence, self-insured retention and employers' liability in the amount of \$1,000,000. The County is uninsured for all other risks except as noted.

The Road Commission has similar risks and is uninsured for these claims within certain limits. General liability claims are covered \$1,000,000 per occurrence and \$4,000,000 in aggregate with a maximum coverage of \$20,000,000. Workers' compensation claims are covered with \$500,000 per occurrence with no aggregate coverage.

The County and the Road Commission estimate the liability for all the above-mentioned claims that have been incurred through September 30, 2009, including both those 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.

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The County records estimates in the Fringe Benefits and the Building and 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:

	<b>September 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>Primary Government</b>		
Beginning-of-period liability	\$ 20,650,939	\$ 23,167,038
Estimated claims incurred, claim adjustment expenses and changes in estimates		
Provisions for current-year events	36,031,765	40,303,839
Increase (decrease) in provisions for prior-year events	1,230,792	(1,992,486)
Total incurred claims, claim adjustment expenses and changes in estimates	37,262,557	38,311,353
Claim payments and claim adjustment expenses		
Related to current-year events	(34,431,637)	(37,942,828)
Related to prior-year events	(6,276,004)	(2,884,624)
Total claim payments and claim adjustment expenses	(40,707,641)	(40,827,452)
End-of-period liability	\$ 17,205,855	\$ 20,650,939
<b>Road Commission - Component Unit</b>		
Beginning-of-year liability	\$ 3,650,000	\$ 3,510,000
Estimated claims incurred and changes in estimates	13,441,055	11,651,410
Claim payments	(12,891,055)	(11,511,410)
End-of-year liability	\$ 4,200,000	\$ 3,650,000

**17. Leases**

The County (primary government) leases certain office facilities and other equipment under non-cancelable operating leases. Total costs for such leases for the County for the year ended September 30, 2009 were \$1,114,090. The future minimum lease payments as of September 30, 2009 are as follows:

<b>Fiscal year</b>	<b>Primary government</b>
2010	\$ 786,089
2011	438,241
2012	321,309
2013	157,604
2014	157,604
2015 - 2019	740,703
	<u>\$ 2,601,550</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, 2009 amounted to \$122,200, recorded in the Facilities Maintenance & Operations fund, an internal service fund type.

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The County has also “loaned” its AAA bond rating to assist local communities in the ability to finance local projects by pledging full faith and credit on the debt issued through the Oakland County Building Authority. Debt is to be paid from payments from the benefiting community over the life of the debt issues, with the structures being collateral. A contract, or lease, receivable with a corresponding deferred revenue is shown in the Debt Service Fund financial statements of the County. Debt and receivables are reported for a Sheriff’s Sub-station in the City of Rochester Hills for \$5.2 million in 2002, Pontiac Phoenix Center and Phoenix Plaza Amphitheatre Refunding bonds in the City of Pontiac in the amount of \$11.5 million and \$8.16 million, respectively, in 2006, and Community Mental Health Authority Housing Project in the amount of \$5,500,000 in 2007. The future minimum lease payments to be received as of September 30, 2009 are as follows:

<b>Fiscal year</b>	<b>Primary government</b>
2010	\$ 2,099,913
2011	2,111,338
2012	2,095,900
2013	2,413,837
2014	2,452,030
2015 - 2019	12,177,573
2020 - 2024	10,711,100
2025 - 2027	7,201,350
	<u>\$41,263,041</u>

**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.

The County has outstanding construction commitments (contracts) at September 30, 2009 as follows: Work Release/Jail Management/Video Conferencing with a cost of \$2,420,000 for the Jail Management System portion with a remaining balance of \$482,135; radio tower project of \$35,309,141 with a balance of \$17,319,620; and a commitment for purchase of multiple group homes for the Community Mental Health Authority Housing Project in the amount of \$5,500,000 with a remaining balance of \$1,180,000.

The Drainage Districts’ component unit has a construction contract for the George W. Kuhn Drainage District project with a total cost of \$6,424,833, with a remaining balance of \$697,791 and a construction contract for the Oakland Macomb Interceptor Drainage District Project with a total cost of \$4,421,099, with a remaining balance of \$3,295,922 as of September 30, 2009.



**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2009**

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**19. Statement of Net Assets – Reconciliation of Internal Balances**

The internal balances amount on the Statement of Net Assets is reconciled as follows:

**Governmental Activities**

Governmental Funds	
Due from other funds	\$ 19,079,003
Long-term advances receivable	50,123
Due to other funds	(22,450,814)
Current and long-term advances payable	(50,123)
Internal Service Funds	
Due from other funds	4,468,305
Due to other funds	(1,216,621)
Current and long-term advances payable	(154,596)
Capital lease receivable for Parks and Recreation, not reported in funds	550,000
Capital lease receivable for County Airports, not reported in funds	5,450,000
Governmental activities, internal balances	<u>\$ 5,725,277</u>

**Business-Type Activities**

Proprietary Funds	
Due from other funds	\$ 124,641
Current and long-term advances receivable	154,596
Due to other funds	(4,514)
Current and long-term capital lease payable	(6,000,000)
Business-type activities, internal balances	<u>\$ (5,725,277)</u>

**20. Restricted Assets**

Cash and investments in the amount of \$358,050,757 and accrued interest on the investments of \$1,344,626 recorded in the Interim Retirees' Medical Benefits Trust Fund have been restricted on the County's entity-wide Statement of Net Assets. The amounts are a result of proceeds from the sale of the Trust Certificates of Participation, and are to be used exclusively for payment of the annual required contribution (ARC) to the VEBA Trust, a fiduciary fund, which accounts for post-employment benefits for retirees

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

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Schedule of funding progress:

<b>Actuarial valuation date September 30,</b>	<b>Actuarial value of assets</b>	<b>Actuarial accrued liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded ratio</b>	<b>Covered payroll</b>	<b>UAAL as a percentage of covered payroll</b>
2003	\$ 658,078,396	\$ 626,340,056	\$ (31,738,340)	105.1%	\$ 58,244,337	0.0%
2004	655,564,045	641,879,328	(13,684,717)	102.1%	60,605,120	0.0%
2005	709,058,495	658,515,200	(50,543,295)	107.7%	58,521,380	0.0%
2006	746,695,624	668,999,513	(77,696,111)	111.6%	57,453,054	0.0%
2007	799,307,403	652,118,082	(147,189,321)	122.6%	55,704,389	0.0%
2008	791,541,576	675,166,642	(116,374,934)	117.2%	46,690,015	0.0%

Schedule of employer contributions:

<b>Year ended September 30,</b>	<b>Annual required contribution</b>	<b>Percentage contributed</b>
2003	\$ 0	100%
2004	0	100%
2005	0	100%
2006	0	100%
2007	0	100%
2008	0	100%

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	Aggregate actuarial cost
Asset valuation method	3-year smoothed market value
Actuarial assumptions	
Investment rate of return*	7.25%
Projected salary increases	4.50% to 10.50%
Cost-of-living adjustments	1.5% non-compounding annually

\* Includes pay inflation at 4.50%

The aggregate actuarial cost method does not produce an actuarial accrued liability. The liability values shown above prior to 9/30/2007 are present values of future benefit payments (both accrued and future, net of future employee contributions). Effective with the 9/30/2007 valuation, the entry age actuarial cost method is used to develop the actuarial liability and the associated values shown above in compliance with GASB Statement No. 50.

**County of Oakland**  
**Primary Government – VEBA Healthcare Plan**  
**Required Supplementary Information**  
**Schedule of Funding Progress and Employer Contributions**  
**Six-Year Historical Trend Information - Unaudited**

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Schedule of funding progress:

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
2003	\$ 161,875,682	\$ 497,259,571	\$ 335,383,889	32.6%	\$ 181,772,063	184.5%
2004	230,455,929	708,860,813	478,404,884	32.5%	192,689,384	248.3%
2005	265,554,787	752,224,175	486,669,388	35.3%	201,187,290	241.9%
2006	303,053,196	829,684,653	526,631,457	36.5%	201,019,205	262.0%
2007	366,334,143	886,143,963	519,809,820	41.3%	200,409,433	259.4%
2008	411,280,137	888,582,402	477,302,265	46.3%	186,274,882	256.2%

Schedule of employer contributions:

Year ended September 30,	Annual required contribution	Percentage contributed
2003	\$ 23,473,437	100.0%
2004 (1)	27,194,338	100.0%
2005	28,777,510	100.0%
2006	37,488,000	100.0%
2007	54,780,659	100.0%
2008	60,200,684	100.0%

(1) The County made an additional discretionary contribution of \$50,890,224 in fiscal year 2004.

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	Entry-age
Amortization method	Level percent, closed
Remaining amortization period	27 years
Asset valuation method	3-year smoothed market
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%

**County of Oakland  
Budgetary Comparison Schedule  
Major Governmental Funds  
Year Ended September 30, 2009**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Taxes				
Current property taxes	\$ 249,437,790	\$ 249,437,790	\$ 244,780,495	\$ (4,657,295)
Delinquent taxes - prior years	98,500	98,500	51,907	(46,593)
Trailer tax	95,000	95,000	86,981	(8,019)
Total	<u>249,631,290</u>	<u>249,631,290</u>	<u>244,919,383</u>	<u>(4,711,907)</u>
Other intergovernmental revenues				
Cigarette tax distribution	540,000	410,551	410,551	-
Circuit judges' salaries	868,756	868,756	869,206	450
Probate judges' salaries	590,392	590,392	592,519	2,127
District judges' salaries	502,965	502,965	502,964	(1)
State court fund - P.A. 189	5,500,000	6,100,000	6,065,095	(34,905)
Convention facility/ Liquor tax	2,900,000	3,400,007	3,427,007	27,000
Other	361,250	391,250	515,871	124,621
Total	<u>11,263,363</u>	<u>12,263,921</u>	<u>12,383,213</u>	<u>119,292</u>
Charges for services				
County Executive	230,300	230,000	280,000	50,000
Management and Budget	3,251,741	3,271,741	3,419,380	147,639
Central Services	158,000	158,000	154,646	(3,354)
Human Resources	800	800	1,608	808
Human Services	-	150,300	150,215	(85)
Public Services	1,568,247	1,467,247	1,564,943	97,696
Community and Economic Development	271,000	271,000	384,023	113,023
Clerk/Register of Deeds	15,208,000	15,209,925	10,708,363	(4,501,562)
Treasurer	3,291,641	3,291,641	2,233,642	(1,057,999)
Circuit Court	3,901,404	3,801,404	3,606,278	(195,126)
District Court	12,982,155	12,284,993	12,292,694	7,701
Probate Court	566,300	566,300	506,175	(60,125)
Prosecuting Attorney	213,300	213,300	280,269	66,969
Sheriff	37,687,771	39,826,893	38,980,881	(846,012)
Legislative	28,700	27,600	84,167	56,567
Water Resources Commissioner	1,769,113	2,627,427	1,769,621	(857,806)
Non-Departmental	1,000,000	1,000,000	786,321	(213,679)
Total	<u>82,128,472</u>	<u>84,398,571</u>	<u>77,203,226</u>	<u>(7,195,345)</u>

(continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2009**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	
<b>Revenues (continued)</b>				
Investment income	\$ 3,670,500	\$ 3,394,449	\$ 3,299,452	\$ (94,997)
Indirect cost recovery	8,495,310	8,517,280	9,315,137	797,857
Federal grants	196,000	269,392	171,203	(98,189)
State grants	-	84,980	46,885	(38,095)
Contributions	75,000	109,000	99,000	(10,000)
Other revenue	600,226	1,632,668	5,544,078	3,911,410
Total revenues	<u>356,060,161</u>	<u>360,301,551</u>	<u>352,981,577</u>	<u>(7,319,974)</u>
<b>Expenditures</b>				
County Executive				
Administration				
Personnel	6,047,399	5,321,774	5,116,955	204,819
Operating	570,483	1,294,502	250,557	1,043,945
Internal Support	1,456,078	1,011,603	906,370	105,233
Total Administration	<u>8,073,960</u>	<u>7,627,879</u>	<u>6,273,882</u>	<u>1,353,997</u>
Management and Budget				
Personnel	17,116,045	16,890,740	15,480,100	1,410,640
Operating	511,776	479,658	324,139	155,519
Internal Support	3,787,164	4,827,869	3,923,014	904,855
Total Management and Budget	<u>21,414,985</u>	<u>22,198,267</u>	<u>19,727,253</u>	<u>2,471,014</u>
Central Services				
Personnel	1,339,092	1,347,338	1,264,173	83,165
Operating	56,444	56,826	38,315	18,511
Internal Support	974,337	1,091,400	1,082,782	8,618
Total Central Services	<u>2,369,873</u>	<u>2,495,564</u>	<u>2,385,270</u>	<u>110,294</u>
Facilities Management				
Personnel	1,308,064	1,273,282	1,045,536	227,746
Operating	121,484	106,999	41,958	65,041
Internal Support	108,718	110,718	91,423	19,295
Total Facilities Management	<u>1,538,266</u>	<u>1,490,999</u>	<u>1,178,917</u>	<u>312,082</u>
Human Resources				
Personnel	3,080,206	3,035,076	2,828,409	206,667
Operating	523,053	759,053	574,333	184,720
Internal Support	767,089	893,178	874,583	18,595
Total Personnel	<u>4,370,348</u>	<u>4,687,307</u>	<u>4,277,325</u>	<u>409,982</u>

(continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2009**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget</b>	<b>Final Amended budget</b>	<b>Actual</b>	
<b>Expenditures (continued)</b>				
County Executive (continued)				
Human Services				
Personnel	\$ 209,874	\$ 983,033	\$ 946,787	\$ 36,246
Operating	2,894,313	3,304,352	2,021,630	1,282,722
Internal Support	11,032	472,192	453,926	18,266
Total Human Services	<u>3,115,219</u>	<u>4,759,577</u>	<u>3,422,343</u>	<u>1,337,234</u>
Public Services				
Personnel	11,134,386	11,229,330	10,729,316	500,014
Operating	1,865,538	1,950,072	1,610,987	339,085
Internal Support	3,374,637	3,816,835	3,575,065	241,770
Total Public Services	<u>16,374,561</u>	<u>16,996,237</u>	<u>15,915,368</u>	<u>1,080,869</u>
Community and Economic Development				
Personnel	5,033,455	5,087,494	4,823,366	264,128
Operating	1,168,334	1,746,791	1,302,873	443,918
Internal Support	1,051,128	1,098,389	1,011,489	86,900
Total Community and Economic Development	<u>7,252,917</u>	<u>7,932,674</u>	<u>7,137,728</u>	<u>794,946</u>
Total County Executive	<u>64,510,129</u>	<u>68,188,504</u>	<u>60,318,086</u>	<u>7,870,418</u>
Clerk/Register of Deeds				
Personnel	7,604,964	7,593,678	7,441,200	152,478
Operating	2,476,362	2,520,413	1,757,812	762,601
Internal Support	2,064,684	2,421,269	1,756,834	664,435
Total Clerk/Register of Deeds	<u>12,146,010</u>	<u>12,535,360</u>	<u>10,955,846</u>	<u>1,579,514</u>
Treasurer				
Personnel	2,928,098	2,929,564	2,845,466	84,098
Operating	254,578	279,183	196,994	82,189
Internal Support	690,069	1,241,751	1,141,247	100,504
Total Treasurer	<u>3,872,745</u>	<u>4,450,498</u>	<u>4,183,707</u>	<u>266,791</u>

(continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2009**

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
<b>Expenditures (continued)</b>				
Justice Administration				
Circuit Court				
Personnel	\$ 25,082,523	\$ 24,506,111	\$ 22,928,211	\$ 1,577,900
Operating	7,750,733	8,086,435	7,077,546	1,008,889
Internal Support	4,641,121	5,221,541	5,005,900	215,641
Total Circuit Court	<u>37,474,377</u>	<u>37,814,087</u>	<u>35,011,657</u>	<u>2,802,430</u>
District Court				
Personnel	12,185,176	12,233,509	12,007,447	226,062
Operating	2,711,261	1,991,345	2,409,601	(418,256)
Internal Support	2,272,372	2,447,475	2,265,928	181,547
Total District Court	<u>17,168,809</u>	<u>16,672,329</u>	<u>16,682,976</u>	<u>(10,647)</u>
Probate Court				
Personnel	4,713,874	4,706,973	4,634,052	72,921
Operating	760,053	836,754	725,296	111,458
Internal Support	839,760	907,862	861,864	45,998
Total Probate Court	<u>6,313,687</u>	<u>6,451,589</u>	<u>6,221,212</u>	<u>230,377</u>
Total Justice Administration	<u>60,956,873</u>	<u>60,938,005</u>	<u>57,915,845</u>	<u>3,022,160</u>
Law Enforcement				
Prosecuting Attorney				
Personnel	16,079,646	16,083,007	14,924,982	1,158,025
Operating	907,825	1,092,895	608,427	484,468
Internal Support	1,895,339	1,987,609	1,864,326	123,283
Total Prosecuting Attorney	<u>18,882,810</u>	<u>19,163,511</u>	<u>17,397,735</u>	<u>1,765,776</u>
Sheriff				
Personnel	97,244,948	103,125,138	103,125,132	6
Operating	8,720,513	9,223,874	8,009,217	1,214,657
Internal Support	18,915,055	17,825,861	17,772,981	52,880
Total Sheriff	<u>124,880,516</u>	<u>130,174,873</u>	<u>128,907,330</u>	<u>1,267,543</u>
Total Law Enforcement	<u>143,763,326</u>	<u>149,338,384</u>	<u>146,305,065</u>	<u>3,033,319</u>

(continued)



**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2009**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	
<b>Expenditures (continued)</b>				
Legislative				
Board of Commissioners				
Personnel	\$ 3,354,551	\$ 3,364,275	\$ 3,112,774	\$ 251,501
Operating	1,112,035	1,112,035	1,005,803	106,232
Internal Support	1,148,135	1,158,457	1,103,553	54,904
Total Legislative	<u>5,614,721</u>	<u>5,634,767</u>	<u>5,222,130</u>	<u>412,637</u>
Water Resource Commissioner				
Personnel	3,752,747	4,402,812	3,504,823	897,989
Operating	491,651	753,827	501,468	252,359
Internal Support	1,125,546	1,578,774	1,400,120	178,654
Total Water Resource Commissioner	<u>5,369,944</u>	<u>6,735,413</u>	<u>5,406,411</u>	<u>1,329,002</u>
Non-departmental				
Operating	29,376,622	22,251,869	14,059,845	8,192,024
Internal Support	9,491,459	4,015,327	2,894,189	1,121,138
Total non-departmental	<u>38,868,081</u>	<u>26,267,196</u>	<u>16,954,034</u>	<u>9,313,162</u>
Total expenditures	<u>335,101,829</u>	<u>334,088,127</u>	<u>307,261,124</u>	<u>26,827,003</u>
Excess of revenues over expenditures	<u>20,958,332</u>	<u>26,213,424</u>	<u>45,720,453</u>	<u>19,507,029</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in				
Special Revenue Funds				
Revenue Sharing Reserve	23,740,126	23,740,126	23,740,126	-
Restricted funds	-	-	16,833	16,833
Jail Population Management	-	20,395	20,395	-
Law Enforcement Grants	-	-	723	723
Total special revenue	<u>23,740,126</u>	<u>23,760,521</u>	<u>23,778,077</u>	<u>17,556</u>
Capital Projects				
Project Work Orders	-	-	400,000	400,000
BA Jail Renovation Visitation	-	-	12,513	12,513
Total capital projects	<u>-</u>	<u>-</u>	<u>412,513</u>	<u>412,513</u>
Internal Service Funds				
Sheriff Aviation	-	-	1,186,289	1,186,289
Enterprise Funds				
Delinquent Tax Revolving	16,600,000	17,350,000	17,673,120	323,120
Radio Communications	-	200,000	200,000	-
Jail Inmate Commissary	-	-	81,382	81,382
Total enterprise	<u>16,600,000</u>	<u>17,550,000</u>	<u>17,954,502</u>	<u>404,502</u>
Total Transfers In	<u>40,340,126</u>	<u>41,310,521</u>	<u>43,331,381</u>	<u>2,020,860</u>

(continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2009**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	
<b>Other Financing Sources (Uses) (continued)</b>				
Transfers out				
Special Revenue Funds				
Public Health	\$ (25,683,588)	\$ (27,187,078)	\$ (23,942,876)	\$ 3,244,202
Child Care	(23,467,135)	(24,060,176)	(20,536,523)	3,523,653
Social Welfare Foster Care	(1,000)	(1,000)	-	1,000
CCIRF	(11,505,466)	(11,473,466)	(11,473,466)	-
Jail Population Management	(645,764)	(645,764)	(645,764)	-
Drains-Act 40 Chapters 4 & 18				
Maintenance	(56,165)	(56,165)	(48,202)	7,963
Pollution Control Grants	-	(7,500)	-	7,500
Friend of the Court Grant	-	(5,386,431)	(4,306,231)	1,080,200
Multi Organizational Grants	-	(11,089)	(13,589)	(2,500)
Law Enforcement Grants	-	(1,470,547)	(1,516,836)	(46,289)
Housing Community Development	-	(386,093)	(386,093)	-
Judicial Grants	(55,557)	(92,023)	(72,845)	19,178
Total special revenue funds	<u>(61,414,675)</u>	<u>(70,777,332)</u>	<u>(62,942,425)</u>	<u>7,834,907</u>
Debt Service Funds				
Building Authority Refunding	(1,479,070)	(1,479,070)	(1,479,070)	-
Total debt service funds	<u>(1,479,070)</u>	<u>(1,479,070)</u>	<u>(1,479,070)</u>	<u>-</u>
Capital Projects Funds				
Project Work Orders	(200,000)	(247,267)	(257,208)	(9,941)
Internal Service Funds				
Facilities Maintenance and Operations	-	-	(714)	(714)
Information Technology	(5,000)	(104,636)	(63,928)	40,708
Drain Equipment	-	-	(3,831)	(3,831)
Sheriff Aviation	-	(4,000)	(4,000)	-
Total internal service funds	<u>(5,000)</u>	<u>(108,636)</u>	<u>(72,473)</u>	<u>36,163</u>
				(continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2009**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	
<b>Other Financing Sources (Uses) (continued)</b>				
Transfers out (continued)				
Enterprise Funds				
Fire Records Management	\$ (413,997)	\$ (413,997)	\$ (456,441)	\$ (42,444)
CLEMIS	(1,389,117)	(1,389,117)	(1,389,117)	-
Radio Communications	(165,809)	(515,809)	(515,809)	-
Total enterprise funds	<u>(1,968,923)</u>	<u>(2,318,923)</u>	<u>(2,361,367)</u>	<u>(42,444)</u>
Total transfers out	<u>(65,067,668)</u>	<u>(74,931,228)</u>	<u>(67,112,543)</u>	<u>7,818,685</u>
Total other financing sources (uses)	<u>(24,727,542)</u>	<u>(33,620,707)</u>	<u>(23,781,162)</u>	<u>9,839,545</u>
Net change in fund balance	(3,769,210)	(7,407,283)	21,939,291	29,346,574
<b>Fund balance</b>				
October 1, 2008	<u>84,327,362</u>	<u>84,327,362</u>	<u>84,327,362</u>	<u>-</u>
September 30, 2009	<u>\$ 80,558,152</u>	<u>\$ 76,920,079</u>	<u>\$ 106,266,653</u>	<u>\$ 29,346,574</u>

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2009**

	<b>Public Health</b>			
	<b>Original budget</b>	<b>Final Amended budget</b>	<b>Actual</b>	<b>Variance with Final Amended Budget</b>
<b>Revenues</b>				
Federal grants	\$ 70,488	\$ 21,728	\$ 13,178	\$ (8,550)
State grants	5,099,807	5,089,300	4,962,912	(126,388)
Charges for services	3,674,887	3,714,667	2,781,121	(933,546)
Contributions	-	-	500	500
Other	-	-	529	529
Total revenues	<u>8,845,182</u>	<u>8,825,695</u>	<u>7,758,240</u>	<u>(1,067,455)</u>
<b>Expenditures</b>				
Current operations				
County Executive				
Human Services				
Personnel	26,501,828	25,820,320	23,346,106	2,474,214
Operating	4,641,776	5,917,142	4,325,326	1,591,816
Internal Support	3,385,166	4,276,557	4,030,026	246,531
Total Human Services	<u>34,528,770</u>	<u>36,014,019</u>	<u>31,701,458</u>	<u>4,312,561</u>
Total County Executive	<u>34,528,770</u>	<u>36,014,019</u>	<u>31,701,458</u>	<u>4,312,561</u>
Total expenditures	<u>34,528,770</u>	<u>36,014,019</u>	<u>31,701,458</u>	<u>4,312,561</u>
Deficiency of revenues under expenditures	<u>(25,683,588)</u>	<u>(27,188,324)</u>	<u>(23,943,218)</u>	<u>3,245,106</u>
<b>Other financing sources</b>				
Transfers in	25,683,588	27,187,078	23,942,876	(3,244,202)
Transfers out	-	-	-	-
Total other financing sources	<u>25,683,588</u>	<u>27,187,078</u>	<u>23,942,876</u>	<u>(3,244,202)</u>
Net change in fund balance	-	(1,246)	(342)	904
<b>Fund balance</b>				
October 1, 2008	<u>1,246</u>	<u>1,246</u>	<u>1,246</u>	<u>-</u>
September 30, 2009	<u>\$ 1,246</u>	<u>\$ -</u>	<u>\$ 904</u>	<u>\$ 904</u>

**County of Oakland**  
**Budgetary Comparison Schedule (Continued)**  
**Major Governmental Funds**  
**Year Ended September 30, 2009**

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	<b>Revenue Sharing Reserve</b>			<b>Variance with Final Amended Budget</b>
	<b>Original budget</b>	<b>Final Amended budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Investment income	\$ 4,415,317	\$ 4,415,317	\$ 1,389,327	\$ (3,025,990)
<b>Other financing sources (uses)</b>				
Transfers out	(23,740,126)	(23,740,126)	(23,740,126)	-
Net change in fund balance	(19,324,809)	(19,324,809)	(22,350,799)	(3,025,990)
<b>Fund balance</b>				
October 1, 2008	153,421,098	153,421,098	153,421,098	-
September 30, 2009	<u>\$ 134,096,289</u>	<u>\$ 134,096,289</u>	<u>\$ 131,070,299</u>	<u>\$ (3,025,990)</u>

**County of Oakland**  
**Budgetary Comparison Schedule (Continued)**  
**Major Governmental Funds**  
**Year Ended September 30, 2009**

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	<b>Interim Retirees' Medical Benefits Trust</b>			
	<b>Original budget</b>	<b>Final Amended budget</b>	<b>Actual</b>	<b>Variance with Final Amended Budget</b>
<b>Revenues</b>				
Investment income	\$ 40,315,000	\$ 40,315,000	\$ (7,425,304)	\$ (47,740,304)
Charges for services	-	-	167,196	167,196
Total revenues	<u>\$ 40,315,000</u>	<u>\$ 40,315,000</u>	<u>\$ (7,258,108)</u>	<u>\$ (47,573,108)</u>
<b>Expenditures</b>				
Non-departmental				
Operating	<u>60,200,000</u>	<u>61,863,580</u>	<u>63,112,352</u>	<u>(1,248,772)</u>
Total expenditures	<u>60,200,000</u>	<u>61,863,580</u>	<u>63,112,352</u>	<u>(1,248,772)</u>
Net change in fund balance	(19,885,000)	(21,548,580)	(70,370,460)	(48,821,880)
<b>Fund balance</b>				
October 1, 2008	<u>429,403,510</u>	<u>429,403,510</u>	<u>429,403,510</u>	-
September 30, 2009	<u>\$ 409,518,510</u>	<u>\$ 407,854,930</u>	<u>\$ 359,033,050</u>	<u>\$ (48,821,880)</u>

**County of Oakland**  
**Notes to Required Supplementary Information**  
**September 30, 2009**

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**Budgetary Comparisons**

Budgets and budgetary accounting are on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP). The Oakland County Board of Commissioners has established the legal level of control by control groups as outlined in the County's General Appropriations Act.

The appropriated budget for Oakland County is prepared by fund, function, and department, with control categories established at the department level for Personnel, Operating and Internal Support expenditures. Departments may exceed individual line item appropriations within the aforementioned categories provided the control category is not overspent. Budget amendments providing additional spending authorizations are required to be made by action of the Board of Commissioners, upon recommendation of the Oakland County Executive. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as designations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year(s).

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, Revenue Sharing Reserve, Interim Retirees' Medical Benefits Trust, Child Care, and Social Welfare Foster Care. Budgetary comparisons for funds in the "Major" funds category are reported in the Required Supplementary Information section.

The County 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."

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

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**County of Oakland  
Balance Sheet  
Non-Major Governmental Funds – By Fund Type  
September 30, 2009**

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2009
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 60,026,215	\$ 1,380,894	\$ 23,424,109	\$ 84,831,218
Due from other governmental units	16,413,828	2,400,024	-	18,813,852
Due from component units	-	-	1,511,115	1,511,115
Accrued interest receivable	164,629	1,141	154,160	319,930
Accounts receivable (net of allowance for uncollectibles where applicable)	563,325	-	-	563,325
Contracts receivable	-	-	16,667	16,667
Due from other funds	2,274,589	-	912,853	3,187,442
Other assets	6,384,766	-	-	6,384,766
Total current assets	<u>85,827,352</u>	<u>3,782,059</u>	<u>26,018,904</u>	<u>115,628,315</u>
Noncurrent assets				
Advances	-	-	50,123	50,123
Special assessments receivable	-	8,690,734	-	8,690,734
Contracts receivable	-	7,910,000	50,000	7,960,000
Total noncurrent assets	<u>-</u>	<u>16,600,734</u>	<u>100,123</u>	<u>16,700,857</u>
Total assets	<u>\$ 85,827,352</u>	<u>\$ 20,382,793</u>	<u>\$ 26,119,027</u>	<u>\$ 132,329,172</u>
<b>Liabilities and Fund Balances</b>				
Current liabilities				
Vouchers payable	\$ 5,051,885	\$ 150	\$ 332,033	\$ 5,384,068
Due to other governmental units	551,529	-	-	551,529
Due to other funds	12,649,782	-	135,505	12,785,287
Deferred revenue	5,410,591	169,198	-	5,579,789
Other accrued liabilities	13,642,753	3,292,164	183,458	17,118,375
Total current liabilities	<u>37,306,540</u>	<u>3,461,512</u>	<u>650,996</u>	<u>41,419,048</u>
Noncurrent liabilities				
Deferred revenue	-	16,600,734	-	16,600,734
Advances	50,123	-	-	50,123
Total noncurrent liabilities	<u>50,123</u>	<u>16,600,734</u>	<u>-</u>	<u>16,650,857</u>
Total liabilities	<u>37,356,663</u>	<u>20,062,246</u>	<u>650,996</u>	<u>58,069,905</u>
Fund balances				
Reserved				
Long-term receivables	-	-	100,123	100,123
Programs	-	-	5,786,041	5,786,041
Debt service	-	320,547	-	320,547
Unreserved				
Designated for encumbrances	6,497	-	-	6,497
Designated for programs	48,560,243	-	7,063,814	55,624,057
Undesignated	(96,051)	-	12,518,053	12,422,002
Total fund balances	<u>48,470,689</u>	<u>320,547</u>	<u>25,468,031</u>	<u>74,259,267</u>
Total liabilities and fund balances	<u>\$ 85,827,352</u>	<u>\$ 20,382,793</u>	<u>\$ 26,119,027</u>	<u>\$ 132,329,172</u>

**County of Oakland**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds – By Fund Type**  
**Year Ended September 30, 2009**

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2009
<b>Revenues</b>				
Special assessments	\$ 789,583	\$ 4,873,490	\$ -	\$ 5,663,073
Federal grants	58,044,502	-	-	58,044,502
State grants	23,598,120	-	-	23,598,120
Other intergovernmental revenues	2,221,970	-	-	2,221,970
Charges for services	25,032,884	8,146	-	25,041,030
Contributions	158,486	-	-	158,486
Investment income	997,575	3,876	56,702	1,058,153
Other	315,191	-	-	315,191
Total revenues	<u>111,158,311</u>	<u>4,885,512</u>	<u>56,702</u>	<u>116,100,525</u>
<b>Expenditures</b>				
Current operations				
County Executive	91,550,440	-	-	91,550,440
Clerk/Register of Deeds	1,158,235	-	-	1,158,235
Treasurer	3,695,654	-	-	3,695,654
Justice administration	26,878,773	-	-	26,878,773
Law enforcement	6,166,189	-	-	6,166,189
Water resource commissioner	3,892,117	48,286	-	3,940,403
Non-departmental	617,385	-	-	617,385
Total current operations	<u>133,958,793</u>	<u>48,286</u>	<u>-</u>	<u>134,007,079</u>
Capital outlay	4,811,189	-	4,727,007	9,538,196
Intergovernmental	13,117	111,437	-	124,554
Debt service				
Principal payments	-	5,440,000	-	5,440,000
Interest and fiscal charges	-	941,154	-	941,154
Total expenditures	<u>138,783,099</u>	<u>6,540,877</u>	<u>4,727,007</u>	<u>150,050,983</u>
Deficiency of revenues under expenditures	<u>(27,624,788)</u>	<u>(1,655,365)</u>	<u>(4,670,305)</u>	<u>(33,950,458)</u>
<b>Other financing sources (uses)</b>				
Transfers in	39,141,746	1,479,070	6,668,372	47,289,188
Transfers out	(5,451,847)	-	(3,003,135)	(8,454,982)
Issuance of bonds	174,208	-	-	174,208
Issuance of refunding bonds	-	2,710,000	-	2,710,000
Premiums on bonds sold	-	38,144	-	38,144
Payment to bond escrow agent	-	(2,699,858)	-	(2,699,858)
Total other financing sources (uses)	<u>33,864,107</u>	<u>1,527,356</u>	<u>3,665,237</u>	<u>39,056,700</u>
Net change in fund balance	6,239,319	(128,009)	(1,005,068)	5,106,242
<b>Fund balances</b>				
October 1, 2008	42,231,370	448,556	26,473,099	69,153,025
September 30, 2009	<u>\$ 48,470,689</u>	<u>\$ 320,547</u>	<u>\$ 25,468,031</u>	<u>\$ 74,259,267</u>

# County of Oakland

## Non-Major Special Revenue Funds

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### 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 Child Care Fund*** - (formerly 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 (column not shown on statements where there is no balance or activity).

***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 Library 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.
- Probate Court Trust is used to account for individual donations made to the court and their subsequent disbursement to assist youths.
- Donations for programs such as: Easter Egg Hunt, Medical Examiner Library and FSC, Animal Population Control and Education, Arts, Culture and Film.

## County of Oakland

### Non-Major Special Revenue Funds

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

***The Capital and Cooperative Initiatives Revolving Fund (CCIRF)*** - was created as a result of the state mandated shift in property tax levies from winter to summer. The difference between the amount available for operating use and the amount actually budgeted for on-going operations is placed in this fund each year, and the resulting balances are available to finance various capital projects throughout the County.

***The Waste Resource Management Fund*** - is used to account for administrative costs associated with Brownfield plans.

***The Jail Population Management Fund*** - was created for the purpose of tracking costs associated with jail overcrowding and the jail expansion.

***The Building Authority External Projects Fund*** - is used to account for transactions associated with bond issues sold through the Oakland County Building Authority as a means of lending the County's bond rating to benefit municipalities or agencies within Oakland County under a lease arrangement.

***The Water and Sewer Act 342 Fund*** - is used to account for the construction, under contractual arrangement, of water and sewer systems (currently 16) 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 30) created under Public Act 146 of 1961.

***The Drains Act 40 Chapters 4 & 18 Maintenance Fund*** - is used to record expenditures for the operations and maintenance of drainage districts created under Chapters 4 and 18 of Public Act 40 of 1956 (currently 303 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. Efforts are in progress whereby the lake improvement board will name the Treasurer of the local municipality (as opposed to the former arrangement with the Oakland County Treasurer) as treasurer of the respective improvement board. This will remove accounting and reporting responsibility from Oakland County (three remaining as of September 30, 2009).

***The Pollution Control Grants Fund*** - is used to account for awards of various pollution control program grants received from federal, state and local sources.

***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

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***The Multi-Organizational Grants Fund*** - accounts for costs in the following grants:

- 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 provides funds for projects to reduce crimes and improve public safety.
- Justice Assistance Grants (JAG) which replaces Byrne Formula and LLEBG programs, provides state and local governments funds to support a broad range of activities to prevent and control crime, and to improve the criminal justice system.

***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.

***The Law Enforcement Grants Fund*** - consists of grants 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*** - consists of grants where the function does not relate specifically to one of the other areas:

- Clerk/Register of Deeds Survey/Remonumentation, 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, Community Corrections In-Step, Domestic Preparedness Equipment, and Homeland Security grants.

***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 52<sup>nd</sup> District Courts.

***The Oakland Brownfield Initiative 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.

***The MI Child Fund*** - accounts for monies received from the State (based on the number of participants in the program) to be used for Oakland County's MI Child program.

**County of Oakland  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
September 30, 2009**

	<b>Child Care</b>	<b>Delinquent Personal Tax Administration</b>	<b>Register of Deeds Automation</b>	<b>Oakland Enhancement</b>	<b>Property Tax Forfeiture</b>	<b>Restricted Funds</b>	<b>Social Welfare</b>
<b>Assets</b>							
Current assets							
Pooled cash and investments	\$ -	\$ 6,292,891	\$ 7,990,745	\$ 286,156	\$ 7,425,254	\$ 364,574	\$ 53,216
Due from other governmental units	4,763,335	-	-	-	-	-	-
Accrued interest receivable	-	6,648	19,933	1,337	32,271	628	-
Accounts receivable (net of allowance for uncollectibles where applicable)	335,262	-	-	4,573	-	-	142,000
Due from other funds	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,098,597</b>	<b>\$ 6,299,539</b>	<b>\$ 8,010,678</b>	<b>\$ 292,066</b>	<b>\$ 7,457,525</b>	<b>\$ 365,202</b>	<b>\$ 195,216</b>
<b>Liabilities and Fund Balances</b>							
Current liabilities							
Vouchers payable	\$ 187,886	\$ 464	\$ -	\$ 1,154	\$ 50	\$ 1,442	\$ 51,001
Due to other governmental units	-	-	-	-	-	-	142,000
Due to other funds	3,742,849	-	-	-	-	-	-
Deferred revenue	150,766	-	-	-	-	-	-
Other accrued liabilities	1,010,599	22,402	-	-	3,044,788	-	-
<b>Total liabilities</b>	<b>5,092,100</b>	<b>22,866</b>	<b>-</b>	<b>1,154</b>	<b>3,044,838</b>	<b>1,442</b>	<b>193,001</b>
Noncurrent liabilities							
Advances payable	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>5,092,100</b>	<b>22,866</b>	<b>-</b>	<b>1,154</b>	<b>3,044,838</b>	<b>1,442</b>	<b>193,001</b>
Fund balances							
Unreserved, designated for							
Encumbrances	6,497	-	-	-	-	-	-
Programs	-	6,276,673	8,010,678	290,912	4,412,687	363,760	2,215
Unreserved, undesignated							
	-	-	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>6,497</b>	<b>6,276,673</b>	<b>8,010,678</b>	<b>290,912</b>	<b>4,412,687</b>	<b>363,760</b>	<b>2,215</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,098,597</b>	<b>\$ 6,299,539</b>	<b>\$ 8,010,678</b>	<b>\$ 292,066</b>	<b>\$ 7,457,525</b>	<b>\$ 365,202</b>	<b>\$ 195,216</b>

(continued)

**County of Oakland  
Combining Balance Sheet (Continued)  
Non-Major Special Revenue Funds  
September 30, 2009**

	County Vererans' Trust	CCIRF	Waste Resource Management	Jail Population Management	Bldg Auth External Projects	Water & Sewer Act 342	Lake Levels Act 146	Drains-Act 40 Maintenance Chapter 4 & 18
<b>Assets</b>								
Current assets								
Pooled cash and investments	\$ 1,132	\$ 22,023,447	\$ 289,642	\$ 2,772,495	\$ 1,184,985	\$ 1,296,243	\$ -	\$ 2,986,216
Due from other governmental units	-	-	-	-	-	-	40,373	9,880
Accrued interest receivable	-	9,698	83	-	13,845	43,023	1,642	28,340
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	-	-	-	-	5,342
Due from other funds	-	294,937	123,828	-	-	-	85,528	-
Other assets	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,132</u>	<u>\$ 22,328,082</u>	<u>\$ 413,553</u>	<u>\$ 2,772,495</u>	<u>\$ 1,198,830</u>	<u>\$ 1,339,266</u>	<u>\$ 127,543</u>	<u>\$ 3,029,778</u>
<b>Liabilities and Fund Balances</b>								
Current liabilities								
Vouchers payable	\$ -	\$ 135,905	\$ -	\$ -	\$ -	\$ 66,523	\$ 333	\$ 2,332
Due to other governmental units	-	-	-	-	-	106,126	-	270
Due to other funds	-	-	-	-	-	-	147,447	248,225
Deferred revenue	-	-	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	161,629	19,437	2,094,404
Total current liabilities	<u>-</u>	<u>135,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,278</u>	<u>167,217</u>	<u>2,345,231</u>
Noncurrent liabilities								
Advances payable	-	-	-	-	-	-	50,123	-
Total liabilities	<u>-</u>	<u>135,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,278</u>	<u>217,340</u>	<u>2,345,231</u>
Fund balances								
Unreserved, designated for								
Encumbrances	-	-	-	-	-	-	-	-
Programs	1,132	22,192,177	413,553	2,772,495	1,198,830	1,004,988	-	684,547
Unreserved, undesignated								
Total fund balances (deficit)	<u>1,132</u>	<u>22,192,177</u>	<u>413,553</u>	<u>2,772,495</u>	<u>1,198,830</u>	<u>1,004,988</u>	<u>(89,797)</u>	<u>684,547</u>
Total liabilities and fund balances	<u>\$ 1,132</u>	<u>\$ 22,328,082</u>	<u>\$ 413,553</u>	<u>\$ 2,772,495</u>	<u>\$ 1,198,830</u>	<u>\$ 1,339,266</u>	<u>\$ 127,543</u>	<u>\$ 3,029,778</u>

(continued)

**County of Oakland  
Combining Balance Sheet (Continued)  
Non-Major Special Revenue Funds  
September 30, 2009**

	<b>Lake Improvements Act 345</b>	<b>Pollution Control Grants</b>	<b>Friend of the Court</b>	<b>Multi- Organizational Grants</b>	<b>Workforce Development Grants</b>	<b>Law Enforcement Grants</b>	<b>Housing and Community Development</b>
<b>Assets</b>							
Current assets							
Pooled cash and investments	\$ 967	\$ 10,909	\$ -	\$ 1,904,734	\$ 248,492	\$ -	\$ 2,998,925
Due from other governmental units	-	135	1,370,225	259,286	2,485,298	1,457,254	228,804
Accrued interest receivable	6	-	-	-	-	-	7,175
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	27,734	-	-	-	-
Due from other funds	-	1,144	1,151,352	1,595	-	489,936	-
Other assets	-	-	2,225	-	6,381,971	75	-
<b>Total assets</b>	<b>\$ 973</b>	<b>\$ 12,188</b>	<b>\$ 2,551,536</b>	<b>\$ 2,165,615</b>	<b>\$ 9,115,761</b>	<b>\$ 1,947,265</b>	<b>\$ 3,234,904</b>
<b>Liabilities and Fund Balances</b>							
Current liabilities							
Vouchers payable	\$ -	\$ -	\$ 740	\$ 32,128	\$ 2,354,052	\$ 40,375	\$ 972
Due to other governmental units	-	-	-	88,045	-	172,726	-
Due to other funds	-	3,427	2,542,314	-	-	1,697,121	-
Deferred revenue	-	10,264	-	2,044,786	-	36,324	2,409,573
Other accrued liabilities	-	4,751	8,482	656	6,761,709	719	1,389
<b>Total liabilities</b>	<b>-</b>	<b>18,442</b>	<b>2,551,536</b>	<b>2,165,615</b>	<b>9,115,761</b>	<b>1,947,265</b>	<b>2,411,934</b>
Noncurrent liabilities							
Advances payable	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>18,442</b>	<b>2,551,536</b>	<b>2,165,615</b>	<b>9,115,761</b>	<b>1,947,265</b>	<b>2,411,934</b>
Fund balances							
Unreserved, designated for							
Encumbrances	-	-	-	-	-	-	-
Programs	973	-	-	-	-	-	822,970
Unreserved, undesignated							
	-	(6,254)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>973</b>	<b>(6,254)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>822,970</b>
<b>Total liabilities and fund balances</b>	<b>\$ 973</b>	<b>\$ 12,188</b>	<b>\$ 2,551,536</b>	<b>\$ 2,165,615</b>	<b>\$ 9,115,761</b>	<b>\$ 1,947,265</b>	<b>\$ 3,234,904</b>

(continued)



**County of Oakland  
Combining Balance Sheet (Continued)  
Non-Major Special Revenue Funds  
September 30, 2009**

	<b>Human Service Grants</b>	<b>Other Grants</b>	<b>COPS More Grant</b>	<b>Judicial Grants</b>	<b>Oakland Brownfield Initiative</b>	<b>MI Child</b>	<b>Totals September 30, 2009</b>
<b>Assets</b>							
Current assets							
Pooled cash and investments	\$ 1,402,414	\$ -	\$ 374,364	\$ -	\$ 112,870	\$ 5,544	\$ 60,026,215
Due from other governmental units	63,104	4,476,563	1,138,760	110,017	10,794	-	16,413,828
Accrued interest receivable	-	-	-	-	-	-	164,629
Accounts receivable (net of allowance for uncollectibles where applicable)	38,096	-	-	10,154	164	-	563,325
Due from other funds	-	79,641	-	46,628	-	-	2,274,589
Other assets	495	-	-	-	-	-	6,384,766
<b>Total assets</b>	<b>\$ 1,504,109</b>	<b>\$ 4,556,204</b>	<b>\$ 1,513,124</b>	<b>\$ 166,799</b>	<b>\$ 123,828</b>	<b>\$ 5,544</b>	<b>\$ 85,827,352</b>
<b>Liabilities and Fund Balances</b>							
Current liabilities							
Vouchers payable	\$ 632,500	\$ 409,431	\$ 1,129,547	\$ 4,352	\$ -	\$ 698	\$ 5,051,885
Due to other governmental units	4,367	37,995	-	-	-	-	551,529
Due to other funds	33,861	3,982,837	-	127,873	123,828	-	12,649,782
Deferred revenue	552,531	19,134	156,665	30,548	-	-	5,410,591
Other accrued liabilities	280,850	-	226,912	4,026	-	-	13,642,753
<b>Total liabilities</b>	<b>1,504,109</b>	<b>4,449,397</b>	<b>1,513,124</b>	<b>166,799</b>	<b>123,828</b>	<b>698</b>	<b>37,306,540</b>
Noncurrent liabilities							
Advances payable	-	-	-	-	-	-	50,123
<b>Total liabilities</b>	<b>1,504,109</b>	<b>4,449,397</b>	<b>1,513,124</b>	<b>166,799</b>	<b>123,828</b>	<b>698</b>	<b>37,356,663</b>
Fund balances							
Unreserved, designated for							
Encumbrances	-	-	-	-	-	-	6,497
Programs	-	106,807	-	-	-	4,846	48,560,243
Unreserved, undesignated							
	-	-	-	-	-	-	(96,051)
<b>Total fund balances (deficit)</b>	<b>-</b>	<b>106,807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,846</b>	<b>48,470,689</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,504,109</b>	<b>\$ 4,556,204</b>	<b>\$ 1,513,124</b>	<b>\$ 166,799</b>	<b>\$ 123,828</b>	<b>\$ 5,544</b>	<b>\$ 85,827,352</b>

**County of Oakland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**Year Ended September 30, 2009**

	<b>Child Care</b>	<b>Delinquent Personal Tax Administration</b>	<b>Register of Deeds Automation</b>	<b>Oakland Enhancement</b>	<b>Property Tax Forfeiture</b>	<b>Restricted Funds</b>	<b>Social Welfare</b>
<b>Revenues</b>							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	348,707	-	-	-	-	-	-
State grants	13,491,688	-	-	-	-	-	-
Other intergovernmental revenues	-	-	-	-	-	-	-
Charges for services	4,393,193	886,690	952,367	535,504	2,790,877	-	1,565,216
Contributions	-	-	-	35,340	-	123,146	-
Investment income	-	94,192	198,949	6,555	195,677	2,275	-
Other	231,452	-	-	-	-	-	-
<b>Total revenues</b>	<b>18,465,040</b>	<b>980,882</b>	<b>1,151,316</b>	<b>577,399</b>	<b>2,986,554</b>	<b>125,421</b>	<b>1,565,216</b>
<b>Expenditures</b>							
Salaries	9,780,250	356,495	-	294,786	34,496	-	-
Fringe benefits	5,236,268	179,209	-	163,498	24,647	-	-
Contractual services	20,761,480	337,105	590,974	113,969	2,599,943	24,912	1,657,870
Commodities	716,448	409	8,432	2,705	930	17,895	-
Capital outlay	-	-	-	-	-	-	-
Internal services	2,523,633	123,039	237,605	-	39,380	932	-
Intergovernmental	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>39,018,079</b>	<b>996,257</b>	<b>837,011</b>	<b>574,958</b>	<b>2,699,396</b>	<b>43,739</b>	<b>1,657,870</b>
Excess (deficiency) of revenues over (under) expenditures	(20,553,039)	(15,375)	314,305	2,441	287,158	81,682	(92,654)
<b>Other financing sources (uses)</b>							
Transfers in	20,536,523	-	-	-	-	-	-
Transfers out	-	-	-	-	(173,759)	(16,833)	-
Issuance of bonds	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>20,536,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(173,759)</b>	<b>(16,833)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(16,516)</b>	<b>(15,375)</b>	<b>314,305</b>	<b>2,441</b>	<b>113,399</b>	<b>64,849</b>	<b>(92,654)</b>
<b>Fund balances (deficit)</b>							
October 1, 2008	23,013	6,292,048	7,696,373	288,471	4,299,288	298,911	94,869
September 30, 2009	\$ 6,497	\$ 6,276,673	\$ 8,010,678	\$ 290,912	\$ 4,412,687	\$ 363,760	\$ 2,215

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Non-Major Special Revenue Funds**  
**Year Ended September 30, 2009**

	County Veterans' Trust	CCIRF	Waste Resource Management	Jail Population Management	Bldg Auth External Projects	Water & Sewer Act 342	Lake Levels Act 146	Drains-Act 40 Maintenance Chapters 4 & 18
<b>Revenues</b>								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 527,004	\$ 212,829
Federal grants	-	-	-	-	-	1,579,052	-	19
State grants	119,756	-	-	-	-	-	-	-
Other intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	1,075	90,870	-	-	-	90	243,523
Contributions	-	-	-	-	-	-	-	-
Investment income	-	323,358	11,995	-	31,309	34,002	2,478	83,447
Other	-	-	83,447	-	-	-	-	-
Total revenues	<u>119,756</u>	<u>324,433</u>	<u>186,312</u>	<u>-</u>	<u>31,309</u>	<u>1,613,054</u>	<u>529,572</u>	<u>539,818</u>
<b>Expenditures</b>								
Salaries	-	-	516	-	-	298,071	188,777	337,257
Fringe benefits	-	-	249	-	-	127,383	76,956	169,590
Contractual services	122,866	573,647	-	-	-	2,062,788	88,507	140,936
Commodities	259	-	-	-	-	16,455	11,863	17,342
Capital outlay	-	-	-	-	18,383	-	-	-
Internal services	-	-	-	-	-	69,648	85,727	123,073
Intergovernmental	-	-	-	-	-	13,117	-	-
Total expenditures	<u>123,125</u>	<u>573,647</u>	<u>765</u>	<u>-</u>	<u>18,383</u>	<u>2,587,462</u>	<u>451,830</u>	<u>788,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,369)</u>	<u>(249,214)</u>	<u>185,547</u>	<u>-</u>	<u>12,926</u>	<u>(974,408)</u>	<u>77,742</u>	<u>(248,380)</u>
<b>Other financing sources (uses)</b>								
Transfers in	-	11,473,466	-	645,764	-	30,000	-	48,202
Transfers out	-	(5,225,940)	-	(20,395)	-	-	-	-
Issuance of bonds	-	-	-	-	-	174,208	-	-
Total other financing sources (uses)	<u>-</u>	<u>6,247,526</u>	<u>-</u>	<u>625,369</u>	<u>-</u>	<u>204,208</u>	<u>-</u>	<u>48,202</u>
Net change in fund balances	<u>(3,369)</u>	<u>5,998,312</u>	<u>185,547</u>	<u>625,369</u>	<u>12,926</u>	<u>(770,200)</u>	<u>77,742</u>	<u>(200,178)</u>
<b>Fund balances (deficit)</b>								
October 1, 2008	4,501	16,193,865	228,006	2,147,126	1,185,904	1,775,188	(167,539)	884,725
September 30, 2009	<u>\$ 1,132</u>	<u>\$ 22,192,177</u>	<u>\$ 413,553</u>	<u>\$ 2,772,495</u>	<u>\$ 1,198,830</u>	<u>\$ 1,004,988</u>	<u>\$ (89,797)</u>	<u>\$ 684,547</u>

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Non-Major Special Revenue Funds**  
**Year Ended September 30, 2009**

	Lake Improvements Act 345	Pollution Control Grants	Friend of the Court	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development
<b>Revenues</b>							
Special assessments	\$ -	\$ 49,750	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	140,732	-	219,240	31,280,180	1,777,916	8,181,559
State grants	-	-	-	1,558,414	1,377,946	1,498,471	-
Other intergovernmental revenues	-	-	1,620,774	-	-	7,599	78,453
Charges for services	-	-	9,302,975	-	-	1,573,699	2,621,420
Contributions	-	-	-	-	-	-	-
Investment income	4	-	-	13,334	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>4</u>	<u>190,482</u>	<u>10,923,749</u>	<u>1,790,988</u>	<u>32,658,126</u>	<u>4,857,685</u>	<u>10,881,432</u>
<b>Expenditures</b>							
Salaries	-	11,155	8,300,742	999,250	422,911	2,553,045	1,275,854
Fringe benefits	-	1,900	4,218,450	501,704	162,955	1,429,869	663,481
Contractual services	-	62,660	1,044,232	122,921	31,963,906	592,726	9,240,548
Commodities	-	-	35,596	158,095	4,844	665,180	13,087
Capital outlay	-	-	-	-	-	827,142	29,230
Internal services	-	2,030	1,630,960	17,607	103,510	305,836	223,385
Intergovernmental	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>77,745</u>	<u>15,229,980</u>	<u>1,799,577</u>	<u>32,658,126</u>	<u>6,373,798</u>	<u>11,445,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4</u>	<u>112,737</u>	<u>(4,306,231)</u>	<u>(8,589)</u>	<u>-</u>	<u>(1,516,113)</u>	<u>(564,153)</u>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	4,306,231	13,589	-	1,516,836	386,093
Transfers out	-	-	-	(5,000)	-	(723)	(9,197)
Issuance of bonds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,306,231</u>	<u>8,589</u>	<u>-</u>	<u>1,516,113</u>	<u>376,896</u>
Net change in fund balances	<u>4</u>	<u>112,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,257)</u>
<b>Fund balances (deficit)</b>							
October 1, 2008	<u>969</u>	<u>(118,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,010,227</u>
September 30, 2009	<u>\$ 973</u>	<u>\$ (6,254)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 822,970</u>

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Non-Major Special Revenue Funds**  
**Year Ended September 30, 2009**

	<b>Human Service Grants</b>	<b>Other Grants</b>	<b>COPS More Grant</b>	<b>Judicial Grants</b>	<b>Oakland Brownfield Initiative</b>	<b>MI Child</b>	<b>Totals September 30, 2009</b>
<b>Revenues</b>							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789,583
Federal grants	7,242,760	5,735,129	1,497,136	1,994	40,078	-	58,044,502
State grants	5,011,216	322,724	-	217,905	-	-	23,598,120
Other intergovernmental revenues	-	-	515,144	-	-	-	2,221,970
Charges for services	3,060	36,000	-	-	21,399	14,926	25,032,884
Contributions	-	-	-	-	-	-	158,486
Investment income	-	-	-	-	-	-	997,575
Other	248	44	-	-	-	-	315,191
<b>Total revenues</b>	<b>12,257,284</b>	<b>6,093,897</b>	<b>2,012,280</b>	<b>219,899</b>	<b>61,477</b>	<b>14,926</b>	<b>111,158,311</b>
<b>Expenditures</b>							
Salaries	3,447,534	223,972	-	111,739	27,116	-	28,663,966
Fringe benefits	1,692,780	117,216	-	67,911	12,962	-	14,847,028
Contractual services	6,508,526	1,799,541	1,200,446	89,615	104,846	21,049	81,826,013
Commodities	131,857	19,900	811,834	23,359	-	-	2,656,490
Capital outlay	27,070	3,909,364	-	-	-	-	4,811,189
Internal services	454,907	23,904	-	120	-	-	5,965,296
Intergovernmental	-	-	-	-	-	-	13,117
<b>Total expenditures</b>	<b>12,262,674</b>	<b>6,093,897</b>	<b>2,012,280</b>	<b>292,744</b>	<b>144,924</b>	<b>21,049</b>	<b>138,783,099</b>
Excess (deficiency) of revenues over (under) expenditures	(5,390)	-	-	(72,845)	(83,447)	(6,123)	(27,624,788)
<b>Other financing sources (uses)</b>							
Transfers in	5,390	106,807	-	72,845	-	-	39,141,746
Transfers out	-	-	-	-	-	-	(5,451,847)
Issuance of bonds	-	-	-	-	-	-	174,208
<b>Total other financing sources (uses)</b>	<b>5,390</b>	<b>106,807</b>	<b>-</b>	<b>72,845</b>	<b>-</b>	<b>-</b>	<b>33,864,107</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>106,807</b>	<b>-</b>	<b>-</b>	<b>(83,447)</b>	<b>(6,123)</b>	<b>6,239,319</b>
<b>Fund balances (deficit)</b>							
October 1, 2008	-	-	-	-	83,447	10,969	42,231,370
September 30, 2009	\$ -	\$ 106,807	\$ -	\$ -	\$ -	\$ 4,846	\$ 48,470,689

**County of Oakland**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and**  
**Actual – Non-Major Special Revenue Funds**  
**Year Ended September 30, 2009**

	<b>Child Care</b>		
	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Amended Budget</b>
<b>Revenues</b>			
Federal grants	\$ 300,000	\$ 348,707	\$ 48,707
State grants	14,115,238	13,491,688	(623,550)
Charges for services	4,089,530	4,393,193	303,663
Other	-	231,452	231,452
Total revenues	<u>18,504,768</u>	<u>18,465,040</u>	<u>(39,728)</u>
<b>Expenditures</b>			
Current operations			
County Executive			
Human Services			
Personnel	13,342,688	13,117,923	224,765
Operating	12,183,397	11,291,410	891,987
Internal Support	2,526,062	2,521,249	4,813
Total Human Services	<u>28,052,147</u>	<u>26,930,582</u>	<u>1,121,565</u>
Total County Executive	<u>28,052,147</u>	<u>26,930,582</u>	<u>1,121,565</u>
Justice administration			
Circuit Court			
Personnel	2,460,811	1,898,595	562,216
Operating	12,071,699	10,186,518	1,885,181
Internal Support	3,000	2,384	616
Total Circuit Court	<u>14,535,510</u>	<u>12,087,497</u>	<u>2,448,013</u>
Total Justice administration	<u>14,535,510</u>	<u>12,087,497</u>	<u>2,448,013</u>
Total expenditures	<u>42,587,657</u>	<u>39,018,079</u>	<u>3,569,578</u>
Deficiency of revenues under expenditures	(24,082,889)	(20,553,039)	3,529,850
<b>Other financing sources (uses)</b>			
Transfers in	24,060,176	20,536,523	(3,523,653)
Transfers out	(300)	-	300
Total other financing sources (uses)	<u>24,059,876</u>	<u>20,536,523</u>	<u>(3,523,353)</u>
Net change in fund balance	(23,013)	(16,516)	6,497
<b>Fund balance</b>			
October 1, 2008	23,013	23,013	-
September 30, 2009	<u>\$ -</u>	<u>\$ 6,497</u>	<u>\$ 6,497</u>

**County of Oakland**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget**  
**and Actual – Non-Major Special Revenue Funds (Continued)**  
**Year Ended September 30, 2009**

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	<b>Social Welfare Foster Care</b>		
	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Amended Budget</b>
<b>Revenues</b>			
State grants	\$ 1,000	\$ -	\$ (1,000)
Total revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<b>Expenditures</b>			
Current operations			
County Executive			
Human Services			
Operating	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Deficiency of revenues under expenditures	(1,000)	-	1,000
<b>Other financing sources</b>			
Transfers in	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net change in fund balance	-	-	-
<b>Fund balance</b>			
October 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## County of Oakland

### Non-Major Debt Service Funds

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#### **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 Debt Refunding Fund* - was established to accumulate resources for the payment of bonded debt issued for the refinancing of debt obligations under Public Act 202 of 1943, or Act 34 of 2001 for various Building Authority funds (currently two issues). Also includes refunding debt issued as assistance in obtaining favorable lending rates for other units of government within Oakland County.

*The Lake Level Debt Act 146 Fund* - was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the construction of dam structures for purposes of lake level control authorized under Public Act 451 of 1994 (currently one issue).

*The Water and Sewer Debt Refunding Fund* - was established to account for the accumulation of resources, mainly special assessments, for the payment of bonded debt issued for the refinancing of debt obligations for construction of various water and sewer systems (currently seven issues).



**County of Oakland  
Combining Balance Sheet  
Non-Major Debt Service Funds  
September 30, 2009**

	<b>Building Authority Debt Refunding</b>	<b>Lake Level Debt Act 146</b>	<b>Water and Sewer Debt Refunding</b>	<b>Totals September 30, 2009</b>
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 862	\$ 235,250	\$ 1,144,782	\$ 1,380,894
Accrued interest receivable	107	982	52	1,141
Due from other governmental units	169,198	-	2,230,826	2,400,024
Total current assets	<u>170,167</u>	<u>236,232</u>	<u>3,375,660</u>	<u>3,782,059</u>
Noncurrent assets				
Special assessments receivable	-	130,734	8,560,000	8,690,734
Contracts receivable	7,910,000	-	-	7,910,000
Total assets	<u>\$ 8,080,167</u>	<u>\$ 366,966</u>	<u>\$ 11,935,660</u>	<u>\$ 20,382,793</u>
<b>Liabilities and Fund Balances</b>				
Current liabilities				
Vouchers payable	\$ 150	\$ -	\$ -	\$ 150
Deferred revenue	169,198	-	-	169,198
Other accrued liabilities	-	-	3,292,164	3,292,164
Total current liabilities	<u>169,348</u>	<u>-</u>	<u>3,292,164</u>	<u>3,461,512</u>
Noncurrent liabilities				
Deferred revenue	7,910,000	130,734	8,560,000	16,600,734
Total liabilities	<u>8,079,348</u>	<u>130,734</u>	<u>11,852,164</u>	<u>20,062,246</u>
Fund balances - reserved for debt service	819	236,232	83,496	320,547
Total liabilities and fund balances	<u>\$ 8,080,167</u>	<u>\$ 366,966</u>	<u>\$ 11,935,660</u>	<u>\$ 20,382,793</u>

**County of Oakland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Debt Service Funds**  
**Year Ended September 30, 2009**

	<b>Building Authority Debt Refunding</b>	<b>Lake Level Debt Act 146</b>	<b>Water and Sewer Debt Refunding</b>	<b>Totals September 30, 2009</b>
<b>Revenues</b>				
Special assessments	\$ 390,942	\$ 41,529	\$ 4,441,019	\$ 4,873,490
Charges for services	202	5,757	2,187	8,146
Investment income	796	6,498	(3,418)	3,876
Total revenues	<u>391,940</u>	<u>53,784</u>	<u>4,439,788</u>	<u>4,885,512</u>
<b>Expenditures</b>				
Principal payments	1,405,000	55,000	3,980,000	5,440,000
Interest	465,257	12,053	461,019	938,329
Paying agent fees	575	-	2,250	2,825
Contractual services	-	-	48,286	48,286
Intergovernmental	-	-	111,437	111,437
Total expenditures	<u>1,870,832</u>	<u>67,053</u>	<u>4,602,992</u>	<u>6,540,877</u>
Deficiency of revenues under expenditures	(1,478,892)	(13,269)	(163,204)	(1,655,365)
<b>Other financing sources (uses)</b>				
Transfers in	1,479,070	-	-	1,479,070
Issuance of refunding bonds	-	-	2,710,000	2,710,000
Premiums on bonds sold	-	-	38,144	38,144
Payment to bond escrow agent	-	-	(2,699,858)	(2,699,858)
Total other financing sources (uses)	<u>1,479,070</u>	<u>-</u>	<u>48,286</u>	<u>1,527,356</u>
Net change in fund balances	178	(13,269)	(114,918)	(128,009)
<b>Fund balances</b>				
October 1, 2008	641	249,501	198,414	448,556
September 30, 2009	<u>\$ 819</u>	<u>\$ 236,232</u>	<u>\$ 83,496</u>	<u>\$ 320,547</u>

## County of Oakland

### Non-Major Capital Project Funds

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#### **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 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 Jail Renovation - Visitation Fund* - was established to account for the costs of renovating several areas of the Law Enforcement Center (Jail) and installation of a video visitation system.

*The Major Departmental Support Projects Fund* - was established to account for the costs of departmental support projects with estimated aggregated expenditures over \$5 million, which are funded by current available resources rather than bond issues.

*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 five) under P.A. 146 of 1961.

*The Lake Improvements Act 345 Fund* - is used to account for the costs of construction of augmentation wells (currently two) for purposes of lake level control. Financing is provided by special assessment rolls 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, or contracts with municipalities, in the individual projects.

**County of Oakland  
Combining Balance Sheet  
Non-Major Capital Projects Funds  
September 30, 2009**

	<b>Building Improvement</b>	<b>Project Work Orders</b>	<b>Work Release/ Jail Mgt/Video Conferencing</b>	<b>Office Building Renovation</b>	<b>Jail Renovation- Visitation</b>
<b>Assets</b>					
Current assets					
Pooled cash and investments	\$ 12,627,071	\$ 2,757,839	\$ 1,389,786	\$ 478,609	\$ -
Accrued interest receivable	-	-	84,151	69,861	-
Contracts receivable	-	-	-	-	-
Due from component units	-	-	-	-	-
Due from other funds	-	-	600,000	-	-
Total current assets	<u>12,627,071</u>	<u>2,757,839</u>	<u>2,073,937</u>	<u>548,470</u>	<u>-</u>
Noncurrent assets					
Advances	-	-	-	-	-
Contracts receivable	-	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 12,627,071</u>	<u>\$ 2,757,839</u>	<u>\$ 2,073,937</u>	<u>\$ 548,470</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>					
Current liabilities					
Vouchers payable	\$ -	\$ 295,751	\$ 31,724	\$ -	\$ -
Due to other funds	-	-	25,760	-	-
Other accrued liabilities	-	129,557	3,651	-	-
Total liabilities	<u>-</u>	<u>425,308</u>	<u>61,135</u>	<u>-</u>	<u>-</u>
Fund balances					
Reserved					
Long-term receivables	-	-	-	-	-
Work projects	-	-	2,012,802	548,470	-
Total reserved	<u>-</u>	<u>-</u>	<u>2,012,802</u>	<u>548,470</u>	<u>-</u>
Unreserved					
Designated for work projects	-	2,332,531	-	-	-
Undesignated	<u>12,627,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total unreserved	<u>12,627,071</u>	<u>2,332,531</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>12,627,071</u>	<u>2,332,531</u>	<u>2,012,802</u>	<u>548,470</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 12,627,071</u>	<u>\$ 2,757,839</u>	<u>\$ 2,073,937</u>	<u>\$ 548,470</u>	<u>\$ -</u>

(continued)

**County of Oakland  
Combining Balance Sheet (Continued)  
Non-Major Capital Project Funds  
September 30, 2009**

	<b>Major Dept. Support Projects</b>	<b>Lake Levels Act 146</b>	<b>Lake Improvements Act 345</b>	<b>Drain Commissioner Revolving</b>	<b>Long-term Revolving</b>	<b>Totals September 30, 2009</b>
<b>Assets</b>						
Current assets						
Pooled cash and investments	\$ 4,771,295	\$ -	\$ 9,109	\$ 16,370	\$ 1,374,030	\$ 23,424,109
Accrued interest receivable	-	76	72	-	-	154,160
Contracts receivable	-	-	-	-	16,667	16,667
Due from component units	-	-	-	1,511,115	-	1,511,115
Due from other funds	-	15,158	-	297,515	180	912,853
Total current assets	<u>4,771,295</u>	<u>15,234</u>	<u>9,181</u>	<u>1,825,000</u>	<u>1,390,877</u>	<u>26,018,904</u>
Noncurrent assets						
Advances	-	-	-	-	50,123	50,123
Contracts receivable	-	-	-	-	50,000	50,000
Total noncurrents assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,123</u>	<u>100,123</u>
Total assets	<u>\$ 4,771,295</u>	<u>\$ 15,234</u>	<u>\$ 9,181</u>	<u>\$ 1,825,000</u>	<u>\$ 1,491,000</u>	<u>\$ 26,119,027</u>
<b>Liabilities and Fund Balances</b>						
Current liabilities						
Vouchers payable	\$ -	\$ 4,558	\$ -	\$ -	\$ -	\$ 332,033
Due to other funds	-	109,456	289	-	-	135,505
Other accrued liabilities	40,012	10,238	-	-	-	183,458
Total liabilities	<u>40,012</u>	<u>124,252</u>	<u>289</u>	<u>-</u>	<u>-</u>	<u>650,996</u>
Fund balances						
Reserved						
Long-term receivables	-	-	-	-	100,123	100,123
Work projects	-	-	8,892	1,825,000	1,390,877	5,786,041
Total reserved	<u>-</u>	<u>-</u>	<u>8,892</u>	<u>1,825,000</u>	<u>1,491,000</u>	<u>5,886,164</u>
Unreserved						
Designated for work projects	4,731,283	-	-	-	-	7,063,814
Undesignated	-	(109,018)	-	-	-	12,518,053
Total unreserved	<u>4,731,283</u>	<u>(109,018)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,581,867</u>
Total fund balances (deficit)	<u>4,731,283</u>	<u>(109,018)</u>	<u>8,892</u>	<u>1,825,000</u>	<u>1,491,000</u>	<u>25,468,031</u>
Total liabilities and fund balances	<u>\$ 4,771,295</u>	<u>\$ 15,234</u>	<u>\$ 9,181</u>	<u>\$ 1,825,000</u>	<u>\$ 1,491,000</u>	<u>\$ 26,119,027</u>

**County of Oakland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Capital Project Funds**  
**Year Ended September 30, 2009**

	<b>Building Improvement</b>	<b>Project Work Orders</b>	<b>Work Release/ Jail Mgt/Video Conferencing</b>	<b>Office Building Renovation</b>	<b>Jail Renovation- Visitation</b>
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ 39,940	\$ 12,535	\$ 5,304
Total revenues	<u>-</u>	<u>-</u>	<u>39,940</u>	<u>12,535</u>	<u>5,304</u>
<b>Expenditures</b>					
Capital Outlay	-	2,403,448	559,696	45,032	278,942
Total expenditures	<u>-</u>	<u>2,403,448</u>	<u>559,696</u>	<u>45,032</u>	<u>278,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,403,448)</u>	<u>(519,756)</u>	<u>(32,497)</u>	<u>(273,638)</u>
<b>Other financing sources (uses)</b>					
Transfers in	4,181,479	2,486,893	-	-	-
Transfers out	(1,068,139)	(873,147)	-	-	(1,061,849)
Total other financing sources (uses)	<u>3,113,340</u>	<u>1,613,746</u>	<u>-</u>	<u>-</u>	<u>(1,061,849)</u>
Net change in fund balances	3,113,340	(789,702)	(519,756)	(32,497)	(1,335,487)
<b>Fund balances (deficit)</b>					
October 1, 2008	<u>9,513,731</u>	<u>3,122,233</u>	<u>2,532,558</u>	<u>580,967</u>	<u>1,335,487</u>
September 30, 2009	<u>\$ 12,627,071</u>	<u>\$ 2,332,531</u>	<u>\$ 2,012,802</u>	<u>\$ 548,470</u>	<u>\$ -</u>

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Non-Major Capital Project Funds**  
**Year Ended September 30, 2009**

	<b>Major Dept. Support Projects</b>	<b>Lake Levels Act 146</b>	<b>Lake Improvements Act 345</b>	<b>Drain Commissioner Revolving</b>	<b>Long-term Revolving</b>	<b>Totals September 30, 2009</b>
<b>Revenues</b>						
Investment income	\$ -	\$ (1,307)	\$ 230	\$ -	\$ -	\$ 56,702
Total revenues	<u>-</u>	<u>(1,307)</u>	<u>230</u>	<u>-</u>	<u>-</u>	<u>56,702</u>
<b>Expenditures</b>						
Capital Outlay	1,385,267	54,622	-	-	-	4,727,007
Total expenditures	<u>1,385,267</u>	<u>54,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,727,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,385,267)</u>	<u>(55,929)</u>	<u>230</u>	<u>-</u>	<u>-</u>	<u>(4,670,305)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	6,668,372
Transfers out	-	-	-	-	-	(3,003,135)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,665,237</u>
Net change in fund balances	<u>(1,385,267)</u>	<u>(55,929)</u>	<u>230</u>	<u>-</u>	<u>-</u>	<u>(1,005,068)</u>
<b>Fund balances (deficit)</b>						
October 1, 2008	<u>6,116,550</u>	<u>(53,089)</u>	<u>8,662</u>	<u>1,825,000</u>	<u>1,491,000</u>	<u>26,473,099</u>
September 30, 2009	<u>\$ 4,731,283</u>	<u>\$ (109,018)</u>	<u>\$ 8,892</u>	<u>\$ 1,825,000</u>	<u>\$ 1,491,000</u>	<u>\$ 25,468,031</u>

# County of Oakland

## Internal Service Funds

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### **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-reimbursement 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. This fund absorbed the cost of operation of the Farmers Market fund (Enterprise Fund type) in fiscal year 2008.

***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 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, and performs as the debt service fund for the County's Interim Retiree Medical Benefits Trust effective with fiscal year 2008.

***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's Department (General Fund). This fund was transferred into the General Fund on September 30, 2009.



**County of Oakland  
Combining Statement of Net Assets  
Internal Service Funds  
September 30, 2009**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>	<b>Office Equipment</b>
<b>Assets</b>					
Current assets					
Pooled cash and investments	\$ 12,174,257	\$ 17,523,740	\$ -	\$ 2,268,483	\$ 1,949,873
Due from other governmental units	16,330	12,528	30,350	5,020	-
Due from component units	8,071	11,349	4,959	-	-
Accrued interest receivable	53,853	61,861	7,062	8,743	12,638
Accounts receivable (net of allowance for uncollectibles where applicable)	80,614	50,361	169,793	-	-
Due from other funds	-	26,076	-	-	-
Inventories and supplies	105,804	47,130	-	199,093	-
Prepayments and other assets	-	1,042,264	-	2,302	-
Total current assets	<u>12,438,929</u>	<u>18,775,309</u>	<u>212,164</u>	<u>2,483,641</u>	<u>1,962,511</u>
Noncurrent assets					
Capital assets, at cost					
Land	-	-	130,000	-	-
Buildings and improvements	525,283	-	1,541,974	424,860	-
Equipment and vehicles	1,920,741	50,396,600	6,094,609	13,158,309	5,463,202
Infrastructure	3,169,683	-	-	-	-
Construction in progress	-	3,970,588	-	-	-
	<u>5,615,707</u>	<u>54,367,188</u>	<u>7,766,583</u>	<u>13,583,169</u>	<u>5,463,202</u>
Less: Accumulated depreciation	<u>5,208,394</u>	<u>44,101,480</u>	<u>3,433,825</u>	<u>8,296,556</u>	<u>4,336,036</u>
Capital assets, net	<u>407,313</u>	<u>10,265,708</u>	<u>4,332,758</u>	<u>5,286,613</u>	<u>1,127,166</u>
Total assets	<u>\$ 12,846,242</u>	<u>\$ 29,041,017</u>	<u>\$ 4,544,922</u>	<u>\$ 7,770,254</u>	<u>\$ 3,089,677</u>

(continued)

**County of Oakland  
Combining Statement of Net Assets (Continued)  
Internal Service Funds  
September 30, 2009**

	<b>Mailing, Copier, and Printing</b>	<b>Telephone Communications</b>	<b>Building and Liability Insurance</b>	<b>Fringe Benefits</b>	<b>Sheriff Aviation</b>	<b>Totals September 30, 2009</b>
<b>Assets</b>						
Current assets						
Pooled cash and investments	\$ 177,861	\$ 3,796,354	\$ 22,527,436	\$ 58,717,177	\$ 48,163	\$ 119,183,344
Due from other governmental units	12,083	64	-	65	-	76,440
Due from component units	-	-	-	-	-	24,379
Accrued interest receivable	-	9,510	163,012	373,662	-	690,341
Accounts receivable (net of allowance for uncollectibles where applicable)	16,268	1,869	-	6,618	-	325,523
Due from other funds	3,250	4,064	3,510	4,431,405	-	4,468,305
Inventories and supplies	164,360	-	-	-	-	516,387
Prepayments and other assets	22,200	69,479	446,034	2,933,093	-	4,515,372
Total current assets	<u>396,022</u>	<u>3,881,340</u>	<u>23,139,992</u>	<u>66,462,020</u>	<u>48,163</u>	<u>129,800,091</u>
Noncurrent assets						
Capital assets, at cost						
Land	-	-	-	-	-	130,000
Buildings and improvements	-	-	-	-	-	2,492,117
Equipment and vehicles	527,599	4,833,705	-	-	-	82,394,765
Infrastructure	-	-	-	-	-	3,169,683
Construction in progress	-	-	-	-	-	3,970,588
	<u>527,599</u>	<u>4,833,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,157,153</u>
Less: Accumulated depreciation	<u>431,929</u>	<u>3,567,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,375,994</u>
Capital assets, net	<u>95,670</u>	<u>1,265,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,781,159</u>
Total assets	<u>\$ 491,692</u>	<u>\$ 5,147,271</u>	<u>\$ 23,139,992</u>	<u>\$ 66,462,020</u>	<u>\$ 48,163</u>	<u>\$ 152,581,250</u>

(continued)

**County of Oakland**  
**Combining Statement of Net Assets (Continued)**  
**Internal Service Funds**  
**September 30, 2009**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>	<b>Office Equipment</b>
<b>Liabilities</b>					
Current liabilities					
Vouchers payable	\$ 165,868	\$ 966,644	\$ 49,599	\$ 29,450	\$ 5,665
Due to other governmental units	-	-	-	-	-
Due to other funds	77,293	379,864	714,372	-	-
Deferred revenue	-	1,375	-	-	-
Current portion of compensated absences	-	-	-	-	-
Current portion of claims and judgments	-	-	-	-	-
Current portion of advances payable	-	-	12,883	-	-
Other accrued liabilities	200,871	434,702	259,543	85,528	-
Total current liabilities	<u>444,032</u>	<u>1,782,585</u>	<u>1,036,397</u>	<u>114,978</u>	<u>5,665</u>
Noncurrent liabilities					
Accrued compensated absences	-	-	-	-	-
Claims and judgments	-	-	-	-	-
Advances	-	-	141,713	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>141,713</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>444,032</u>	<u>1,782,585</u>	<u>1,178,110</u>	<u>114,978</u>	<u>5,665</u>
<b>Net Assets</b>					
Invested in capital assets	407,313	10,265,708	4,332,758	5,286,613	1,127,166
Unrestricted	11,994,897	16,992,724	(965,946)	2,368,663	1,956,846
Total net assets	<u>\$ 12,402,210</u>	<u>\$ 27,258,432</u>	<u>\$ 3,366,812</u>	<u>\$ 7,655,276</u>	<u>\$ 3,084,012</u>

(continued)

**County of Oakland  
Combining Statement of Net Assets (Continued)  
Internal Service Funds  
September 30, 2009**

	<b>Mailing, Copier, and Printing</b>	<b>Telephone Communications</b>	<b>Building and Liability Insurance</b>	<b>Fringe Benefits</b>	<b>Sheriff Aviation</b>	<b>Totals September 30, 2009</b>
<b>Liabilities</b>						
Current liabilities						
Vouchers payable	\$ 118,622	\$ 135,280	\$ 48,663	\$ 16,689,210	\$ 8,024	\$ 18,217,025
Due to other governmental units	-	-	-	540,342	-	540,342
Due to other funds	1,831	-	140	2,982	40,139	1,216,621
Deferred revenue	-	-	-	-	-	1,375
Current portion of compensated absences	-	-	-	1,296,516	-	1,296,516
Current portion of claims and judgments	-	-	2,729,872	2,604,000	-	5,333,872
Current portion of advances payable	-	-	-	-	-	12,883
Other accrued liabilities	4,474	62,538	20,074	9,542,723	-	10,610,453
<b>Total current liabilities</b>	<b>124,927</b>	<b>197,818</b>	<b>2,798,749</b>	<b>30,675,773</b>	<b>48,163</b>	<b>37,229,087</b>
Noncurrent liabilities						
Accrued compensated absences	-	-	-	11,668,645	-	11,668,645
Claims and judgments	-	-	4,468,679	11,976,241	-	16,444,920
Advances	-	-	-	-	-	141,713
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>4,468,679</b>	<b>23,644,886</b>	<b>-</b>	<b>28,255,278</b>
<b>Total liabilities</b>	<b>124,927</b>	<b>197,818</b>	<b>7,267,428</b>	<b>54,320,659</b>	<b>48,163</b>	<b>65,484,365</b>
<b>Net Assets</b>						
Invested in capital assets	95,670	1,265,931	-	-	-	22,781,159
Unrestricted	271,095	3,683,522	15,872,564	12,141,361	-	64,315,726
<b>Total net assets</b>	<b>\$ 366,765</b>	<b>\$ 4,949,453</b>	<b>\$ 15,872,564</b>	<b>\$ 12,141,361</b>	<b>\$ -</b>	<b>\$ 87,096,885</b>

**County of Oakland**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**Year Ended September 30, 2009**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>	<b>Office Equipment</b>
<b>Operating revenues</b>					
Charges for services	\$ 28,169,206	\$ 23,463,236	\$ 4,452,746	\$ 6,852,392	\$ 655,452
Other	45,472	2,062	-	508	-
Total operating revenues	<u>28,214,678</u>	<u>23,465,298</u>	<u>4,452,746</u>	<u>6,852,900</u>	<u>655,452</u>
<b>Operating expenses</b>					
Salaries	7,707,478	9,475,185	517,256	733,129	-
Fringe benefits	4,254,284	4,867,974	233,609	449,434	-
Contractual services	11,147,701	12,090,667	297,246	1,463,798	515,063
Commodities	1,164,734	772,211	163,580	2,318,782	-
Depreciation	127,192	2,888,021	519,225	2,054,757	303,948
Internal services	918,796	1,493,600	1,890,143	444,681	557
Total operating expenses	<u>25,320,185</u>	<u>31,587,658</u>	<u>3,621,059</u>	<u>7,464,581</u>	<u>819,568</u>
Operating income (loss)	<u>2,894,493</u>	<u>(8,122,360)</u>	<u>831,687</u>	<u>(611,681)</u>	<u>(164,116)</u>
<b>Nonoperating revenues (expenses)</b>					
Interest revenue	299,292	420,773	(31,107)	48,963	54,984
Interest expense	-	-	(4,672)	-	-
Bonds maturing	-	-	-	-	-
Gain on sale of property and equipment	-	372	50,922	40,514	20
Net nonoperating revenues (expenses)	<u>299,292</u>	<u>421,145</u>	<u>15,143</u>	<u>89,477</u>	<u>55,004</u>
Income (loss) before transfers and contributions	<u>3,193,785</u>	<u>(7,701,215)</u>	<u>846,830</u>	<u>(522,204)</u>	<u>(109,112)</u>
Capital contributions	-	326,826	-	-	-
Transfers in	179,815	4,143,010	3,831	-	-
Transfers out	(811,343)	-	-	-	-
Change in net assets	<u>2,562,257</u>	<u>(3,231,379)</u>	<u>850,661</u>	<u>(522,204)</u>	<u>(109,112)</u>
<b>Net assets</b>					
October 1, 2008	<u>9,839,953</u>	<u>30,489,811</u>	<u>2,516,151</u>	<u>8,177,480</u>	<u>3,193,124</u>
September 30, 2009	<u>\$ 12,402,210</u>	<u>\$ 27,258,432</u>	<u>\$ 3,366,812</u>	<u>\$ 7,655,276</u>	<u>\$ 3,084,012</u>

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Continued)**  
**Internal Service Funds**  
**Year Ended September 30, 2009**

	<b>Mailing, Copier, and Printing</b>	<b>Telephone Communications</b>	<b>Building and Liability Insurance</b>	<b>Fringe Benefits</b>	<b>Sheriff Aviation</b>	<b>Totals September 30, 2009</b>
<b>Operating revenues</b>						
Charges for services	\$ 3,382,633	\$ 3,162,278	\$ 2,714,570	\$ 127,541,555	\$ 1,351,533	\$ 201,745,601
Other	5,198	1,100	-	-	-	54,340
Total operating revenues	<u>3,387,831</u>	<u>3,163,378</u>	<u>2,714,570</u>	<u>127,541,555</u>	<u>1,351,533</u>	<u>201,799,941</u>
<b>Operating expenses</b>						
Salaries	365,032	313,684	475,184	1,182,108	151,279	20,920,335
Fringe benefits	222,168	195,024	228,968	583,365	109,394	11,144,220
Contractual services	1,729,449	2,020,803	4,728,778	78,683,162	173,745	112,850,412
Commodities	1,064,092	105,022	3,197	11,851	66,338	5,669,807
Depreciation	18,324	343,167	-	-	209,192	6,463,826
Internal services	87,876	568,992	98,705	249,894	214,553	5,967,797
Total operating expenses	<u>3,486,941</u>	<u>3,546,692</u>	<u>5,534,832</u>	<u>80,710,380</u>	<u>924,501</u>	<u>163,016,397</u>
Operating income (loss)	<u>(99,110)</u>	<u>(383,314)</u>	<u>(2,820,262)</u>	<u>46,831,175</u>	<u>427,032</u>	<u>38,783,544</u>
<b>Nonoperating revenues (expenses)</b>						
Interest revenue	573	95,926	579,145	995,620	29,692	2,493,861
Interest expense	-	-	-	(32,482,888)	(19,225)	(32,506,785)
Bonds maturing	-	-	-	(16,610,000)	-	(16,610,000)
Gain on sale of property and equipment	-	-	-	-	-	91,828
Net nonoperating revenues (expenses)	<u>573</u>	<u>95,926</u>	<u>579,145</u>	<u>(48,097,268)</u>	<u>10,467</u>	<u>(46,531,096)</u>
Income (loss) before transfers and contributions	<u>(98,537)</u>	<u>(287,388)</u>	<u>(2,241,117)</u>	<u>(1,266,093)</u>	<u>437,499</u>	<u>(7,747,552)</u>
Capital contributions	-	-	-	-	-	326,826
Transfers in	-	-	-	-	4,000	4,330,656
Transfers out	-	-	-	-	(3,693,099)	(4,504,442)
Change in net assets	<u>(98,537)</u>	<u>(287,388)</u>	<u>(2,241,117)</u>	<u>(1,266,093)</u>	<u>(3,251,600)</u>	<u>(7,594,512)</u>
<b>Net assets</b>						
October 1, 2008	<u>465,302</u>	<u>5,236,841</u>	<u>18,113,681</u>	<u>13,407,454</u>	<u>3,251,600</u>	<u>94,691,397</u>
September 30, 2009	<u>\$ 366,765</u>	<u>\$ 4,949,453</u>	<u>\$ 15,872,564</u>	<u>\$ 12,141,361</u>	<u>\$ -</u>	<u>\$ 87,096,885</u>

**County of Oakland**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended September 30, 2009**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>	<b>Office Equipment</b>
<b>Cash flows from operating activities</b>					
Cash received from users	\$ 28,209,891	\$ 23,430,308	\$ 4,415,068	\$ 6,854,580	\$ 655,452
Cash paid to suppliers	(17,453,392)	(19,222,535)	(3,645,130)	(4,865,535)	(465,160)
Cash paid to employees	(7,707,478)	(9,475,185)	(517,256)	(733,129)	-
Net cash provided by (used in) operating activities	<u>3,049,021</u>	<u>(5,267,412)</u>	<u>252,682</u>	<u>1,255,916</u>	<u>190,292</u>
<b>Cash flows from noncapital financing activities</b>					
Transfers from other funds	179,815	2,225,940	3,831	-	-
Transfers to other funds	(811,343)	-	-	-	-
Amounts received on contracts	-	-	-	-	-
Interest received on contracts	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(631,528)</u>	<u>2,225,940</u>	<u>3,831</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>					
Transfers from other funds	-	1,917,070	-	-	-
Proceeds from sale of capital assets	-	372	50,922	479,529	20
Acquisition of capital assets	-	(593,519)	(251,711)	(1,350,536)	(598,195)
Amount paid on advances	-	-	(12,883)	-	-
Interest paid on advances	-	-	(4,672)	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>1,323,923</u>	<u>(218,344)</u>	<u>(871,007)</u>	<u>(598,175)</u>
<b>Cash flows from investing activities</b>					
Interest on investments	303,471	472,018	(38,169)	49,402	60,917
Net cash provided by (used in) investing activities	<u>303,471</u>	<u>472,018</u>	<u>(38,169)</u>	<u>49,402</u>	<u>60,917</u>
Net increase (decrease) in cash and cash equivalents	<u>2,720,964</u>	<u>(1,245,531)</u>	<u>-</u>	<u>434,311</u>	<u>(346,966)</u>
<b>Pooled cash and investments</b>					
October 1, 2008	9,453,293	18,769,271	-	1,834,172	2,296,839
September 30, 2009	<u>\$ 12,174,257</u>	<u>\$ 17,523,740</u>	<u>\$ -</u>	<u>\$ 2,268,483</u>	<u>\$ 1,949,873</u>

(continued)

**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**Year Ended September 30, 2009**

	<b>Mailing, Copier and Printing</b>	<b>Telephone Communications</b>	<b>Building and Liability Insurance</b>	<b>Fringe Benefits</b>	<b>Sheriff Aviation</b>	<b>Totals September 30, 2009</b>
<b>Cash flows from operating activities</b>						
Cash received from users	\$ 3,384,831	\$ 3,164,475	\$ 2,711,060	\$ 128,990,492	\$ 1,577,346	\$ 203,393,503
Cash paid to suppliers	(3,130,598)	(2,835,696)	(3,041,333)	(78,565,161)	(553,303)	(133,777,843)
Cash paid to employees	(365,032)	(313,684)	(475,184)	(1,182,108)	(210,634)	(20,979,690)
Net cash provided by (used in) operating activities	(110,799)	15,095	(805,457)	49,243,223	813,409	48,635,970
<b>Cash flows from noncapital financing activities</b>						
Transfers from other funds	-	-	-	-	4,000	2,413,586
Transfers to other funds	-	-	-	-	(1,186,289)	(1,997,632)
Principal paid on debt	-	-	-	(16,610,000)	-	(16,610,000)
Interest paid on debt	-	-	-	(32,482,888)	-	(32,482,888)
Net cash provided by (used in) noncapital financing activities	-	-	-	(49,092,888)	(1,182,289)	(48,676,934)
<b>Cash flows from capital and related financing activities</b>						
Transfers from other funds	-	-	-	-	-	1,917,070
Proceeds from sale of capital assets	-	-	-	-	-	530,843
Acquisition of capital assets	-	-	-	-	-	(2,793,961)
Amount paid on advances	-	-	-	-	(837,500)	(850,383)
Interest paid on advances	-	-	-	-	(19,225)	(23,897)
Net cash provided by (used in) capital and related financing activities	-	-	-	-	(856,725)	(1,220,328)
<b>Cash flows from investing activities</b>						
Interest on investments	573	101,969	624,995	1,035,985	35,097	2,646,258
Net cash provided by (used in) investing activities	573	101,969	624,995	1,035,985	35,097	2,646,258
Net increase (decrease) in cash and cash equivalents	(110,226)	117,064	(180,462)	1,186,320	(1,190,508)	1,384,966
<b>Pooled cash and investments</b>						
October 1, 2008	288,087	3,679,290	22,707,898	57,530,857	1,238,671	117,798,378
September 30, 2009	\$ 177,861	\$ 3,796,354	\$ 22,527,436	\$ 58,717,177	\$ 48,163	\$ 119,183,344

(continued)



**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**Year Ended September 30, 2009**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>	<b>Office Equipment</b>
Operating income (loss)	\$ 2,894,493	\$ (8,122,360)	\$ 831,687	\$ (611,681)	\$ (164,116)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	127,192	2,888,021	519,225	2,054,757	303,948
(Increase) decrease in due from other governmental units	-	(10,905)	(15,474)	1,180	-
(Increase) decrease in due from component units	(8,071)	(186)	(31)	-	-
(Increase) decrease in accounts receivable	3,284	2,302	(27,012)	500	-
(Increase) decrease in due from other funds	-	(26,076)	4,839	-	-
(Increase) decrease in inventories and supplies	1,470	16,216	-	(32,684)	-
(Increase) decrease in prepayments and other assets	-	864,761	-	24,194	61,200
Increase (decrease) in vouchers payable	(10,772)	(39,322)	(12,895)	(215,198)	4,737
Increase (decrease) in accrued payroll	-	-	-	-	-
Increase (decrease) in due to other governmental units	-	-	-	-	-
Increase (decrease) in due to other funds	77,293	(152,215)	(1,048,810)	(4,839)	-
Increase (decrease) in deferred revenue	-	(125)	-	-	-
Increase (decrease) in current portion of compensated absences	-	-	-	-	-
Increase (decrease) in current portion claims and judgments	-	-	-	-	-
Increase (decrease) in other accrued liabilities	(35,868)	(687,523)	1,153	39,687	(15,477)
Increase (decrease) in accrued compensated absences	-	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 3,049,021</u>	<u>\$ (5,267,412)</u>	<u>\$ 252,682</u>	<u>\$ 1,255,916</u>	<u>\$ 190,292</u>

(continued)

**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**Year Ended September 30, 2009**

	<b>Mailing, Copier, and Printing</b>	<b>Telephone Communications</b>	<b>Building and Liability Insurance</b>	<b>Fringe Benefits</b>	<b>Sheriff Aviation</b>	<b>Totals September 30, 2009</b>
Operating income (loss)	\$ (99,110)	\$ (383,314)	\$ (2,820,262)	\$ 46,831,175	\$ 427,032	\$ 38,783,544
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	18,324	343,167	-	-	209,192	6,463,826
(Increase) decrease in due from other governmental units	5,253	2,000	-	620	-	(17,326)
(Increase) decrease in due from component units	-	-	-	-	-	(8,288)
(Increase) decrease in accounts receivable	(5,003)	3,161	-	570	-	(22,198)
(Increase) decrease in due from other funds	(3,250)	(4,064)	(3,510)	1,447,747	225,813	1,641,499
(Increase) decrease in inventories and supplies	(52,537)	-	-	-	-	(67,535)
(Increase) decrease in prepayments and other assets	35,002	5,672	46,853	171,988	-	1,209,670
Increase (decrease) in vouchers payable	1,662	56,929	(68,071)	(1,283,803)	4,910	(1,561,823)
Increase (decrease) in accrued payroll	-	-	-	-	(59,355)	(59,355)
Increase (decrease) in due to other governmental units	-	-	-	240,173	-	240,173
Increase (decrease) in due to other funds	580	-	140	(2,017,272)	16,813	(3,128,310)
Increase (decrease) in deferred revenue	-	-	-	-	-	(125)
Increase (decrease) in current portion of compensated absences	-	-	-	54,071	-	54,071
Increase (decrease) in current portion claims and judgments	-	-	1,553,820	207,373	-	1,761,193
Increase (decrease) in other accrued liabilities	(11,720)	(8,456)	1,675	4,221,177	(10,996)	3,493,652
Increase (decrease) in accrued compensated absences	-	-	-	486,642	-	486,642
Increase (decrease) in claims and judgments	-	-	483,898	(1,117,238)	-	(633,340)
Net cash provided by (used in) operating activities	<u>\$ (110,799)</u>	<u>\$ 15,095</u>	<u>\$ (805,457)</u>	<u>\$ 49,243,223</u>	<u>\$ 813,409</u>	<u>\$ 48,635,970</u>

**Noncash transactions**

Non-cash capital and related financing activities included write-off of \$31,967 of fully depreciated capital assets and \$326,826 of capital assets contributed in the Information Technology fund; transfer of \$2,506,810 of capital assets to the general government in the Sheriff Aviation fund.

## County of Oakland Non-Major Enterprise Funds

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### **Enterprise Funds**

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

***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 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 County Airports Fund*** - 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.

***The Evergreen-Farmington 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 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. (Sewage Disposal System) 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 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. This fund was transferred into the General Fund as of September 30, 2009.

**County of Oakland  
Combining Statement of Net Assets  
Non-Major Enterprise Funds  
September 30, 2009**

	<b>Fire Records Management</b>	<b>CLEMIS</b>	<b>Radio Communications</b>	<b>County Airports</b>
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 292,885	\$ 401,301	\$ 29,395,978	\$ 15,771,964
Due from other governmental units	46,172	942,977	79,058	823
Due from component units	-	-	-	-
Accrued interest receivable	1,636	28,641	110,585	97,362
Accounts receivable (net of allowances for uncollectibles where applicable)	3,976	40,166	823,116	639,144
Due from other funds	-	100,812	-	-
Current portion of contracts receivable	-	12,938	-	1,080,191
Inventories and supplies	-	-	585,774	-
Prepayments and other assets	17,118	557,758	110,698	87,958
Total current assets	<u>361,787</u>	<u>2,084,593</u>	<u>31,105,209</u>	<u>17,677,442</u>
Noncurrent assets				
Capital assets, at cost				
Land and collectibles	-	-	-	29,868,329
Land improvements	-	-	-	23,884,410
Buildings and improvements	-	-	-	24,369,576
Equipment and vehicles	533,989	35,847,482	11,030,842	3,188,076
Infrastructure	-	-	-	87,600
Construction in progress	-	1,685,250	25,566,630	2,108,441
	<u>533,989</u>	<u>37,532,732</u>	<u>36,597,472</u>	<u>83,506,432</u>
Less: Accumulated depreciation	<u>531,749</u>	<u>27,047,318</u>	<u>11,013,691</u>	<u>26,304,962</u>
Capital assets, net	<u>2,240</u>	<u>10,485,414</u>	<u>25,583,781</u>	<u>57,201,470</u>
Total assets	<u>364,027</u>	<u>12,570,007</u>	<u>56,688,990</u>	<u>74,878,912</u>
<b>Liabilities</b>				
Current liabilities				
Vouchers payable	-	247,401	52,826	32,575
Due to other governmental units	-	14,753	-	-
Due to other funds	-	2,615	-	-
Deferred revenue	-	121,627	-	1,360,499
Capital lease obligation	-	-	-	265,000
Other accrued liabilities	-	279,848	167,837	486,025
Total current liabilities	<u>-</u>	<u>666,244</u>	<u>220,663</u>	<u>2,144,099</u>
Noncurrent liabilities				
Capital lease obligations	-	-	-	5,185,000
Total liabilities	<u>-</u>	<u>666,244</u>	<u>220,663</u>	<u>7,329,099</u>
<b>Net Assets</b>				
Invested in capital assets	2,240	10,485,414	25,583,781	57,201,470
Restricted for programs	-	-	-	58,454
Unrestricted	361,787	1,418,349	30,884,546	10,289,889
Total net assets	<u>\$ 364,027</u>	<u>\$ 11,903,763</u>	<u>\$ 56,468,327</u>	<u>\$ 67,549,813</u>

(continued)

**County of Oakland**  
**Combining Statement of Net Assets (Continued)**  
**Non-Major Enterprise Funds**  
**September 30, 2009**

	<b>Evergreen- Farmington S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Huron- Rouge S.D.S.</b>	<b>Jail Inmate Commissary</b>	<b>Totals September 30, 2009</b>
<b>Assets</b>					
Current assets					
Pooled cash and investments	\$ 14,090,409	\$ 24,558,710	\$ 4,637,921	\$ -	\$ 89,149,168
Due from other governmental units	6,884,588	5,252,275	1,480,562	-	14,686,455
Due from component units	157,443	-	-	-	157,443
Accrued interest receivable	138,725	159,901	19,408	-	556,258
Accounts receivable (net of allowances for uncollectibles where applicable)	-	-	-	-	1,506,402
Due from other funds	-	-	-	1,954	102,766
Current portion of contracts receivable	-	-	-	-	1,093,129
Inventories and supplies	-	-	-	-	585,774
Prepayments and other assets	-	-	-	-	773,532
Total current assets	<u>21,271,165</u>	<u>29,970,886</u>	<u>6,137,891</u>	<u>1,954</u>	<u>108,610,927</u>
Noncurrent assets					
Capital assets, at cost					
Land and collectibles	27,681	25,725	19,749	-	29,941,484
Land improvements	-	-	-	-	23,884,410
Buildings and improvements	13,851,751	734,721	348,504	-	39,304,552
Equipment and vehicles	37,596	7,047	-	-	50,645,032
Infrastructure	25,784,033	36,799,208	2,962,297	-	65,633,138
Construction in progress	-	-	-	-	29,360,321
	<u>39,701,061</u>	<u>37,566,701</u>	<u>3,330,550</u>	<u>-</u>	<u>238,768,937</u>
Less: Accumulated depreciation	<u>22,551,352</u>	<u>22,573,322</u>	<u>2,382,373</u>	<u>-</u>	<u>112,404,767</u>
Capital assets, net	<u>17,149,709</u>	<u>14,993,379</u>	<u>948,177</u>	<u>-</u>	<u>126,364,170</u>
Total assets	<u>38,420,874</u>	<u>44,964,265</u>	<u>7,086,068</u>	<u>1,954</u>	<u>234,975,097</u>
<b>Liabilities</b>					
Current liabilities					
Vouchers payable	41,193	144,325	-	1,954	520,274
Due to other governmental units	4,848,768	3,079,543	1,022,561	-	8,965,625
Due to other funds	-	-	-	-	2,615
Deferred revenue	-	-	-	-	1,482,126
Capital lease obligation	-	-	-	-	265,000
Other accrued liabilities	138,041	422,856	1	-	1,494,608
Total current liabilities	<u>5,028,002</u>	<u>3,646,724</u>	<u>1,022,562</u>	<u>1,954</u>	<u>12,730,248</u>
Noncurrent liabilities					
Capital lease obligations	-	-	-	-	5,185,000
Total liabilities	<u>5,028,002</u>	<u>3,646,724</u>	<u>1,022,562</u>	<u>1,954</u>	<u>17,915,248</u>
<b>Net Assets</b>					
Invested in capital assets	17,149,709	14,993,379	948,177	-	126,364,170
Restricted for programs	-	-	-	-	58,454
Unrestricted	16,243,163	26,324,162	5,115,329	-	90,637,225
Total net assets	<u>\$ 33,392,872</u>	<u>\$ 41,317,541</u>	<u>\$ 6,063,506</u>	<u>\$ -</u>	<u>\$ 217,059,849</u>

**County of Oakland**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Non-Major Enterprise Funds**  
**Year Ended September 30, 2009**

	<b>Fire Records Management</b>	<b>CLEMIS</b>	<b>Radio Communications</b>	<b>County Airports</b>
<b>Operating revenues</b>				
Charges for services	\$ 205,272	\$ 4,501,098	\$ 6,858,625	\$ 4,117,742
Other	-	772	-	10,022
Total operating revenues	<u>205,272</u>	<u>4,501,870</u>	<u>6,858,625</u>	<u>4,127,764</u>
<b>Operating expenses</b>				
Salaries	228,896	1,136,192	557,831	1,175,302
Fringe benefits	137,612	568,528	302,666	610,037
Contractual services	172,576	2,870,016	1,229,860	2,026,696
Commodities	2,047	326,178	577,978	82,805
Depreciation	5,377	1,940,317	9,096	2,070,922
Internal services	67,315	900,000	779,573	258,247
Total operating expenses	<u>613,823</u>	<u>7,741,231</u>	<u>3,457,004</u>	<u>6,224,009</u>
Operating income (loss)	<u>(408,551)</u>	<u>(3,239,361)</u>	<u>3,401,621</u>	<u>(2,096,245)</u>
<b>Nonoperating revenues (expenses)</b>				
Interest revenue	5,354	11,339	721,835	410,652
Interest expense	-	-	-	(230,797)
Gain (loss) on sale of property and equipment	-	(3,117)	-	(38,804)
Net nonoperating revenues (expenses)	<u>5,354</u>	<u>8,222</u>	<u>721,835</u>	<u>141,051</u>
Income (loss) before contributions and transfers	(403,197)	(3,231,139)	4,123,456	(1,955,194)
Capital contributions	-	4,089,196	-	1,217,057
Transfers in	456,441	1,589,117	515,809	-
Transfers out	-	-	(506,807)	-
Change in net assets	<u>53,244</u>	<u>2,447,174</u>	<u>4,132,458</u>	<u>(738,137)</u>
<b>Net assets</b>				
October 1, 2008	<u>310,783</u>	<u>9,456,589</u>	<u>52,335,869</u>	<u>68,287,950</u>
September 30, 2009	<u>\$ 364,027</u>	<u>\$ 11,903,763</u>	<u>\$ 56,468,327</u>	<u>\$ 67,549,813</u>

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Continued)**  
**Non-Major Enterprise Funds**  
**Year Ended September 30, 2009**

	<b>Evergreen- Farmington S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Huron- Rouge S.D.S.</b>	<b>Jail Inmate Commissary</b>	<b>Totals September 30, 2009</b>
<b>Operating revenues</b>					
Charges for services	\$ 27,798,950	\$ 27,884,389	\$ 3,789,598	\$ 648,781	\$ 75,804,455
Other	113,134	985	-	-	124,913
Total operating revenues	<u>27,912,084</u>	<u>27,885,374</u>	<u>3,789,598</u>	<u>648,781</u>	<u>75,929,368</u>
<b>Operating expenses</b>					
Salaries	760,047	524,215	26,500	137,203	4,546,186
Fringe benefits	366,639	246,889	12,348	71,361	2,316,080
Contractual services	31,014,621	24,110,465	3,467,193	27,287	64,918,714
Commodities	138,631	99,287	3,847	404,454	1,635,227
Depreciation	852,876	750,678	66,217	1,916	5,697,399
Internal services	318,914	236,076	10,441	5,904	2,576,470
Total operating expenses	<u>33,451,728</u>	<u>25,967,610</u>	<u>3,586,546</u>	<u>648,125</u>	<u>81,690,076</u>
Operating income (loss)	<u>(5,539,644)</u>	<u>1,917,764</u>	<u>203,052</u>	<u>656</u>	<u>(5,760,708)</u>
<b>Nonoperating revenues (expenses)</b>					
Interest revenue	436,160	514,314	112,809	3,223	2,215,686
Interest expense	-	-	-	-	(230,797)
Gain (loss) on sale of property and equipment	-	-	-	-	(41,921)
Net nonoperating revenues (expenses)	<u>436,160</u>	<u>514,314</u>	<u>112,809</u>	<u>3,223</u>	<u>1,942,968</u>
Income (loss) before contributions and transfers	(5,103,484)	2,432,078	315,861	3,879	(3,817,740)
Capital contributions	-	-	-	-	5,306,253
Transfers in	-	-	-	-	2,561,367
Transfers out	-	-	-	(123,539)	(630,346)
Change in net assets	<u>(5,103,484)</u>	<u>2,432,078</u>	<u>315,861</u>	<u>(119,660)</u>	<u>3,419,534</u>
<b>Net assets</b>					
October 1, 2008	<u>38,496,356</u>	<u>38,885,463</u>	<u>5,747,645</u>	<u>119,660</u>	<u>213,640,315</u>
September 30, 2009	<u>\$ 33,392,872</u>	<u>\$ 41,317,541</u>	<u>\$ 6,063,506</u>	<u>\$ -</u>	<u>\$ 217,059,849</u>

**County of Oakland**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**Year Ended September 30, 2009**

	<b>Fire Records Management</b>	<b>CLEMIS</b>	<b>Radio Communications</b>	<b>County Airports</b>
<b>Cash flows from operating activities</b>				
Cash received from users	\$ 205,189	\$ 4,339,930	\$ 6,603,631	\$ 4,252,529
Cash paid to suppliers	(381,701)	(4,683,585)	(3,000,300)	(3,001,307)
Cash paid to employees	(228,896)	(1,136,192)	(557,831)	(1,175,302)
Net cash provided by (used in) operating activities	<u>(405,408)</u>	<u>(1,479,847)</u>	<u>3,045,500</u>	<u>75,920</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	456,441	1,589,117	165,809	-
Transfers to other funds	-	-	(506,807)	-
Net cash provided by (used in) noncapital financing activities	<u>456,441</u>	<u>1,589,117</u>	<u>(340,998)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers from other funds	-	-	350,000	-
Proceeds from sale of capital assets	-	234	-	-
Acquisition of capital assets	-	(467,976)	(355,684)	(65,575)
Payments on capital lease obligations	-	-	-	(255,000)
Interest and fees paid on capital lease obligations	-	-	-	(230,797)
Net cash used in capital and related financing activities	<u>-</u>	<u>(467,742)</u>	<u>(5,684)</u>	<u>(551,372)</u>
<b>Cash flows from investing activities</b>				
Interest on investments	5,310	11,785	755,884	440,984
Net cash provided by investing activities	<u>5,310</u>	<u>11,785</u>	<u>755,884</u>	<u>440,984</u>
Net increase (decrease) in cash and cash equivalents	56,343	(346,687)	3,454,702	(34,468)
<b>Pooled cash and investments</b>				
October 1, 2008	236,542	747,988	25,941,276	15,806,432
September 30, 2009	<u>\$ 292,885</u>	<u>\$ 401,301</u>	<u>\$ 29,395,978</u>	<u>\$ 15,771,964</u>

(continued)



**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Non-Major Enterprise Funds**  
**Year Ended September 30, 2009**

	<b>Evergreen- Farmington S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Huron- Rouge S.D.S.</b>	<b>Jail Inmate Commissary</b>	<b>Totals September 30, 2009</b>
<b>Cash flows from operating activities</b>					
Cash received from users	\$ 27,485,921	\$ 29,054,541	\$ 3,822,466	\$ 757,188	\$ 76,521,395
Cash paid to suppliers	(33,419,781)	(24,474,118)	(3,568,862)	(541,827)	(73,071,481)
Cash paid to employees	(760,047)	(524,215)	(26,500)	(137,203)	(4,546,186)
Net cash provided by (used in) operating activities	(6,693,907)	4,056,208	227,104	78,158	(1,096,272)
<b>Cash flows from noncapital financing activities</b>					
Transfers from other funds	-	-	-	-	2,211,367
Transfers to other funds	-	-	-	(81,381)	(588,188)
Net cash provided by (used in) noncapital financing activities	-	-	-	(81,381)	1,623,179
<b>Cash flows from capital and related financing activities</b>					
Transfers from other funds	-	-	-	-	350,000
Proceeds from sale of capital assets	-	-	-	-	234
Acquisition of capital assets	-	-	-	-	(889,235)
Payments on capital lease obligations	-	-	-	-	(255,000)
Interest and fees paid on capital lease obligations	-	-	-	-	(230,797)
Net cash used in capital and related financing activities	-	-	-	-	(1,024,798)
<b>Cash flows from investing activities</b>					
Interest on investments	520,334	530,820	118,687	3,223	2,387,027
Net cash provided by investing activities	520,334	530,820	118,687	3,223	2,387,027
Net increase (decrease) in cash and cash equivalents	(6,173,573)	4,587,028	345,791	-	1,889,136
<b>Pooled cash and investments</b>					
October 1, 2008	20,263,982	19,971,682	4,292,130	-	87,260,032
September 30, 2009	\$ 14,090,409	\$ 24,558,710	\$ 4,637,921	\$ -	\$ 89,149,168

(continued)

**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Non-Major Enterprise Funds**  
**Year Ended September 30, 2009**

	<b>Fire Records Management</b>	<b>CLEMIS</b>	<b>Radio Communications</b>	<b>County Airports</b>
Operating income (loss)	\$ (408,551)	\$ (3,239,361)	\$ 3,401,621	\$ (2,096,245)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	5,377	1,940,317	9,096	2,070,922
(Increase) decrease in due from other governmental units	18	(82,234)	30,777	(548)
(Increase) decrease in due from component units	-	-	-	-
(Increase) decrease in accounts receivable	(101)	(6,483)	(285,771)	(281,243)
(Increase) decrease in due from other funds	-	136,330	-	-
(Increase) decrease in contracts receivable	-	-	-	126,248
(Increase) decrease in inventories and supplies	-	17,902	8,984	-
(Increase) decrease in prepayments and other assets	(2,151)	(118,586)	(5,714)	-
Increase (decrease) in vouchers payable	-	175,424	(56,867)	9,817
Increase (decrease) in due to other governmental units	-	14,753	-	-
Increase (decrease) in due to other funds	-	2,615	(37,573)	-
Increase (decrease) in deferred revenue	-	(209,553)	-	280,308
Increase (decrease) in other accrued liabilities	-	(110,971)	(19,053)	(33,339)
Net cash provided by (used in) operating activities	<u>\$ (405,408)</u>	<u>\$ (1,479,847)</u>	<u>\$ 3,045,500</u>	<u>\$ 75,920</u>

(continued)

**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Non-Major Enterprise Funds**  
**Year Ended September 30, 2009**

	<b>Evergreen- Farmington S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Huron- Rouge S.D.S.</b>	<b>Jail Inmate Commissary</b>	<b>Totals September 30, 2009</b>
Operating income (loss)	\$ (5,539,644)	\$ 1,917,764	\$ 203,052	\$ 656	\$ (5,760,708)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	852,876	750,678	66,217	1,916	5,697,399
(Increase) decrease in due from other governmental units	(402,203)	1,039,772	32,468	-	618,050
(Increase) decrease in due from component units	(23,960)	-	-	-	(23,960)
(Increase) decrease in accounts receivable	-	-	400	110,361	(462,837)
(Increase) decrease in due from other funds	-	129,395	-	(1,954)	263,771
(Increase) decrease in contracts receivable	-	-	-	-	126,248
(Increase) decrease in inventories and supplies	-	-	-	60,790	87,676
(Increase) decrease in prepayments and other assets	-	-	-	20,000	(106,451)
Increase (decrease) in vouchers payable	(95,948)	86,750	-	(59,048)	60,128
Increase (decrease) in due to other governmental units	(1,196,273)	(43,922)	(75,030)	-	(1,300,472)
Increase (decrease) in due to other funds	-	(123,489)	-	(38,227)	(196,674)
Increase (decrease) in deferred revenue	-	-	-	-	70,755
Increase (decrease) in other accrued liabilities	(288,755)	299,260	(3)	(16,336)	(169,197)
Net cash provided by (used in) operating activities	<u>\$ (6,693,907)</u>	<u>\$ 4,056,208</u>	<u>\$ 227,104</u>	<u>\$ 78,158</u>	<u>\$ (1,096,272)</u>

**Noncash transactions**

Noncash and capital related financing activities included \$4,089,196 of capital assets contributed in the CLEMIS fund; write-off of \$16,960 of fully depreciated capital assets in the Radio Communications fund; write-off of \$38,804 of capital assets (net of accumulated depreciation of \$44,800), and \$1,217,057 of capital assets contributed in the County Airports fund; \$42,158 of capital assets contributed to the general government in the Jail Inmate Commissary fund.

Noncash and non-capital related financing activities included recording of Contracts Receivable and Deferred Revenue of \$12,938 and \$1,080,191 in the CLEMIS fund and County Airports fund, respectively.

## **County of Oakland Pension (and Other Postemployment Benefits) Trust Funds**

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### **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 postemployment medical benefits.

**County of Oakland**  
**Combining Statement of Fiduciary Net Assets**  
**Pension (and Other Postemployment Benefits) Trust Funds**  
**September 30, 2009**

	<b>Oakland County Employees' Retirement</b>	<b>VEBA Trust</b>	<b>Totals September 30, 2009</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,416,344	\$ 7,132,684	\$ 13,549,028
Investments, at fair value:			
Common stock	253,681,091	161,368,156	415,049,247
Government securities	48,290,655	36,899,407	85,190,062
Corporate bonds	94,833,229	64,626,431	159,459,660
Municipal bonds	1,153,524	960,338	2,113,862
Commingled	111,002,575	68,299,135	179,301,710
Limited partnerships	34,483,964	20,711,483	55,195,447
Asset-backed fixed income	11,177,942	7,117,162	18,295,104
CMO/REMIC investments	9,277,852	3,723,573	13,001,425
Mortgage-backed securities	14,344,843	10,929,531	25,274,374
Short-term investments	99,811	129,755	229,566
Commercial mortgage-backed securities	22,337,692	13,954,366	36,292,058
Money market funds	22,458,142	13,845,705	36,303,847
International common stock	17,705,690	11,246,095	28,951,785
Equity REIT	5,384,051	3,442,624	8,826,675
Other	7,612,951	7,929,384	15,542,335
Total investments	<u>653,844,012</u>	<u>425,183,145</u>	<u>1,079,027,157</u>
Receivables - interest and dividends	2,362,859	1,510,048	3,872,907
Receivables - other	25,907	8,098	34,005
Prepaid expenses	-	115,985	115,985
Total assets	<u>662,649,122</u>	<u>433,949,960</u>	<u>1,096,599,082</u>
<b>Liabilities</b>			
Vouchers payable	177,883	440,346	618,229
Other accrued liabilities	547,776	681,776	1,229,552
Total liabilities	<u>725,659</u>	<u>1,122,122</u>	<u>1,847,781</u>
<b>Net assets</b>			
Held in trust for employees' pension and other postemployment healthcare benefits	<u>\$ 661,923,463</u>	<u>\$ 432,827,838</u>	<u>\$ 1,094,751,301</u>

**County of Oakland**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension (and Other Postemployment Benefits) Trust Funds**  
**Year Ended September 30, 2009**

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	<b>Oakland County Employees' Retirement</b>	<b>VEBA Trust</b>	<b>Totals September 30, 2009</b>
<b>Additions</b>			
Contributions			
Employer	\$ -	\$ 61,863,580	\$ 61,863,580
Plan members	1,007,374	111,651	1,119,025
Total contributions	<u>1,007,374</u>	<u>61,975,231</u>	<u>62,982,605</u>
Investment income	7,852,040	13,107,554	20,959,594
Other revenue	921,887	1,292,691	2,214,578
Total additions	<u>9,781,301</u>	<u>76,375,476</u>	<u>86,156,777</u>
<b>Deductions</b>			
Benefits	37,720,427	21,944,001	59,664,428
Administrative expenses	2,429,040	-	2,429,040
Total deductions	<u>40,149,467</u>	<u>21,944,001</u>	<u>62,093,468</u>
Net increase (decrease)	(30,368,166)	54,431,475	24,063,309
<b>Net assets held in trust for employees' pension and other postemployment healthcare benefits</b>			
October 1, 2008	<u>692,291,629</u>	<u>378,396,363</u>	<u>1,070,687,992</u>
September 30, 2009	<u>\$ 661,923,463</u>	<u>\$ 432,827,838</u>	<u>\$ 1,094,751,301</u>

## **County of Oakland Investment Trust Funds**

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### **Investment Trust Funds**

Investment Trust funds account for resources of external units of government which are pooled in an investment portfolio for the benefit of the participants.

*The Local Governmental Investment Pool Fund* - was established as a trust with cities, townships and villages of Oakland County whereby the County Treasurer, under contractual arrangement, pools resources of the participants. Interest earnings net of fees accrue to the benefit of the participants in the pool.

**County of Oakland**  
**Statement of Fiduciary Net Assets**  
**Investment Trust Funds**  
**September 30, 2009**

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	<b>Local Government Investment Pool</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 71,644,972
Receivables - interest and dividends	143,261
Total assets	<u>\$ 71,788,233</u>
 <b>Net assets</b>	
Held in trust for investment pool participants	 <u>\$ 71,788,233</u>



**County of Oakland**  
**Statement of Changes in Fiduciary Net Assets**  
**Investment Trust Funds**  
**Year Ended September 30, 2009**

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	<b>Local Government Investment Pool</b>
<b>Additions</b>	
Contributions from pool participants	\$ 53,054,915
Investment income	1,246,403
Total additions	<u>54,301,318</u>
<b>Deductions</b>	
Distribution to pool participants	<u>13,794,853</u>
Net increase	40,506,465
<b>Net assets held in trust for pool participants</b>	
October 1, 2008	<u>31,281,768</u>
September 30, 2009	<u>\$ 71,788,233</u>

# County of Oakland

## Agency Funds

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### 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 District Court Investments Fund*** - is used to account for excess monies in the four District Court Trust Accounts, turned over to the Oakland County Treasurer for investing. Interest earned is recorded in the County's General Fund to help offset bank service fee costs.

***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 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 Sheriff's NET (Narcotics Enforcement Team) Forfeiture Fund*** - is used to account for money seized, or the sale of confiscated property at auction, under authorization of Michigan state law. The money is held until the court case has been resolved, and at least yearly any forfeited monies are distributed to local, state or federal police agencies that participate in the NET program.

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

***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 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 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 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 District Court Trust Accounts*** - is used to account for appearance bonds and other trust monies in the four divisions of the County's District Court system.

***The Jail Inmate Trust Account*** - 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, 2009**

	<b>District Court Investments</b>	<b>Undistributed Taxes</b>	<b>Register of Deeds Trust</b>	<b>Sheriff NET Forfeiture</b>	<b>Circuit Court Trust</b>	<b>Escheats Trust</b>	<b>Legatee Trust</b>
<b>Assets</b>							
Pooled cash and investments	\$ 170,000	\$ 268,984,831	\$ 30,365	\$ 2,180,361	\$ 6,820,916	\$ 168,506	\$ 336,123
Cash and cash equivalents	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	11,082	166,667	-	2,089
Total assets	<u>170,000</u>	<u>268,984,831</u>	<u>30,365</u>	<u>2,191,443</u>	<u>6,987,583</u>	<u>168,506</u>	<u>338,212</u>
<b>Liabilities</b>							
Vouchers payable	-	325	-	-	119,084	200	-
Due to other governmental units	-	268,984,506	-	-	-	168,306	-
Other accrued liabilities	170,000	-	30,365	2,191,443	6,868,499	-	338,212
Total liabilities	<u>170,000</u>	<u>268,984,831</u>	<u>30,365</u>	<u>2,191,443</u>	<u>6,987,583</u>	<u>168,506</u>	<u>338,212</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**County of Oakland**  
**Combining Statement of Fiduciary Net Assets (Continued)**  
**Agency Funds**  
**September 30, 2009**

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	<b>Special Trust</b>	<b>Contractor's Retainage</b>	<b>Public Library Trust</b>	<b>District Court Trust Accounts</b>	<b>Jail Inmate Trust Account</b>	<b>Totals September 30, 2009</b>
<b>Assets</b>						
Pooled cash and investments	\$ 526,415	\$ 692,975	\$ 443,339	\$ -	\$ -	\$ 280,353,831
Cash and cash equivalents	-	-	-	642,181	597,301	1,239,482
Accrued interest receivable	9,929	24,559	6,258	-	-	220,584
Total assets	<u>536,344</u>	<u>717,534</u>	<u>449,597</u>	<u>642,181</u>	<u>597,301</u>	<u>281,813,897</u>
<b>Liabilities</b>						
Vouchers payable	-	21,100	-	-	-	140,709
Due to other governmental units	-	-	-	-	-	269,152,812
Other accrued liabilities	536,344	696,434	449,597	642,181	597,301	12,520,376
Total liabilities	<u>536,344</u>	<u>717,534</u>	<u>449,597</u>	<u>642,181</u>	<u>597,301</u>	<u>281,813,897</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**County of Oakland**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year Ended September 30, 2009**

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
<b>District Court Investments</b>				
Assets				
Pooled cash and investments	\$ 200,000	\$ 5,707	\$ 35,707	\$ 170,000
Accrued interest receivable	-	4,355	4,355	-
Total	<u>\$ 200,000</u>	<u>\$ 10,062</u>	<u>\$ 40,062</u>	<u>\$ 170,000</u>
Liabilities				
Vouchers payable	\$ -	\$ 30,000	\$ 30,000	\$ -
Other accrued liabilities	200,000	9,081	39,081	170,000
Total	<u>\$ 200,000</u>	<u>\$ 39,081</u>	<u>\$ 69,081</u>	<u>\$ 170,000</u>
<b>Undistributed Taxes</b>				
Assets				
Pooled cash and investments	\$ 294,356,143	\$ 1,020,755,656	\$ 1,046,126,968	\$ 268,984,831
Liabilities				
Vouchers payable	\$ -	\$ 688,076,474	\$ 688,076,149	\$ 325
Due to other governmental units	294,356,143	987,188,789	1,012,560,426	268,984,506
Due to other funds	-	58,565,761	58,565,761	-
Total	<u>\$ 294,356,143</u>	<u>\$ 1,733,831,024</u>	<u>\$ 1,759,202,336</u>	<u>\$ 268,984,831</u>
<b>Register of Deeds Trust</b>				
Assets				
Pooled cash and investments	\$ 30,365	\$ 24,168	\$ 24,168	\$ 30,365
Liabilities				
Vouchers payable	\$ -	\$ 24,168	\$ 24,168	\$ -
Other accrued liabilities	30,365	24,168	24,168	30,365
Total	<u>\$ 30,365</u>	<u>\$ 48,336</u>	<u>\$ 48,336</u>	<u>\$ 30,365</u>
<b>Sheriff NET Forfeiture</b>				
Assets				
Pooled cash and investments	\$ 1,455,024	\$ 2,486,083	\$ 1,760,746	\$ 2,180,361
Accrued interest receivable	22,980	17,246	29,144	11,082
Total	<u>\$ 1,478,004</u>	<u>\$ 2,503,329</u>	<u>\$ 1,789,890</u>	<u>\$ 2,191,443</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,166,988	\$ 1,166,988	\$ -
Other accrued liabilities	1,478,004	2,614,721	1,901,282	2,191,443
Total	<u>\$ 1,478,004</u>	<u>\$ 3,781,709</u>	<u>\$ 3,068,270</u>	<u>\$ 2,191,443</u>

(continued)

**County of Oakland**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**Agency Funds**  
**Year Ended September 30, 2009**

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
<b>Circuit Court Trust</b>				
Assets				
Pooled cash and investments	\$ 9,009,686	\$ 13,747,632	\$ 15,936,402	\$ 6,820,916
Accrued interest receivable	182,621	86,497	102,451	166,667
Total	<u>\$ 9,192,307</u>	<u>\$ 13,834,129</u>	<u>\$ 16,038,853</u>	<u>\$ 6,987,583</u>
Liabilities				
Vouchers payable	\$ 3,220	\$ 15,634,056	\$ 15,518,192	\$ 119,084
Other accrued liabilities	9,189,087	13,991,421	16,312,009	6,868,499
Total	<u>\$ 9,192,307</u>	<u>\$ 29,625,477</u>	<u>\$ 31,830,201</u>	<u>\$ 6,987,583</u>
<b>Escheats Trust</b>				
Assets				
Pooled cash and investments	\$ 337,469	\$ 78,562	\$ 247,525	\$ 168,506
Liabilities				
Vouchers payable	\$ -	\$ 229,621	\$ 229,421	\$ 200
Due to other governmental units	337,469	78,562	247,725	168,306
Total	<u>\$ 337,469</u>	<u>\$ 308,183</u>	<u>\$ 477,146</u>	<u>\$ 168,506</u>
<b>Legatee Trust</b>				
Assets				
Pooled cash and investments	\$ 357,700	\$ 99,567	\$ 121,144	\$ 336,123
Accrued interest receivable	2,920	3,453	4,284	2,089
Total	<u>\$ 360,620</u>	<u>\$ 103,020</u>	<u>\$ 125,428</u>	<u>\$ 338,212</u>
Liabilities				
Vouchers payable	\$ -	\$ 88,845	\$ 88,845	\$ -
Other accrued liabilities	360,620	105,837	128,245	338,212
Total	<u>\$ 360,620</u>	<u>\$ 194,682</u>	<u>\$ 217,090</u>	<u>\$ 338,212</u>
<b>Special Trust</b>				
Assets				
Pooled cash and investments	\$ 1,005,233	\$ 156,462	\$ 635,280	\$ 526,415
Accrued interest receivable	14,495	5,506	10,072	9,929
Total	<u>\$ 1,019,728</u>	<u>\$ 161,968</u>	<u>\$ 645,352</u>	<u>\$ 536,344</u>
Liabilities				
Vouchers payable	\$ -	\$ 648,837	\$ 648,837	\$ -
Other accrued liabilities	1,019,728	177,288	660,672	536,344
Total	<u>\$ 1,019,728</u>	<u>\$ 826,125</u>	<u>\$ 1,309,509</u>	<u>\$ 536,344</u>

(continued)

**County of Oakland**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**Agency Funds**  
**Year Ended September 30, 2009**

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
<b>Contractor's Retainage</b>				
Assets				
Pooled cash and investments	\$ 1,413,675	\$ 908,851	\$ 1,629,551	\$ 692,975
Accrued interest receivable	29,661	8,351	13,453	24,559
Total	<u>\$ 1,443,336</u>	<u>\$ 917,202</u>	<u>\$ 1,643,004</u>	<u>\$ 717,534</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,358,272	\$ 1,337,172	\$ 21,100
Other accrued liabilities	1,443,336	946,644	1,693,546	696,434
Total	<u>\$ 1,443,336</u>	<u>\$ 2,304,916</u>	<u>\$ 3,030,718</u>	<u>\$ 717,534</u>
<b>Public Library Trust</b>				
Assets				
Pooled cash and investments	\$ 495,304	\$ 1,555,538	\$ 1,607,503	\$ 443,339
Accrued interest receivable	13,726	2,861	10,329	6,258
Total	<u>\$ 509,030</u>	<u>\$ 1,558,399</u>	<u>\$ 1,617,832</u>	<u>\$ 449,597</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,598,045	\$ 1,598,045	\$ -
Other accrued liabilities	509,030	1,569,445	1,628,878	449,597
Total	<u>\$ 509,030</u>	<u>\$ 3,167,490</u>	<u>\$ 3,226,923</u>	<u>\$ 449,597</u>
<b>District Court Trust Accounts</b>				
Assets				
Cash and cash equivalents	<u>\$ 334,307</u>	<u>\$ 3,345,185</u>	<u>\$ 3,037,311</u>	<u>\$ 642,181</u>
Liabilities				
Other accrued liabilities	<u>\$ 334,307</u>	<u>\$ 3,345,185</u>	<u>\$ 3,037,311</u>	<u>\$ 642,181</u>
<b>Jail Inmate Trust Account</b>				
Assets				
Cash and cash equivalents	<u>\$ 381,664</u>	<u>\$ 1,421,814</u>	<u>\$ 1,206,177</u>	<u>\$ 597,301</u>
Liabilities				
Other accrued liabilities	<u>\$ 381,664</u>	<u>\$ 1,421,814</u>	<u>\$ 1,206,177</u>	<u>\$ 597,301</u>

(continued)

**County of Oakland**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**Agency Funds**  
**Year Ended September 30, 2009**

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	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
<b>Total All Agency Funds</b>				
Assets				
Pooled cash and investments	\$ 308,660,599	\$ 1,039,818,226	\$ 1,068,124,994	\$ 280,353,831
Cash and cash equivalents	715,971	4,766,999	4,243,488	1,239,482
Accrued interest receivable	266,403	128,269	174,088	220,584
Total	<u>\$ 309,642,973</u>	<u>\$ 1,044,713,494</u>	<u>\$ 1,072,542,570</u>	<u>\$ 281,813,897</u>
Liabilities				
Vouchers payable	\$ 3,220	\$ 708,825,306	\$ 708,687,817	\$ 140,709
Due to other governmental units	294,693,612	987,267,351	1,012,808,151	269,152,812
Due to other funds	-	58,595,761	58,595,761	-
Other accrued liabilities	14,946,141	24,205,604	26,631,369	12,520,376
Total	<u>\$ 309,642,973</u>	<u>\$ 1,778,894,022</u>	<u>\$ 1,806,723,098</u>	<u>\$ 281,813,897</u>



## **County of Oakland**

### **Governmental Funds – Component Unit – Drainage Districts**

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#### **Drainage Districts**

This component unit consists of many individual districts (currently 186) created pursuant to Michigan Public Act 40 of 1956, Chapters 20 and 21 for the purpose of alleviating drainage problems. Separate funds and fund types are established to account for the resources and cost associated with the construction, maintenance, and financing (including 44 debt issues) of the individual drainage districts.

**County of Oakland  
Combining Balance Sheet  
Governmental Funds – Component Unit – Drainage Districts  
September 30, 2009**

	<b>Drainage Districts</b>			<b>Total</b>
	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 7,230,273	\$ 4,591,258	\$ 11,328,445	\$ 23,149,976
Receivables (net of allowance for uncollectibles where applicable)				
Accounts receivable	-	-	8,265	8,265
Due from other governmental units	280,064	89,862	46,339	416,265
Accrued interest receivable	70,203	1,611	111,651	183,465
Total current assets	<u>7,580,540</u>	<u>4,682,731</u>	<u>11,494,700</u>	<u>23,757,971</u>
Noncurrent assets				
Contracts receivable	209,286	-	-	209,286
Special assessments receivable	-	150,640,000	-	150,640,000
Total assets	<u>\$ 7,789,826</u>	<u>\$ 155,322,731</u>	<u>\$ 11,494,700</u>	<u>\$ 174,607,257</u>
<b>Liabilities</b>				
Current liabilities				
Vouchers payable	\$ 10,623	\$ 3,055,101	\$ 35,261	\$ 3,100,985
Due to other governmental units	2,844,014	200,634	103,374	3,148,022
Due to primary government	342,361	-	1,358,269	1,700,630
Other accrued liabilities	251,429	458,964	106,691	817,084
Total current liabilities	<u>3,448,427</u>	<u>3,714,699</u>	<u>1,603,595</u>	<u>8,766,721</u>
Noncurrent liabilities				
Deferred revenue	-	150,640,000	-	150,640,000
Total liabilities	<u>3,448,427</u>	<u>154,354,699</u>	<u>1,603,595</u>	<u>159,406,721</u>
<b>Fund balances</b>				
Reserved	4,341,399	968,032	9,891,105	15,200,536
Total fund balances	<u>4,341,399</u>	<u>968,032</u>	<u>9,891,105</u>	<u>15,200,536</u>
Total liabilities and fund balances	<u>\$ 7,789,826</u>	<u>\$ 155,322,731</u>	<u>\$ 11,494,700</u>	<u>\$ 174,607,257</u>

**County of Oakland**  
**Reconciliation of the Balance Sheet – Governmental Funds to the**  
**Statement of Net Assets**  
**Component Unit – Drainage Districts**  
**September 30, 2009**

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Total fund balances for governmental funds		\$ 15,200,536
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.		
Construction in progress	\$ 148,256,403	
Infrastructure	346,455,293	
Accumulated depreciation	<u>(70,694,189)</u>	
		424,017,507
Long-term receivables such as special assessments are expected to be collected over several years and are deferred in the governmental funds and are not available to pay for current year expenditures.		147,481,080
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>(147,481,080)</u>
Net assets of governmental activities		<u>\$ 439,218,043</u>

**County of Oakland**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds – Component Unit – Drainage Districts**  
**Year Ended September 30, 2009**

	<b>Drainage Districts</b>			<b>Total</b>
	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Revenues</b>				
Special assessments	\$ 3,446,145	\$ 16,799,447	\$ 1,163,588	\$ 21,409,180
Federal grants	63,992	-	37	64,029
State grants	8,367	-	-	8,367
Charges for services	29,780	8,226	541,149	579,155
Investment income	206,332	88,646	496,189	791,167
Total revenues	<u>3,754,616</u>	<u>16,896,319</u>	<u>2,200,963</u>	<u>22,851,898</u>
<b>Expenditures</b>				
Salaries	745,219	-	479,234	1,224,453
Fringe benefits	350,297	-	220,936	571,233
Contractual services	1,963,800	107,654	7,209,889	9,281,343
Commodities	86,781	-	2,622	89,403
Principal payments	-	11,990,000	-	11,990,000
Interest	-	4,820,244	-	4,820,244
Paying agent fees	-	10,900	-	10,900
Intergovernmental	2,008,058	148,000	198,190	2,354,248
Internal services	233,909	-	90,572	324,481
Total expenditures	<u>5,388,064</u>	<u>17,076,798</u>	<u>8,201,443</u>	<u>30,666,305</u>
Deficiency of revenues under expenditures	<u>(1,633,448)</u>	<u>(180,479)</u>	<u>(6,000,480)</u>	<u>(7,814,407)</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,114,725	173,382	2,914	2,291,021
Transfers out	(2,914)	-	(2,288,107)	(2,291,021)
Issuance of bonds	-	-	6,667,846	6,667,846
Issuance of refunding bonds	-	9,855,000	-	9,855,000
Payment to bond escrow agent	-	(9,838,774)	-	(9,838,774)
Premiums on bonds sold	-	91,428	-	91,428
Total other financing sources (uses)	<u>2,111,811</u>	<u>281,036</u>	<u>4,382,653</u>	<u>6,775,500</u>
Net change in fund balances	478,363	100,557	(1,617,827)	(1,038,907)
<b>Fund balances</b>				
October 1, 2008	<u>3,863,036</u>	<u>867,475</u>	<u>11,508,932</u>	<u>16,239,443</u>
September 30, 2009	<u>\$ 4,341,399</u>	<u>\$ 968,032</u>	<u>\$ 9,891,105</u>	<u>\$ 15,200,536</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, 2009**

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Net change in fund balance - total governmental funds		\$ (1,038,907)
Governmental funds report capital outlay as an 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	\$ 3,829,724	
Infrastructure	1,574,484	
Depreciation expense	<u>(3,476,914)</u>	
		1,927,294
Revenue from special assessments reported in the Statement of Activities in previous years did not provide current financial resources in the governmental funds.		(11,990,000)
Current year special assessments will not be reported in the Statement of Activities because it did not provide current year financial resources in the governmental funds.		6,682,846
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	(6,667,846)	
Bond proceeds - Refunding debt	(9,855,000)	
Repayment of debt	<u>21,830,000</u>	
		<u>5,307,154</u>
Change in net assets of governmental activities		<u>\$ 888,387</u>

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**III. STATISTICAL SECTION – UNAUDITED**

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County of Oakland  
Statistical Section

### **Statistical Section**

This part of the County's Comprehensive Annual Financial Report presents detailed information to assist in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial condition of Oakland County.

***Financial Trends*** - These schedules contain trend information to help the reader understand how the County's financial position and performance have changed over time. The schedules are:

- Net Assets by Component - Last Eight Fiscal Years
- Changes in Net Assets - Last Eight Fiscal Years
- Fund Balances, Governmental Funds - Last Ten Fiscal Years
- Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years

***Revenue Capacity*** - These schedules contain information to help the reader assess the factors affecting the County's ability to generate its main income source - property taxes. The schedules are:

- Assessed, Equalized and Taxable Value of Property - Last Ten Fiscal Years
- Direct and Overlapping Property Tax Rates - Last Ten Years
- Principal Taxpayers - Current Year and Nine Years Ago
- County Operating Property Tax Levies and Collections - Last Ten Fiscal Years

***Debt Capacity*** - These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the ability to issue additional debt in the future. The schedules are:

- Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
- Net County Direct and Overlapping Debt - Current Year
- Legal Debt Margin - Last Ten Years

***Demographic and Economic Information*** - These schedules present various demographic and economic indicators to help the reader understand the environment within the County that affects the County's financial activities. The schedules are:

- Demographic and Economic Statistics (Population and Personal Income) - Last Ten Years
- Principal Employers - Current Year and Nine Years Ago

***Operating Information*** - These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. The schedules are:

- County Employees by Function/Program - Last Ten Fiscal Years
- Operating Indicators by Function/Program - Last Ten Fiscal Years
- Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
- Building Authority Data - Detail on Debt Issues

**County of Oakland**  
**Net Assets by Component – Unaudited Table 1**  
**Last Eight Fiscal Years**

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:								
Invested in capital assets, net of related debt	\$ 150,871,035	\$ 156,516,704	\$ 154,181,303	\$ 144,694,653	\$ 116,382,905	\$ 125,697,336	\$ 58,629,622	\$ 21,551,366
Restricted	7,414,537	9,714,922	14,207,504	21,240,061	38,035,337	22,377,377	28,514,882	55,835,122
Unrestricted	<u>226,807,427</u>	<u>275,919,598</u>	<u>398,345,388</u>	<u>298,193,929</u>	<u>218,101,959</u>	<u>162,629,495</u>	<u>194,485,944</u>	<u>181,035,407</u>
Total governmental activities net assets	<u>\$ 385,092,999</u>	<u>\$ 442,151,224</u>	<u>\$ 566,734,195</u>	<u>\$ 464,128,643</u>	<u>\$ 372,520,201</u>	<u>\$ 310,704,208</u>	<u>\$ 281,630,448</u>	<u>\$ 258,421,895</u>
Business-type activities:								
Invested in capital assets, net of related debt	\$ 231,574,926	\$ 224,691,371	\$ 230,313,458	\$ 225,880,411	\$ 215,651,425	\$ 190,338,502	\$ 198,922,094	\$ 179,629,620
Restricted	13,250,044	11,217,873	10,426,567	10,730,495	7,294,993	23,448,148	20,368,141	27,017,375
Unrestricted	<u>380,765,211</u>	<u>379,297,755</u>	<u>360,917,225</u>	<u>341,381,773</u>	<u>332,975,197</u>	<u>319,544,722</u>	<u>308,056,427</u>	<u>280,329,861</u>
Total business-type activities net assets	<u>\$ 625,590,181</u>	<u>\$ 615,206,999</u>	<u>\$ 601,657,250</u>	<u>\$ 577,992,679</u>	<u>\$ 555,921,615</u>	<u>\$ 533,331,372</u>	<u>\$ 527,346,662</u>	<u>\$ 486,976,856</u>
Primary government:								
Invested in capital assets, net of related debt	\$ 382,445,961	\$ 381,208,075	\$ 384,494,761	\$ 370,575,064	\$ 332,034,330	\$ 316,035,838	\$ 257,551,716	\$ 201,180,986
Restricted	20,664,581	20,932,795	24,634,071	31,970,556	45,330,330	45,825,525	48,883,023	82,852,497
Unrestricted	<u>607,572,638</u>	<u>655,217,353</u>	<u>759,262,613</u>	<u>639,575,702</u>	<u>551,077,156</u>	<u>482,174,217</u>	<u>502,542,371</u>	<u>461,365,268</u>
Total primary government net assets	<u>\$ 1,010,683,180</u>	<u>\$ 1,057,358,223</u>	<u>\$ 1,168,391,445</u>	<u>\$ 1,042,121,322</u>	<u>\$ 928,441,816</u>	<u>\$ 844,035,580</u>	<u>\$ 808,977,110</u>	<u>\$ 745,398,751</u>

Note: Accrual-basis financial information as a whole is available beginning with fiscal year 2002, the year GASB Statement 34 was implemented.



**County of Oakland**  
**Changes in Net Assets – Unaudited Table 2**  
**Last Eight Fiscal Years**

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>								
Governmental activities:								
General government, administrative	\$ 65,190,329	\$ 55,917,104	\$ 55,832,272	\$ 39,448,194	\$ 34,915,722	\$ 35,578,079	\$ 32,821,805	\$ 36,480,813
Public safety	187,538,293	193,657,522	195,973,792	180,827,863	173,911,642	165,067,831	151,546,402	144,451,972
Justice administration	88,190,975	94,185,884	93,118,766	90,373,934	85,956,260	83,235,490	81,373,123	79,933,470
Citizen services	87,111,105	89,557,378	89,823,473	88,508,774	83,919,462	77,571,680	76,612,458	87,645,381
Public works	21,098,772	33,657,302	24,816,124	40,467,118	35,622,915	18,486,726	18,876,007	17,552,954
Recreation and leisure	2,537,737	2,500,868	2,778,168	2,779,800	2,577,424	2,462,791	2,808,343	2,996,623
Commerce and community development	59,391,426	49,522,895	47,168,210	36,748,872	42,979,748	46,808,623	54,193,367	44,639,565
Unallocated depreciation	1,959,201	1,900,360	1,515,755	1,129,853	1,123,059	1,123,059	2,835,206	1,020,845
Interest on debt	40,013,064	48,251,563	8,077,576	6,624,240	5,652,842	5,551,625	6,726,688	6,570,446
<b>Total governmental activities expenses</b>	<b>553,030,902</b>	<b>569,150,876</b>	<b>519,104,136</b>	<b>486,908,648</b>	<b>466,659,074</b>	<b>435,885,904</b>	<b>427,793,399</b>	<b>421,292,069</b>
Business-type activities:								
Airports	6,224,009	6,607,247	5,743,493	5,676,193	5,632,833	5,005,242	4,823,282	4,487,009
Community safety support	11,812,058	14,885,712	12,268,777	12,539,437	10,971,037	10,865,506	9,340,875	9,253,381
Community tax financing	2,233,942	2,682,543	1,951,128	1,340,229	1,315,521	1,077,366	1,409,967	1,984,852
Community water and sewer	43,447,751	43,094,681	46,460,504	40,118,287	37,700,658	34,802,235	34,877,178	33,482,071
Jail commissary	648,125	1,439,198	1,390,752	1,334,057	1,252,825	1,283,311	1,186,284	1,204,952
Recreation and leisure	20,446,250	20,841,960	21,818,894	20,665,548	20,773,917	19,165,552	17,008,848	16,663,091
Sewage disposal systems	102,123,883	95,836,418	91,710,019	90,093,986	80,423,546	78,962,606	71,884,188	75,230,353
Skilled nursing care	-	-	6,549,117	8,981,260	10,685,844	10,568,345	10,686,838	10,053,430
<b>Total business-type activities expenses</b>	<b>186,936,018</b>	<b>185,387,759</b>	<b>187,892,684</b>	<b>180,748,997</b>	<b>168,756,181</b>	<b>161,730,163</b>	<b>151,217,460</b>	<b>152,359,139</b>
<b>Total primary government expenses</b>	<b>\$ 739,966,920</b>	<b>\$ 754,538,635</b>	<b>\$ 706,996,820</b>	<b>\$ 667,657,645</b>	<b>\$ 635,415,255</b>	<b>\$ 597,616,067</b>	<b>\$ 579,010,859</b>	<b>\$ 573,651,208</b>
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
General government, administrative	\$ 17,820,281	\$ (52,389,036)	\$ 42,194,952	\$ 14,285,484	\$ 12,839,070	\$ 12,299,340	\$ 11,548,896	\$ 14,682,954
Public safety	49,231,699	49,174,229	47,917,916	49,434,892	45,251,275	42,939,243	41,903,525	41,238,007
Justice administration	30,403,131	31,465,349	30,874,119	30,576,767	29,630,731	29,768,509	26,858,948	27,350,803
Citizen services	8,906,620	6,345,201	8,429,521	9,113,293	8,357,404	8,784,563	7,598,168	5,541,962
Public works	4,075,870	8,973,627	19,046,950	20,878,079	6,392,216	6,566,260	28,951,559	23,099,115
Recreation and leisure	703,665	118,119	92,490	98,935	99,049	117,393	88,279	117,826
Commerce and community development	13,744,979	15,163,579	17,685,622	20,009,846	22,975,217	28,894,323	25,548,227	19,525,047
Interest on debt	-	-	-	-	386,479	168,080	-	-
Operating grants and contributions:								
General government, administrative	911,378	854,210	721,109	1,121,105	1,658,934	1,521,884	72,460	244,630
Public safety	23,627,427	26,927,251	26,315,543	20,550,578	20,278,356	16,506,327	15,519,406	15,202,364
Justice administration	344,724	674,877	694,496	1,634,191	780,681	862,643	338,254	2,140,019
Citizen services	20,900,530	19,547,323	18,828,828	19,070,669	18,136,755	15,926,459	17,103,251	20,732,185
Public works	68,125	313,462	207,259	86,254	5,854	158,119	436,520	44,378
Recreation and leisure	3,700	1,300	20,400	31,700	-	8,750	84,519	114,509
Commerce and community development	36,598,640	25,301,094	22,355,911	20,584,131	19,718,664	19,898,125	20,054,932	18,218,192
Capital grants and contributions:								
Public safety	3,061,210	2,179,783	794,290	3,529,427	1,590,024	1,245,668	959,459	1,514,359
Public works	1,905,878	3,294,672	678,109	7,404,889	6,904,972	298,282	369,031	133,128
<b>Total governmental activities program revenues</b>	<b>212,307,857</b>	<b>137,945,040</b>	<b>236,857,515</b>	<b>218,410,240</b>	<b>195,005,681</b>	<b>185,963,968</b>	<b>197,435,434</b>	<b>189,899,478</b>

(Continued)

**County of Oakland  
Changes in Net Assets – Unaudited Table 2 (Continued)  
Last Eight Fiscal Years**

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
<b>Program Revenues (Continued)</b>								
Business-type activities:								
Charges for services:								
Airports	\$ 4,088,960	\$ 4,896,123	\$ 5,395,837	\$ 5,300,440	\$ 4,608,834	\$ 4,280,322	\$ 4,079,620	\$ 3,942,609
Community safety support	11,562,650	9,305,150	9,434,447	11,202,550	10,821,190	10,931,124	10,552,618	10,093,556
Community tax financing	56,665,158	20,471,957	16,165,463	12,442,217	11,984,075	11,056,283	14,012,054	14,830,389
Community water and sewer	45,494,838	45,216,075	42,025,496	41,514,810	38,620,408	35,673,610	35,297,873	32,369,622
Jail commissary	648,781	1,403,706	1,465,779	1,377,018	1,323,321	1,207,479	1,148,072	1,212,489
Recreation and leisure	7,712,091	8,728,377	8,858,117	8,953,868	9,204,041	8,629,438	8,055,511	8,269,873
Sewage disposal systems	65,648,219	88,241,160	90,448,987	83,641,440	79,161,520	73,673,723	75,762,691	71,176,635
Skilled nursing care	-	-	4,489,554	7,078,913	9,225,119	10,477,016	9,903,162	10,218,571
Operating grants and contributions:								
Airports	-	-	-	-	40	8,636	6,078	-
Community safety support	-	-	-	-	-	-	-	1,514,359
Recreation and leisure	52,752	282,469	7,819	24,411	13,627	11,448	9,043	-
Sewage disposal systems	16,208	-	-	-	-	-	-	-
Skilled nursing care	-	-	5,795	18,055	31,061	29,368	15,090	-
Capital grants and contributions:								
Airports	1,217,057	95,525	4,022,511	3,390,266	817,888	3,198,595	265,152	146,991
Community safety support	4,089,196	3,599,133	3,062,610	864,928	6,624,066	1,256,922	959,549	-
Community water and sewer	-	-	973,039	8,428,755	1,390,686	358,806	22,249,780	-
Recreation and leisure	-	240,734	2,158,361	7,955	88,900	183,040	411,290	-
Sewage disposal systems	-	233,497	535,477	864,895	8,137,741	912,247	10,000	26,299
Skilled nursing care	-	-	-	-	-	-	34,168	-
Total business-type activities program revenues	<u>197,195,910</u>	<u>182,713,906</u>	<u>189,049,292</u>	<u>185,110,521</u>	<u>182,052,517</u>	<u>161,888,057</u>	<u>182,771,751</u>	<u>153,801,393</u>
Total primary government program revenues	<u>\$ 409,503,767</u>	<u>\$ 320,658,946</u>	<u>\$ 425,906,807</u>	<u>\$ 403,520,761</u>	<u>\$ 377,058,198</u>	<u>\$ 347,852,025</u>	<u>\$ 380,207,185</u>	<u>\$ 343,700,871</u>
<b>Net (Expense)/Revenue</b>								
Governmental activities	\$ (340,723,045)	\$ (431,205,836)	\$ (282,246,621)	\$ (268,498,408)	\$ (271,653,393)	\$ (249,921,936)	\$ (230,357,965)	\$ (231,392,591)
Business-type activities	10,259,892	(2,673,853)	1,156,608	4,361,524	13,296,336	157,894	31,554,291	1,442,254
Total primary government net expense	<u>\$ (330,463,153)</u>	<u>\$ (433,879,689)</u>	<u>\$ (281,090,013)</u>	<u>\$ (264,136,884)</u>	<u>\$ (258,357,057)</u>	<u>\$ (249,764,042)</u>	<u>\$ (198,803,674)</u>	<u>\$ (229,950,337)</u>
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Property taxes	\$ 243,995,434	\$ 260,528,403	\$ 346,416,928	\$ 324,933,152	\$ 304,477,931	\$ 214,309,074	\$ 204,057,370	\$ 192,253,197
State-shared revenues (unrestricted)	9,902,653	10,687,879	10,289,585	9,959,900	10,197,734	30,239,698	32,911,846	35,117,729
Unrestricted investment earnings	832,681	18,827,633	16,553,783	14,325,859	6,991,101	2,498,825	6,579,296	7,895,868
Gain on sale of capital assets	91,828	123,665	568,634	-	95,379	592,234	379,413	592,896
Other revenues	5,859,798	1,714,661	1,308,488	733,352	1,378,194	2,303,411	3,097,397	3,019,648
Special items - write off of C.I.P.	-	-	-	-	-	-	(6,033,983)	-
Special items - Contribution to VEBA Trust	-	-	-	-	-	(50,890,224)	-	-
Transfers in (out)	22,982,426	14,740,624	9,714,755	10,154,587	10,329,047	11,737,678	12,575,179	(55,576,974)
Total governmental activities	<u>283,664,820</u>	<u>306,622,865</u>	<u>384,852,173</u>	<u>360,106,850</u>	<u>333,469,386</u>	<u>210,790,696</u>	<u>253,566,518</u>	<u>183,302,364</u>

(Continued)

**County of Oakland**  
**Changes in Net Assets – Unaudited Table 2 (Continued)**  
**Last Eight Fiscal Years**

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Revenues and Other Changes in Net Assets (Continued)</b>								
Business-type activities:								
Property taxes	\$ 15,128,620	\$ 15,124,023	\$ 14,636,020	\$ 14,071,266	\$ 12,811,366	\$ 12,647,696	\$ 12,196,371	\$ 10,950,682
Unrestricted investment earnings	7,977,096	15,840,203	17,586,698	13,792,861	6,811,588	2,204,973	5,262,876	6,709,123
Gain on sale of capital assets	-	-	-	-	-	-	16,991	13,157
Other revenues	-	-	-	-	-	-	3,914,456	506,140
Special items - write off of C.I.P.	-	-	-	-	-	(198,826)	-	-
Transfers in (out)	(22,982,426)	(14,740,624)	(9,714,755)	(10,154,587)	(10,329,047)	(11,737,678)	(12,575,179)	55,576,974
Total business-type activities	<u>123,290</u>	<u>16,223,602</u>	<u>22,507,963</u>	<u>17,709,540</u>	<u>9,293,907</u>	<u>2,916,165</u>	<u>8,815,515</u>	<u>73,756,076</u>
Total primary government	<u>\$ 283,788,110</u>	<u>\$ 322,846,467</u>	<u>\$ 407,360,136</u>	<u>\$ 377,816,390</u>	<u>\$ 342,763,293</u>	<u>\$ 213,706,861</u>	<u>\$ 262,382,033</u>	<u>\$ 257,058,440</u>
<b>Change in Net Assets</b>								
Governmental activities	\$ (57,058,225)	\$ (124,582,971)	\$ 102,605,552	\$ 91,608,442	\$ 61,815,993	\$ (39,131,240)	\$ 23,208,553	\$ (48,090,227)
Business-type activities	<u>10,383,182</u>	<u>13,549,749</u>	<u>23,664,571</u>	<u>22,071,064</u>	<u>22,590,243</u>	<u>3,074,059</u>	<u>40,369,806</u>	<u>75,198,330</u>
Total primary government	<u>\$ (46,675,043)</u>	<u>\$ (111,033,222)</u>	<u>\$ 126,270,123</u>	<u>\$ 113,679,506</u>	<u>\$ 84,406,236</u>	<u>\$ (36,057,181)</u>	<u>\$ 63,578,359</u>	<u>\$ 27,108,103</u>

Note: Accrual-basis financial information as a whole is available beginning with fiscal year 2002, the year GASB Statement 34 was implemented.

**County of Oakland**  
**Fund Balances, Governmental Funds – Unaudited Table 3**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year									
	2009	2008	2007	2006	2005 (3)	2004	2003	2002	2001 (2)	2000
General Fund:										
Reserved	\$ 384,218	\$ 401,491	\$ 399,108	\$ 1,221,581	\$ 598,097	\$ 2,577,664	\$ 2,736,083	\$ 4,249,521	\$ 43,081,080	\$ 1,344,791
Unreserved:										
Designated	105,531,347	81,211,880	77,600,450	72,092,443	63,649,200	64,412,160	109,291,076	90,318,299	53,852,800	40,616,600
Undesignated	351,088	2,713,991	797,382	766,450	1,197,376	450,397	482,968	82,370	207,313	1,027,971
<b>Total General Fund</b>	<b>\$ 106,266,653</b>	<b>\$ 84,327,362</b>	<b>\$ 78,796,940</b>	<b>\$ 74,080,474</b>	<b>\$ 65,444,673</b>	<b>\$ 67,440,221</b>	<b>\$ 112,510,127</b>	<b>\$ 94,650,190</b>	<b>\$ 97,141,193</b>	<b>\$ 42,989,362</b>
All Other Governmental Funds (1):										
Reserved	\$ 365,269,937	\$ 437,653,323	\$ 575,350,044	\$ 22,974,884	\$ 35,964,327	\$ 23,674,613	\$ 29,973,040	\$ 48,939,335	\$ 14,739,815	\$ 28,306,962
Unreserved:										
Designated:										
Special Revenue Funds	179,637,943	195,940,244	210,965,492	140,799,885	74,210,217	27,813,436	21,643,363	25,781,542	22,057,625	14,498,602
Capital Projects Funds	7,063,814	9,238,783	3,260,193	4,662,919	15,842,509	7,270,580	6,218,795	15,357,454	17,828,637	8,920,955
Undesignated										
Special Revenue Funds	(96,051)	(286,530)	(83,268)	(221,269)	-	-	-	-	(551,614)	(152,517)
Capital Projects Funds	12,518,053	9,460,642	6,176,092	5,618,828	5,317,282	10,620,196	10,156,881	7,500,718	4,578,420	12,283,899
	<b>\$ 564,393,696</b>	<b>\$ 652,006,462</b>	<b>\$ 795,668,553</b>	<b>\$ 173,835,247</b>	<b>\$ 131,334,335</b>	<b>\$ 69,378,825</b>	<b>\$ 67,992,079</b>	<b>\$ 97,579,049</b>	<b>\$ 58,652,883</b>	<b>\$ 63,857,901</b>

- (1) Fund Balances have been restated to reflect the following changes during the time period reported: Year 2000 to reflect Delinquent Personal Tax Administration fund and Probate Court Trust fund being reclassified from fiduciary fund-type (Expendable Trust Funds) to governmental fund-type (Special Revenue Funds), and County Market fund being reclassified from governmental fund-type (Special Revenue Fund) to proprietary fund-type (Enterprise Fund) effective with fiscal year 2001; Years 2000-2001 to reflect Parks and Recreation fund being reclassified from a governmental fund-type to a proprietary fund-type (Enterprise Fund) effective with fiscal year 2002.
- (2) Effective with fiscal year 2001, in compliance with GASB Statement No. 33 for reporting of tax revenues, property taxes are no longer shown as deferred for one quarter. This resulted in an increase in Reserved Fund Balance in the General Fund.
- (3) Fiscal year 2005 began State mandated shift of County property taxes from winter to summer over a three-year period. This also required establishment of the Revenue Sharing Reserve fund (Special Revenue fund-type) to be funded by a transfer of an amount equal to one-third of the FY2004 levy, increasing Designated Fund Balances for Other Governmental Funds by \$55,144,063.

**County of Oakland**  
**Changes in Fund Balances, Governmental Funds – Unaudited Table 4**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year									
	2009	2008	2007	2006	2005 (3)	2004	2003	2002	2001 (2)	2000
<b>Revenues</b>										
Property taxes	\$ 244,919,383	\$ 257,609,031	\$ 339,186,628	\$ 318,383,151	\$ 301,057,658	\$ 214,309,074	\$ 204,057,370	\$ 192,253,197	\$ 222,230,797	\$ 166,305,331
Special assessments	11,402,826	15,300,494	12,328,089	11,332,984	10,797,589	19,082,203	27,056,515	24,330,224	24,028,230	27,706,723
Federal grants	58,228,883	52,411,295	45,171,607	42,894,711	41,776,753	36,478,198	33,791,532	34,093,696	25,256,189	10,871,818
State grants	28,607,917	24,217,563	24,983,592	23,575,611	28,574,408	24,623,610	28,126,308	29,533,395	40,531,592	48,606,095
Other intergovernmental revenues	14,605,183	16,484,867	15,608,558	15,234,407	16,089,480	36,588,382	38,356,990	40,386,058	41,565,243	38,457,493
Charges for services	105,195,473	106,125,199	108,053,350	107,945,932	108,702,567	111,916,185	103,837,967	93,733,665	83,955,030	83,186,092
Contributions	257,986	154,072	164,776	102,666	75,080	96,823	138,092	345,489	766,913	458,524
Investment income	(1,661,180)	(55,451,203)	33,469,520	10,310,405	5,081,523	1,931,085	5,136,061	6,299,570	13,851,656	13,611,029
Indirect cost recovery	9,315,137	8,661,578	9,042,090	9,007,715	9,410,302	9,618,232	9,220,915	8,676,209	3,104,059	779,876
Other	5,859,798	1,714,661	3,779,533	1,754,126	1,294,348	2,230,760	3,063,177	2,651,747	1,447,927	8,201,932
<b>Total revenues</b>	<b>476,731,406</b>	<b>427,227,557</b>	<b>591,787,743</b>	<b>540,541,708</b>	<b>522,859,708</b>	<b>456,874,552</b>	<b>452,784,927</b>	<b>432,303,250</b>	<b>456,737,636</b>	<b>398,184,913</b>
<b>Expenditures</b>										
County Executive	183,553,752	184,687,193	174,673,131	166,586,991	163,130,577	156,550,456	149,307,293	154,605,827	149,744,060	143,063,229
Clerk/Register of Deeds	12,114,081	12,501,908	13,391,336	11,897,910	11,711,757	13,080,040	12,423,937	13,445,569	10,506,883	10,517,386
Treasurer	7,879,361	7,773,390	6,714,071	6,122,456	5,658,775	5,458,196	5,774,036	4,525,029	4,077,255	4,382,546
Justice administration	84,794,618	87,876,040	86,443,531	83,711,921	84,343,946	80,416,159	77,410,722	75,480,801	72,303,297	63,291,914
Law enforcement	152,303,740	156,911,223	157,003,268	147,103,554	142,747,959	132,216,411	121,606,032	115,316,654	104,520,100	101,585,022
Legislative	5,222,130	5,315,075	5,350,336	16,688,074	5,107,485	5,059,493	5,002,440	5,249,616	5,368,932	5,094,162
Water resource commissioner	9,346,814	13,285,960	12,250,179	6,430,363	15,672,724	8,921,658	8,131,493	5,218,322	4,879,051	4,150,030
Non-departmental	80,683,771	80,617,850	33,622,480	17,507,381	20,929,827	18,182,953	16,588,079	18,125,777	17,995,977	18,397,379
Capital outlay	9,721,942	11,014,119	18,630,192	32,271,857	18,354,001	17,962,682	35,680,591	14,396,482	11,439,838	7,014,507
Intergovernmental	134,838	465,075	81,815	11,994,158	1,020,567	2,249,932	14,333,573	7,001,272	5,989,146	4,213,835
Debt service:										
Principal payments	11,955,000	13,720,000	13,000,000	11,190,000	10,320,000	17,555,000	23,590,000	20,125,000	19,350,000	21,100,000
Interest and fiscal charges	5,524,573	6,071,386	6,463,708	5,882,064	5,550,107	5,666,354	6,759,378	6,389,790	6,624,072	7,396,538
<b>Total expenditures</b>	<b>563,234,620</b>	<b>580,239,219</b>	<b>527,624,047</b>	<b>517,386,729</b>	<b>484,547,725</b>	<b>463,319,334</b>	<b>476,607,574</b>	<b>439,880,139</b>	<b>412,798,611</b>	<b>390,206,548</b>
Excess of revenues over (under) expenditures	(86,503,214)	(153,011,662)	64,163,696	23,154,979	38,311,983	(6,444,782)	(23,822,647)	(7,576,889)	43,939,025	7,978,365

(Continued)

**County of Oakland**  
**Changes in Fund Balances, Governmental Funds – Unaudited Table 4 (Continued)**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year									
	2009	2008	2007	2006	2005 (3)	2004	2003	2002	2001 (2)	2000
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 119,914,896	\$ 125,322,659	\$ 199,214,389	\$ 185,927,476	\$ 177,038,866	\$ 73,514,467	\$ 66,522,904	\$ 83,430,971	\$ 85,155,942	\$ 90,486,096
Transfers out	(99,307,651)	(112,182,037)	(197,228,012)	(182,735,492)	(176,149,891)	(66,602,070)	(62,076,753)	(85,706,528)	(80,105,888)	(84,742,127)
Payment to bond escrow agent	(2,699,858)	-	-	(9,009,368)	(1,099,561)	(4,832,368)	(2,605,000)	-	(2,414,514)	-
Issuance of bonds	174,208	1,739,371	562,485,000	34,160,000	21,955,000	11,590,000	10,330,000	46,700,000	2,395,000	-
Issuance of refunding bonds	2,710,000	-	-	-	-	-	-	-	-	-
Premiums on bonds sold	38,144	-	-	(360,882)	-	37,774	-	-	-	-
Discount on bonds sold	-	-	(2,085,301)	-	(96,435)	(55,957)	(75,537)	(412,391)	(22,752)	-
<b>Total other financing sources (uses)</b>	<b>20,829,739</b>	<b>14,879,993</b>	<b>562,386,076</b>	<b>27,981,734</b>	<b>21,647,979</b>	<b>13,651,846</b>	<b>12,095,614</b>	<b>44,012,052</b>	<b>5,007,788</b>	<b>5,743,969</b>
<b>Special items</b>										
Contribution to VEBA Trust (OPEB)	-	-	-	-	-	(50,890,224)	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (65,673,475)</b>	<b>\$ (138,131,669)</b>	<b>\$ 626,549,772</b>	<b>\$ 51,136,713</b>	<b>\$ 59,959,962</b>	<b>\$ (43,683,160)</b>	<b>\$ (11,727,033)</b>	<b>\$ 36,435,163</b>	<b>\$ 48,946,813</b>	<b>\$ 13,722,334</b>
Debt service as a percentage of noncapital expenditures (4)	3.11%	3.45%	3.78%	3.44%	3.33%	5.14%	6.88%	6.23%	6.46%	7.40%

- (1) Revenues, Expenditures and Other Financing Sources (Uses) have been restated to reflect the following changes during the time period reported: Year 2000 to reflect Delinquent Personal Tax Administration fund and Probate Court Trust fund being reclassified from fiduciary fund-type (Expendable Trust Funds) to governmental fund-type (Special Revenue Funds) effective with fiscal year 2001; Years 2000-2001 to reflect Parks and Recreation fund being reclassified from a governmental fund-type (Special Revenue Fund) to proprietary fund-type (Enterprise Fund) effective with fiscal year 2002.
- (2) Effective with fiscal year 2001, in compliance with GASB Statement No. 33 for reporting of tax revenues, property taxes are no longer shown as deferred for one quarter, resulting in an increase in Property Tax revenues.
- (3) Property Tax revenue increased in fiscal year 2005 to reflect State mandated shift in county levies from winter to summer over a three-year period, resulting in revenue reported for a one and one-third tax levy.
- (4) Noncapital expenditures are total governmental expenditures less capital expenditures. Capital expenditures for fiscal years 2000-2001 are derived from information contained in the General Fixed Asset Account Group, thereafter from the Reconciliation of Changes in Revenues, Expenditures and Changes in Fund Balances for Governmental Funds to the Statement of Activities.

**County of Oakland  
Assessed, Equalized and Taxable Value of Property – Unaudited Table 5  
Last Ten Years**

Fiscal Year (4)	Real Property							
	Residential Property		Commercial Property		Industrial Property		Other Property (2)	
	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value
2000	\$ 32,512,141,685	\$ 27,769,387,734	\$ 7,880,200,156	\$ 6,846,528,524	\$ 2,668,632,045	\$ 2,410,932,618	\$ 290,748,670	\$ 209,157,136
2001	35,706,691,127	29,612,462,232	8,860,269,915	7,430,999,738	3,018,125,108	2,603,993,273	361,023,120	233,217,826
2002	39,403,105,948	31,986,147,909	9,638,252,705	7,964,898,466	3,367,641,990	2,803,602,553	393,068,420	236,251,798
2003	43,302,023,776	34,367,791,079	10,609,472,888	8,429,612,676	3,822,186,970	3,006,710,986	463,686,820	255,848,882
2004	46,577,341,174	36,359,626,588	11,435,938,410	8,844,705,777	4,133,581,982	3,259,170,159	454,426,510	232,927,499
2005 W	49,408,890,846	38,842,901,603	11,850,471,372	9,155,127,947	4,265,204,120	3,405,223,134	288,458,040	133,077,813
2005 S	52,230,680,064	41,437,282,259	12,373,303,295	9,591,582,791	4,369,825,460	3,553,642,970	309,452,950	106,066,950
2006 W	52,230,680,064	41,437,282,259	12,373,303,295	9,591,582,791	4,369,825,460	3,553,642,970	309,452,950	106,066,950
2006 S	54,926,992,118	44,249,526,081	12,704,731,140	9,959,236,636	4,491,747,190	3,710,576,990	167,858,925	66,813,058
2007 W	54,926,992,118	44,249,526,081	12,704,731,140	9,959,236,636	4,491,747,190	3,710,576,990	167,858,925	66,813,058
2007 S	55,590,024,968	46,309,065,848	12,927,621,440	10,361,539,920	4,532,903,170	3,863,398,841	157,153,230	64,646,660
2008	52,840,211,469	46,192,931,562	13,080,081,780	10,640,654,243	4,452,203,540	3,874,109,928	130,954,820	53,994,420
2009	46,636,936,943	43,627,806,247	12,859,969,592	10,914,474,991	4,288,377,580	3,873,912,827	124,135,700	55,225,170

Fiscal Year (4)	Personal Property		Total Property		Total Direct Tax Rate (3)
	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	
2000	\$ 4,520,810,144	\$ 4,520,015,264	\$ 47,872,532,700	\$ 41,756,021,276	4.4304
2001	4,491,256,560	4,489,900,840	52,437,365,830	44,370,573,909	4.4276
2002	4,667,642,532	4,665,829,152	57,469,711,595	47,656,729,878	4.4252
2003	4,632,159,968	4,628,845,976	62,829,530,422	50,688,809,599	4.4353
2004	4,484,153,706	4,483,455,987	67,085,441,782	53,179,886,010	4.4336
2005 W	4,483,972,263	4,450,160,375	70,296,996,641	55,986,490,872	4.4322
2005 S	4,175,926,590	4,175,518,580	73,459,188,359	58,864,093,550	1.3900
2006 W	4,175,926,590	4,175,518,580	73,459,188,359	58,864,093,550	3.0415
2006 S	4,148,396,210	4,147,262,470	76,439,725,583	62,133,415,235	2.8000
2007 W	4,148,396,210	4,147,262,470	76,439,725,583	62,133,415,235	1.6315
2007 S	4,123,379,228	4,121,365,588	77,331,082,036	64,720,016,857	4.1900
2008	3,987,629,953	3,984,286,183	74,491,081,562	64,745,976,336	4.1900
2009	3,949,566,334	3,945,257,660	67,858,986,149	62,416,676,895	4.1900

**Notes:**

- (1) The County assesses property annually. Assessed value is approximately 50% of actual cash value (estimated market value). Values are equalized by adding or deducting from the assessed value of each class of property in all assessing jurisdictions in order to bring each unit to a common level of valuation. Taxable value is a result of a ballot proposal passed by the electorate in the state of Michigan in 1994. Taxable value increases are limited to (following adjustments for additions or losses) the rate of inflation or 5%, whichever is less. The taxable value limit does not apply to a property in the year following a transfer of ownership (sale).
- (2) Includes Agricultural and Developmental property
- (3) Per \$1,000 of taxable value. Includes County Operating and Parks and Recreation.
- (4) The County has historically levied taxes on December 1 to finance the calendar year to follow. Michigan Public Act 357 of 2004 mandated a shift in County operating tax from a winter tax levy to a summer tax levy. To ease the transition of shifting collection of the tax from winter to summer (accelerated collection), there is a three-year phase-in of the payment schedule. In 2005, one-third of the County Operating Tax was billed on the summer tax statement of 2005, two-thirds on the winter tax statements. In 2006, two-thirds of the millage was billed on the summer statements, and one-third on the winter statement. In 2007, the entire County Operating Tax was billed on the summer tax statements. These millage rates are applied to the respective taxable values determined as certified at the time of billing.

Source: Oakland County Department of Management & Budget, Equalization Division

**County of Oakland**  
**Direct and Overlapping Property Tax Rates – Unaudited Table 6**  
**Last Ten Years**  
**(Rates per \$1,000 of taxable value)**

	Year Taxes Are Payable									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>County direct rates</b>										
County operating	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900
Parks and Recreation	0.2415	0.2415	0.2415	0.2415	0.2422	0.2436	0.2453	0.2352	0.2376	0.2404
<b>Total rate</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4322</b>	<b>4.4336</b>	<b>4.4353</b>	<b>4.4252</b>	<b>4.4276</b>	<b>4.4304</b>
<b>Overlapping rates</b>										
Huron-Clinton Metro Authority (a)	0.2146	0.2146	0.2146	0.2146	0.2154	0.2161	0.2170	0.2186	0.2202	0.2218
Intermediate school districts (5)										
Median rate	3.3690	3.3690	3.3690	3.3690	3.3789	3.3991	3.4224	3.0773	2.0752	2.0998
Low range	2.9295	2.9295	2.9295	2.9430	2.9615	2.9729	2.9863	1.9753	1.9789	1.9914
High range	3.5341	3.5341	3.5341	3.5361	3.5361	3.5469	3.5673	3.5835	3.5894	3.5894
Community colleges (3)										
Median rate	1.7967	1.7967	1.7967	1.7967	1.7967	1.8024	1.8043	1.8193	1.8310	1.8440
Low range	1.5844	1.5844	1.5844	1.5844	1.5889	1.5983	1.6090	1.5952	1.6109	1.6295
High range	2.6796	2.6796	2.6796	2.6807	2.6807	2.7466	2.8280	2.8672	1.8694	1.8694
Cities (31)										
Median rate	14.8121	14.8179	15.1084	15.1084	15.2367	14.4680	14.7619	14.8009	15.1415	15.2815
Low range	8.3000	8.3000	8.3000	8.3000	8.3000	7.5500	7.5500	7.5500	7.6400	7.6400
High range	25.2763	25.2604	24.4050	24.8349	25.5163	25.4554	26.1031	26.3122	27.1553	28.6535
Villages (10)										
Median rate	14.1182	14.1036	14.1036	14.1290	14.1870	14.0552	14.0752	15.2989	15.3971	15.2898
Low range	7.3525	7.2249	7.3670	7.7443	7.9462	7.9474	7.9500	7.7207	7.7236	7.7270
High range	17.8196	18.1020	18.1120	19.7520	17.9480	18.3524	18.7615	19.0911	19.1639	19.4194
Townships (21)										
Median rate	6.5876	6.5876	6.2652	6.0380	6.0937	6.1765	6.2628	6.2266	6.0678	6.0015
Low range	0.5000	0.5000	0.5500	0.5500	0.5500	0.5500	0.5500	0.6000	0.6000	0.6000
High range	11.7112	11.7112	11.2223	11.6081	11.5495	11.8007	10.7166	13.4073	9.9092	9.6419
School districts (35) (b)										
Homestead:										
Median rate	13.4161	13.5105	13.2455	13.4910	13.6373	12.6015	13.8641	13.9538	13.7500	13.6442
Low range	7.8500	7.7400	7.3500	7.7200	6.7000	5.0000	8.7872	8.7923	8.8000	8.4852
High range	25.8868	23.5993	27.8925	27.8925	27.8945	27.8945	28.8945	28.9094	28.7971	29.6651
Non-Homestead:										
Median rate	29.5200	29.6931	29.6061	29.6000	29.3455	28.8508	29.8627	30.1332	29.4666	29.6430
Low range	25.8000	24.9243	25.3500	25.7200	23.9010	23.0000	24.6700	24.6700	24.6700	24.5008
High range	33.3410	33.2310	32.8410	33.2110	32.6884	31.6925	34.2910	34.2910	34.2894	33.9590
DDAs (9) (c)										
Median rate	1.7470	1.7470	1.8768	1.8856	1.9290	1.9339	1.9128	1.9558	1.9810	1.9890
Low range	1.3000	1.3000	1.3794	1.4010	1.4393	1.4869	1.4869	1.4869	1.5224	1.7536
High range	1.9734	1.9734	1.9734	1.9860	1.9860	2.0000	1.9705	1.9924	2.0000	2.0000
Public Transportation Authority (d)	0.5900	0.5900	0.5900	0.5950	0.5962	0.5974	0.6000	0.3207	0.3236	0.3270
Zoological Authority (e)	0.1000	0.1000	-	-	-	-	-	-	-	-

**Notes**

The County's maximum allowable operating millage levy for 2009 was 4.224

- (a) Tax rate is recommended by this parks authority, and is approved by the Oakland County Board of Commissioners. The rate is included in the "County Combined Rate" on tax statements, but is not recorded as revenue on the County's financial statements.
- (b) Includes State of Michigan levy of 6.0000 mills for State Education Tax. District count is for actual school districts, but does not count separate rates for transfers, development authorities, and other agreements which are used in determining ranges of rates.
- (c) Downtown Development Authorities rates began in tax year 1999 with 7 districts. Consists of 10 districts as of tax year 2005.
- (d) Special voted tax, levied in 16 cities, 3 villages, and 3 townships only. Included in CVT rates above starting in FY2007.
- (e) Zoological Authority added FY2008.

Source: Oakland County Department of Management & Budget, Equalization Division



**County of Oakland  
Principal Taxpayers – Unaudited Table 7  
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2009			Fiscal Year 2000		
	Taxable Valuation*	Rank	Percentage County Taxable Valuation	Taxable Valuation*	Rank	Percentage County Taxable Valuation
General Motors Corporation	\$ 693,019,000	1	1.11% %	\$ 450,656,534	1	1.02 %
Detroit Edison Company/DTE	438,376,120	2	0.70% %	305,741,550	2	0.69 %
Cerberus (Chrysler)	427,281,130	3	0.68% %	150,108,388	4	0.34 %
Consumers Energy	188,745,980	4	0.30% %	138,620,837	5	0.31 %
Frankel/Forbes/Cohn	155,863,920	5	0.25% %	76,191,990	11	0.17 %
Taubman/12 Oaks/Great Lakes Cross.	147,766,930	6	0.24% %	181,816,215	3	0.41 %
Holtzman & Silverman	119,820,020	7	0.19% %	-	-	- %
Ramco - Gershenson	117,522,270	8	0.19% %	83,963,434	9	0.19 %
Bre Southfield (formerly Town Centre Delaware, Inc.)	109,390,720	9	0.18% %	92,727,250	8	0.21 %
International Transmission	103,685,600	10	0.17% %	-	-	- %
Wal-Mart/Sam's Club	83,821,590	11	0.13% %	-	-	- %
Meijer	81,156,370	12	0.13% %	-	-	- %
AT&T	67,211,510	13	0.11% %	-	-	- %
Comerica Bank	64,210,600	14	0.10% %	44,555,677	17	0.10 %
Palace Sports and Entertainment	61,425,020	15	0.10% %	-	-	- %
Comcast	60,048,280	16	0.10% %	-	-	- %
Novi Campus LLC	57,167,690	17	0.09% %	-	-	- %
Parkdale Pharmaceuticals	51,854,470	18	0.08% %	-	-	- %
Lautrec LTD	51,486,810	19	0.08% %	-	-	- %
Kroger	49,564,870	20	0.08% %	-	-	- %
<b>Total</b>	<b>\$ 3,129,418,900</b>		<b>5.01% %</b>	<b>\$ 1,524,381,875</b>		<b>3.44 %</b>

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

Source: Oakland County Department of Management & Budget, Equalization Division

**County of Oakland**  
**County Operating Property Tax Levies and Collections – Unaudited Table 8**  
**Last Ten Fiscal Years**

Year of Levy (1)	Fiscal Year	Collected within the Fiscal Year of the Levy		Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
		Tax Levy (2)	Amount			Amount	Percentage of Levy
1999	2000	\$ 169,119,667	\$ 165,732,647	98.00 %	\$ 3,384,303	\$ 169,116,950	100.00 %
2000	2001	179,455,454	175,467,354	97.78 %	3,977,456	179,444,810	99.99 %
2001	2002	192,549,695	187,779,963	97.52 %	4,633,162	192,413,125	99.93 %
2002	2003	206,294,411	201,567,944	97.71 %	4,082,866	205,650,810	99.69 %
2003	2004	216,173,657	211,292,953	97.74 %	4,271,851	215,564,804	99.72 %
2004	W 2005	227,583,190	222,651,567	97.83 %	4,180,959	226,832,526	99.67 %
2005	S 2005	79,281,336	65,809,623	83.01 %	13,378,930	79,188,553	99.88 %
2005	W 2006	159,403,731	156,102,121	97.93 %	3,115,059	159,217,180	99.88 %
2006	S 2006	166,634,796	142,992,690	85.81 %	22,785,071	165,777,761	99.49 %
2006	W 2007	85,765,677	83,915,557	97.84 %	1,409,010	85,324,567	99.49 %
2007	S 2007	262,814,606	225,336,018	85.74 %	31,249,382	256,585,400	97.63 %
2008	2008	263,005,840	228,260,470	86.79 %	28,084,843	256,345,313	97.47 %
2009	2009	250,928,067	219,099,614	87.32 %	-	219,099,614	87.32 %

Source: Oakland County Treasurer

- (1) Tax levy date is December 1 of each year until calendar year 2005, at which time a shift in tax levy from Winter to Summer over a three-year period began. At that point the levy date is July 1. To accomplish this, the County Operating Tax levy for Summer 2005 is 1/3 of the annual rate, 2/3 for Winter 2005 (FY2006), 2/3 for Summer 2006, 1/3 for Winter 2006 (FY2007). Beginning with FY2007, the entire County Operating Tax is levied on the Summer Tax statements.
- (2) Tax levy is subject to change due to the fact that settlement at the County level has not yet taken place for the current fiscal year.

**County of Oakland**  
**Ratio of General Bonded Debt Outstanding – Unaudited Table 9**  
**Last Ten Fiscal Years**

Year	General Bonded Debt (1)			Other Governmental Activities Debt		Business-Type	Total Primary Government	Percentage of Personal Income (b)	Per Capita (b)
	General Obligation Bonds	Percentage of Taxable Property Values (a)	Per Capita (b)	Special Assessment Bonds (c)	Drainage Districts Debt (d)	Activities  Tax Notes			
2000	\$ 22,925,000	0.05 %	\$ 19.20	\$ 112,725,000	\$ 6,721,082	\$ 20,000,000	\$ 162,371,082	2.88 %	\$ 135.97
2001	20,215,000	0.05 %	16.83	96,130,000	6,876,394	12,000,000	135,221,394	2.37 %	112.56
2002	64,100,000	0.13 %	53.40	78,820,000	6,904,807	25,000,000	174,824,807	3.01 %	145.65
2003	66,850,000	0.13 %	55.57	60,205,000	6,915,207	25,000,000	158,970,207	2.68 %	132.14
2004	70,130,000	0.13 %	58.15	46,245,000	6,864,854	25,000,000	148,239,854	2.44 %	122.93
2005	85,850,000	0.15 %	71.19	41,085,000	7,244,056	25,000,000	159,179,056	2.55 %	132.00
2006	76,685,000	0.12 %	63.66	72,400,000	7,957,730	25,000,000	182,042,730	2.87 %	151.11
2007	627,990,000	0.97 %	522.33	70,580,000	7,504,834	25,000,000	731,074,834	11.01 %	608.07
2008	601,400,000	0.93 %	500.26	64,424,371	6,269,408	25,000,000	697,093,779	10.50 %	579.86
2009	579,780,000	0.93 %	482.28	57,663,579	3,860,661	50,000,000	691,304,240	10.42 %	575.05

**Notes:**

- (1) The County does not hold any funds restricted for the repayment of debt principal
- (a) Taxable values can be found in Table 5
- (b) Population and personal income data can be found in Table 12
- (c) See Notes to Basic Financial Statements, Note 8 - Long-term Debt. Special Assessment debt is shown with governmental commitment.
- (d) See Note 8 in Notes to Basic Financial Statements - Long-term Debt. Special Assessment debt for Drainage Districts Component Unit, General Obligation (owed by Primary Government).

Source: Oakland County Department of Management & Budget, Fiscal Services Division

**County of Oakland**  
**Net County Direct and Overlapping Debt – Unaudited Table 10**  
**September 30, 2009**

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	<b>Gross Amount Outstanding</b>	<b>Self-supporting or Paid by Benefiting Entity</b>	<b>Net Amount Outstanding</b>
<b>Direct debt</b>			
Building authority bonds	\$ 86,585,000	\$ 26,415,000	\$ 60,170,000
Certificates of Participation	519,610,000	-	519,610,000
Water and sewer debt (Special assessment)	30,918,579	30,918,579	-
Lake Levels (Special assessment)	330,000	330,000	-
General obligation tax notes	50,000,000	-	50,000,000
Drainage Districts bonds and notes	147,481,080	143,620,419	3,860,661
Road Commission debt (no County credit)	17,107,172	17,107,172	-
	<u>\$ 852,031,831</u>	<u>\$ 218,391,170</u>	<u>633,640,661</u>
Net direct debt			
<b>Overlapping debt</b>			
Cities			585,013,707
Townships			332,805,587
Villages			27,073,137
School districts			2,578,108,155
Intermediate school districts			51,030,929
Community colleges			7,379,945
Library			5,524,358
County-issued debt paid by local municipalities			<u>218,391,170</u>
Net overlapping debt			<u>3,805,326,988</u>
<b>Net direct and overlapping debt</b>			<u><u>\$ 4,438,967,649</u></u>

Source: Oakland County Treasurer and Municipal Advisory Council of Michigan

**County of Oakland**  
**Legal Debt Margin – Unaudited Table 11**  
**Last Ten Years**

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<b>Year</b>	<b>State Equalized Valuation</b>	<b>Debt Limit 10% of SEV</b>	<b>Amount of Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Debt Applicable to Limit as a Percentage of Debt Limit</b>
2000	\$ 52,437,365,830	\$ 5,243,736,583	\$ 244,435,000	\$ 4,999,301,583	4.66%
2001	57,469,711,595	5,746,971,160	232,076,943	5,514,894,217	4.04%
2002	62,829,530,422	6,282,953,042	303,211,679	5,979,741,363	4.83%
2003	67,085,441,782	6,708,544,178	305,792,167	6,402,752,011	4.56%
2004	70,296,996,641	7,029,699,664	314,879,961	6,714,819,703	4.48%
2005	73,459,188,359	7,345,918,836	324,503,722	7,021,415,114	4.42%
2006	76,439,725,583	7,643,972,558	347,219,167	7,296,753,391	4.54%
2007	77,331,082,036	7,733,108,204	886,865,408	6,846,242,796	11.47%
2008	74,491,081,562	7,449,108,156	843,612,605	6,605,495,551	11.33%
2009	67,858,986,149	6,785,898,615	834,924,659	5,950,973,956	12.30%

Sources:

Equalized Valuations = Oakland County Department of Management & Budget, Equalization Division

General Obligation Debt = Oakland County Department of Management and Budget, Fiscal Services Division

**County of Oakland  
Demographic and Economic Statistics – Unaudited Table 12  
Last Ten Years**

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<b>Year</b>	<b>Population</b>	<b>Personal Income</b> (thousands of dollars)	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2000	1,194,156	\$ 56,335,375	\$ 47,176	2.90 %
2001	1,201,330	57,026,820	47,470	4.40 %
2002	1,200,284	58,023,888	48,342	5.20 %
2003	1,203,036	59,424,401	49,395	5.50 %
2004	1,205,936	60,703,773	50,337	5.60 %
2005	1,205,877	62,543,581	51,866	5.70 %
2006	1,204,666	63,419,982	52,645	5.80 %
2007	1,202,287	66,375,041	55,207	6.20 %
2008	1,202,174	66,375,041 (a)	55,213 (a)	7.10 %
2009	1,202,174 (a)	66,375,041 (a)	55,213 (a)	15.60 %

(a) Current data not available at the time of publication.

Sources:

Population = U.S. Department of Commerce, Bureau of Census

Personal Income = Michigan Bureau of Economic Analysis

Unemployment Rate = Michigan Department of Labor & Economic Growth

**County of Oakland  
Principal Employers – Unaudited Table 13  
Current Year and Nine Years Ago**

Employer	Fiscal Year 2009			Fiscal Year 2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
William Beaumont Hospital	13,694	1	2.65%	14,000	3	2.13%
General Motors Corporation	8,200	2	1.59%	26,700	1	4.07%
Chrysler Group	6,710	3	1.30%	20,600	2	3.14%
Trinity Health (formerly St. Joseph Mercy)	4,823	4	0.93%	2,870	10	0.44%
St. John Health Services (formerly Providence Hospital)	4,396	5	0.85%	n/a	n/a	n/a
Electronic Data Systems Corp.	4,000	6	0.77%	9,480	4	1.44%
Blue Cross Blue Shield of Michigan	3,959	7	0.77%	n/a	n/a	n/a
U.S. Postal Service	3,540	8	0.69%	n/a	n/a	n/a
Oakland County Government	3,474	9	0.67%	3,612	7	0.55%
Botsford Health Care	3,060	10	0.59%	n/a	n/a	n/a
U.S. Government	n/a	n/a	n/a	4,569	6	0.70%
Ameritech	n/a	n/a	n/a	4,800	5	0.73%
Ford Motor Company	n/a	n/a	n/a	3,480	8	0.53%
Modern Engineering Service Company	n/a	n/a	n/a	3,070	9	0.47%
	<u>55,856</u>		<u>10.81%</u>	<u>93,181</u>		<u>14.20%</u>

**Source**

Oakland County Department of Planning & Economic Development

**County of Oakland  
County Employees by Function/Program – Unaudited Table 14  
Last Ten Fiscal Years**

Functions/Programs	Employees as of September 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
County Executive Administration	52	66	66	63	65	65	71	62	62	62
Management & Budget	203	203	207	205	204	204	221	222	244	242
Central Services	68	66	66	65	61	61	63	69	72	73
Human Resources	50	50	51	51	51	50	51	51	49	45
Board of Commissioners	34	34	34	34	34	34	34	34	34	34
Clerk/Register of Deeds	121	128	128	133	154	151	153	152	146	138
County Treasurer	48	48	48	48	48	48	49	49	49	49
Public Safety										
Sheriff	1,117	1,129	1,135	1,130	1,092	1,042	1,040	1,011	987	975
Community Corrections	60	65	67	66	68	67	71	71	62	57
Animal Control	26	24	24	24	24	23	24	24	24	24
Justice Administration										
Circuit Court	471	469	469	473	455	456	465	458	419	242
District Court	197	200	201	201	194	188	183	177	167	165
Probate Court	59	61	61	61	59	59	61	63	64	242
Prosecuting Attorney	185	189	189	189	188	189	198	197	191	187
Medical Examiner	26	28	34	34	34	26	28	27	28	27
Citizens Services										
Administration	5	5	5	5	5	5	5	5	7	7
Health	387	404	404	403	413	441	472	477	475	474
Homeland Security	13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medical Care Facility	n/a	n/a	104	104	110	112	112	112	112	112
Children's Village	178	161	161	161	161	161	166	166	151	149
Veterans' Services	16	18	18	18	16	16	18	18	18	18
MSU Extension-Oakland County	15	14	13	13	13	13	14	14	15	20
Public Works										
Water Resources Commissioner	266	270	271	269	269	263	251	240	227	226
Facilities Management	196	204	204	201	201	201	200	202	204	207
Information Technology	167	167	169	165	159	157	165	172	165	148
Recreation and Leisure										
Library Board	17	17	18	18	23	23	24	24	24	24
Parks and Recreation	376	341	341	317	313	313	289	288	288	264
Commerce and Community Development										
Administration	12	12	12	13	14	9	8	6	5	3
Planning and Economic Development Services	49	44	43	42	41	40	43	43	41	40
Community and Home Improvement	22	21	21	21	21	21	21	21	21	19
Workforce Development	9	9	9	9	9	9	9	9	9	9
Totals	<u>4,445</u>	<u>4,447</u>	<u>4,573</u>	<u>4,536</u>	<u>4,499</u>	<u>4,447</u>	<u>4,509</u>	<u>4,464</u>	<u>4,360</u>	<u>4,282</u>

Note: Employee count is based on authorized, budgeted positions

**Source**

Oakland County Human Resources Department



**County of Oakland  
Operating Indicators by Function/Program – Unaudited Table 15  
Last Ten Fiscal Years**

Functions/Programs	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Law Enforcement</b>										
Dispatched Calls	125,987	133,402	179,563	180,472	180,940	171,858	174,861	167,220	172,233	167,618
Arrests	8,513	8,466	8,900	9,286	8,569	7,288	7,888	7,459	7,421	6,379
Inmate bookings	21,866	24,053	25,809	27,003	25,734	26,066	24,573	24,805	24,295	23,922
<b>Judicial</b>										
Circuit Court civil/criminal cases disposed	15,927	15,849	16,108	16,132	16,414	16,244	16,375	16,782	16,212	15,803
District Court cases filed	145,465	144,933	152,710	159,380	157,920	158,882	162,650	173,278	169,929	158,781
<b>Citizen Services</b>										
Veteran benefits claims filed	6,870	7,546	7,071	7,182	6,784	6,337	6,604	6,258	5,510	4,929
Deeds/Mortgages	85,478	84,866	110,600	141,157	176,787	223,553	295,114	237,153	181,559	143,268
Jobs retained and created	4,187	10,311	10,842	1,640	4,422	3,417	2,826	8,991	5,851	6,596
Immunizations	102,893	94,038	82,347	95,202	117,679	125,660	103,787	116,173	120,030	123,579
<b>Community Development</b>										
BFC/EDC Loans	16	28	33	26	20	22	15	14	15	21
Applications for home improvement	601	609	457	373	369	369	389	378	400	346
Single family homes rehabilitated	276	218	198	253	229	300	269	208	239	239
<b>Parks and Recreation</b>										
Participants-Park	775,683	815,097	778,616	789,867	793,215	752,662	660,597	575,847	751,052	709,929
Participants-Golf Course	148,747	172,783	178,444	198,477	200,521	215,551	177,716	181,168	166,178	219,654
Participants-Recreation, Facilities	291,917	365,310	373,214	374,853	381,025	365,954	391,353	595,336	534,634	583,657
Participants-Nature Interpretive Service	29,860	29,865	35,226	46,428	47,062	44,967	41,253	46,028	46,050	50,304
Participants-Banquet Facilities	147,365	154,594	161,678	170,524	182,100	158,091	161,471	94,153	86,842	90,686
<b>Airports</b>										
Takeoffs and landings	144,678	162,283	202,345	202,973	207,757	243,395	276,153	277,616	283,369	337,219
<b>Public Works</b>										
Water and sewer customers	76,413	76,050	75,613	74,926	73,129	71,228	68,666	66,876	65,155	63,153
Water main breaks	104	94	115	114	119	146	256	212	115	132
Water permits issued	164	232	370	811	1,016	1,188	1,038	1,045	1,026	994

**Source**

Oakland County Department of Management & Budget, Fiscal Services Division and other individual departments

**County of Oakland  
Capital Asset Statistics by Function/Program – Unaudited Table 16  
Last Ten Fiscal Years**

Functions/Programs	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Justice and Law Enforcement										
Correction facilities capacities	1,750	1,768	1,984	1,981	1,981	1,956	1,868	1,856	1,856	1,856
Substations	12	12	12	12	12	12	12	12	12	10
Parks and Recreation										
Number of county parks	13	13	13	11	11	11	11	11	11	11
Park acreage	6,398	6,378	6,378	6,089	5,742	5,715	5,715	5,715	5,715	5,715
Airport										
Number of runways	5	5	5	5	5	5	5	6	6	6
Number of T-Hangars	738	738	738	711	619	619	619	619	619	619
Facilities										
Buildings	40	40	41	42	42	42	41	39	39	39
County facilities square footage	1,881,130	1,877,780	1,925,118	1,921,389	1,921,389	1,960,310	1,956,433	1,693,808	1,693,808	1,714,873
Public Works										
Combined Sewer Overflow Retention										
Treatment Facilities	4	3	3	3	3	3	3	3	3	3
Water mains (miles)	123.60	161.51	165.83	162.57	148.67	173.99	164.80	158.41	139.60	125.07
Water storage capacity (millions of gallons)	3.07	3.07	2.068	2.068	2.068	2.068	2.068	2.068	2.068	2.068
Sewers (miles)	137.22	135.08	131.81	131.84	131.84	131.84	131.84	131.84	131.59	131.59
Sewer treatment capacity (millions of gallons)	151.80	151.80	151.80	151.80	121.80	121.80	121.80	121.80	121.80	121.80

**Sources**

Various County departments

**County of Oakland  
Building Authority Data – Unaudited Table 17  
September 30, 2009**

	<b>Lyon Oaks Park</b>	<b>Work Release Facility</b>	<b>Office Bldg. Renovation</b>	<b>5/3 District Court Bldg.</b>	<b>Sheriff Substation Rochester Hills</b>	<b>Oakland Int'l Airport T-Hangars</b>	<b>Pontiac Phoenix Center</b>	<b>CMHA Housing Project</b>	<b>Phoenix Plaza Amphitheatre Refunding</b>	<b>Refunding Series 1998</b>	<b>Totals</b>
Cash	\$ 2	\$ 280	\$ 280	\$ 280	\$ 496	\$ 144	\$ 1,547	\$ 149	\$ 707	\$ 155	\$ 4,040
Lease receivable	550,000	17,100,000	22,325,000	13,350,000	2,980,000	5,450,000	10,400,000	5,125,000	7,910,000	1,395,000	86,585,000
Other assets	143	-	-	-	1,348	964	-	738	107	-	3,300
Bonds payable	550,000	17,100,000	22,325,000	13,350,000	2,980,000	5,450,000	10,400,000	5,125,000	7,910,000	1,395,000	86,585,000
Other liabilities	-	275	275	275	275	-	249	-	-	150	1,499
Current year activity:											
Transfers in	-	1,855,800	2,081,101	1,414,550	-	-	-	-	-	1,479,070	6,830,521
Leases and other income	583,992	-	-	-	358,662	486,955	939,662	424,030	391,940	-	3,185,241
Debt service:											
Principal	550,000	975,000	1,100,000	775,000	225,000	255,000	375,000	200,000	50,000	1,355,000	5,860,000
Interest	33,687	880,525	980,601	639,275	132,194	231,153	564,613	222,931	341,487	123,770	4,150,236
Fiscal charges	300	275	500	275	275	-	275	275	275	300	2,750
Principal and interest requirements:											
2010	\$ 561,275	\$ 1,862,625	\$ 2,096,851	\$ 1,385,600	\$ 349,319	\$ 488,502	\$ 945,862	\$ 414,931	\$ 389,800	\$ 1,458,473	\$ 9,953,238
2011	-	1,842,525	2,082,633	1,405,375	340,994	489,890	950,863	431,431	388,050	-	7,931,761
2012	-	1,845,800	2,091,101	1,397,375	357,556	495,265	929,613	422,431	386,300	-	7,925,441
2013	-	1,845,200	2,095,164	1,387,525	347,556	495,115	933,362	413,431	719,488	-	8,236,841
2014	-	1,816,150	2,096,476	1,400,337	362,556	493,115	935,300	428,931	725,242	-	8,258,107
Thereafter	-	14,375,906	20,329,368	11,197,188	2,024,694	5,037,103	11,364,513	5,249,998	9,339,320	-	78,918,090
	<u>\$ 561,275</u>	<u>\$ 23,588,206</u>	<u>\$ 30,791,593</u>	<u>\$ 18,173,400</u>	<u>\$ 3,782,675</u>	<u>\$ 7,498,990</u>	<u>\$ 16,059,513</u>	<u>\$ 7,361,153</u>	<u>\$ 11,948,200</u>	<u>\$ 1,458,473</u>	<u>\$ 121,223,478</u>