

**OAKLAND COUNTY, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2010
(With Independent Auditors' Report Thereon)**

Prepared by:

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

**Cover: Municipal Park
Location: City of Rochester, Michigan
Courtesy: Michael Zack, Graphic Artist for Oakland County**

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, 2011

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, 2010.

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, 2010 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, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

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

County of Oakland

Letter of Transmittal

The Fiscal Year 2010 Comprehensive Annual Financial Report includes a Statement of Net Assets and a Statement of Activities, which provide 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 2010 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 1,205,508 (2009 estimate) 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 (10th) 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 homeland security; 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.

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.

County of Oakland

Letter of Transmittal

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.

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 of Oakland Letter of Transmittal

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.

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.

It is important to note that, although the appropriated budget is prepared on the fund/function/department basis, Oakland County's financial system also has the ability to budget and account by program cost center. The ability to budget and account for County activity by program is a valuable tool for policy makers to analyze and determine where to appropriate limited County resources in order to maximize their positive impact on County residents.

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

Economic Condition of Oakland County

Oakland County is traditionally one of the most prosperous local economies in the United States, as attested by its status as only one of 38 counties among the 3,116 (1.2%) 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 economic strength. Automotive manufacturing giants Chrysler and General Motors filed Chapter 11 bankruptcy in 2009, as well as several major tier one auto suppliers. 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 2010, Oakland's unemployment rate was 12.2%, which is a drop from the 14.2% unemployment rate reported in September 2009. The September 2010 rate is slightly lower than the State of Michigan average of 12.3%; however, it exceeds the national average of 9.2%.

Enhanced by Oakland's dynamic economic development programs and despite recent downturns in the economy, Oakland County remains a favorable location for business. Currently, 57% of Fortune 500 companies have business locations in the County. Oakland County is also Michigan's leading center for international commercial activity, hosting 859 businesses, of which 721 are foreign-parent firms representing 36 countries. Of all the foreign-owned firms in southeast Michigan, 67% are located in Oakland County.

The April 2010 Oakland County Economic Outlook report, prepared by the University of Michigan, estimated 9,876 jobs were lost in 2010; however, the County has turned the corner, and modest job growth is expected with a forecasted increase of 2,421 jobs in 2011 and 9,876 in 2012. These projected increases reflect the continuing efforts aimed at business-sector diversification for long-term sustainability of Oakland County's economy as well as the successful emergence from bankruptcy by General Motors and Chrysler.

Oakland's per capita income of \$53,650 is the highest among Michigan's 83 counties and is ranked tenth (10th) among counties having more than one million in population (and is 75th among all counties in the country). Oakland County's per capita income also compares favorably to the national average (\$40,166) and the state average (\$34,953).

County of Oakland Letter of Transmittal

Though Michigan had not yet recovered from the recession of the early 2000s, a new national recession hit in late 2007 resulting in record-setting numbers of home foreclosures and declining property values. 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 available records). This fall in tax revenue is more thoroughly discussed in the Management's Discussion and Analysis which appears later in this document. However, despite these economic challenges, 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 revenue by controlling the millage rate levied on the tax base. In fact, the County millage rate for the July 1, 2010 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.

The 2010 market value of property in Oakland County is approximately \$115.4 billion, a decrease of approximately \$20.2 billion from 2009 to 2010. However, Oakland County's property values remain the highest value of all 83 counties in Michigan, and represents 15.0% of the state's total value (even though Oakland County's population represents only approximately 10% of Michigan's total). The majority of Oakland County's taxable value is within the residential class of property, which is approximately 68% of the total property tax base. The average price, in 2010, for a home in Oakland County was \$187,968.

The average 2010 property tax rate is \$40.56 per thousand taxable value, an increase from the 2009 average of \$39.66 per thousand taxable value. The average property tax rate is distributed to the following taxing authorities:

Local School Districts	33.3%
Cities, Villages, Townships	28.0%
State Education Tax	14.8%
County Operating	10.3%
Intermediate School District	8.3%
Community College	3.9%
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. However, it also appears that housing values in the County are approaching a bottom point. Last year at this time, it was estimated that the taxable value of real and personal property in the County would fall in 2010 by 13.0%; the actual reduction was 12.25% (which included estimated losses from Michigan Tax Tribunal decisions). Current trend analysis indicates a projected further decline in taxable value of 9% in 2011 and further 3% reduction in taxable value in 2012. The projected reductions in 2011 and 2012 reflect a concern that commercial and industrial property values will continue to decline. Property tax revenue supports 49.6% 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.

County of Oakland Letter of Transmittal

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 budget development, policy makers and administrators are taking action today to minimize the negative impact of these reduced values in order to maintain essential County services.

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. As discussed below under *Establishment and Use of General Fund Balance*, the County's executive and finance team keep continuous focus on the County's financial position in making all budgeting and fiscal decisions.

The hallmark of the County's focus on long-term financial planning is 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.

County of Oakland Letter of Transmittal

Establishment and Use of General Fund Balance

Oakland County's establishment and use of General Fund balance is actually a significant portion of its overall budgeting and forecasting strategy. The development and use of the Triennial budget allows the County to maintain financial stability; however, Oakland County realizes that sound financial management actually begins with a solid financial position. The first financial question Oakland County officials ask is not "how do we balance the budget", but "where do we want to be financially in the next five years." County officials first set a goal of a solid financial position and "work backwards" to develop a budget which will achieve that goal.

The measurement of a solid financial position is a strong General Fund balance. Oakland County's General Fund balance has increased 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 approximately 20% to 25% of annual General Fund / General Purpose revenue. This figure is calculated based upon two criteria. The first criterion is the Government Finance Officers' Association (GFOA) recommendation to retain at least two months of annual revenue (approximately 17%) in fund balance. Such a practice provides a cushion against sudden fiscal crises, allowing the County to meet emergency demands without severely disrupting ongoing operations and services.

The second criterion is the need for an additional cash flow cushion based upon the fact that Michigan Public Act 357 of 2004 requires the County to collect property taxes in arrears. Under this State Act, counties levy property taxes in July of each calendar year, which is ten months AFTER the beginning of Oakland County's fiscal year. Prior to enacting P.A. 357, the County levied property taxes in December only three months after the beginning of the fiscal year. This shift to a later levy date results in the need for short-term borrowing to augment General Fund cash balances around April of each fiscal year.

As is explained in 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 of 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.

County of Oakland

Letter of Transmittal

The goal of maintaining a General Fund balance of 20% to 25% of annual General Fund / General Purpose revenue is sufficient to maintain services, without disruptive financial swings, under usual circumstances. However, these are not usual circumstances. Reductions in recurring revenue, such as property taxes and State revenue, as well as increasing fixed cost of operations such as energy and health care, mandates that the County significantly reduce expenditures. Expenditure reduction has been continuous since fiscal year 2003 and is expected to continue possibly through the middle of this decade. In a unique way, Oakland County has purposely increased General Fund balance for intended future use in order to maintain services while developing a thoughtful plan to further reduce expenditures for sustainability in the long term.

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 operations and services. The Budget Transition designation, which totals \$68.7 million, was established to recognize the surplus savings from planned, accelerated expenditure reductions over the last seven (7) years. Beginning in fiscal year 2003, the County’s Board of Commissioners and County Executive Administration imposed “budget tasks” or targeted annual expenditure reductions on all Elected Officials. The County’s Elected Officials accelerated these reductions, resulting in additional savings and considered to be a “one-time” resource since the accumulated savings cannot be relied upon indefinitely to balance the budget. These one-time savings were recorded in the Budget Transition designation.

The current financial plan includes the use of this Budget Transition designation in the amount of \$14.2 million in fiscal year 2012 and \$44.7 million in fiscal year 2013. After 2013, \$9.5 million would remain available to support operations in fiscal year 2014 and beyond. The planned build-up and use of General Fund balance thus allows the County’s Elected Officials at least three fiscal years to thoughtfully restructure County government to meet the reality of shrinking revenue.

It should finally be noted that a healthy General Fund balance can also provide a source of funds for one-time expenditures (such as major capital purchases) or for limited-time enhancements, which would not normally be budgeted on a continuing basis. 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 makers with a degree of limited flexibility to explore these options.

County of Oakland

Letter of Transmittal

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 revenue 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, 2010 are approximately \$225.0 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

Even using the DTRF to support these capital initiatives, the fund's net assets are still approximately \$25.0 million higher than required to meet all the fund commitments. As a result, the County has used a portion of the DTRF equity (the amount higher than required to meet funding commitments) to support General Fund/general purpose operations. The County realizes that the use of this equity is a temporary solution; therefore, its use is limited to a three-year period ending in fiscal year 2012.

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 2010, Oakland County issued \$17.9 million in refunding and new Building Authority bonds and \$11.0 million in refunding and new drain bonds (related to drainage district component units). No new general obligation debt was issued during fiscal year 2010. 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

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 \$84.6 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

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 fiscal constraints facing the State of Michigan, and the local governments within the state, have been well documented by a number of sources. Oakland County is certainly not immune from the downward economic pressures which have developed from the constriction of the domestic automobile industry, the nationwide credit crunch and the subsequent deterioration of the housing market and the commercial/industrial property values. These economic realities have not only reduced property tax revenue, which supports approximately 50% of all General Fund/general purpose operations, but threatens State payments, of which the General Fund receives approximately \$33 million annually.

However, unlike other governments within this state, Oakland County anticipated and prepared for the financial impact from the downturn in the economy. As discussed previously, due to its multi-year budgeting and forecast, County officials were aware of the negative trends and began to take corrective action as early as 2003. Through its long-term view of its financial and business operations, Oakland County has already taken steps to address these concerns before they become crises.

The County's planning efforts focus on how to sustain operations in perpetuity, so that it can continue providing the necessary services that citizens rely upon. This long-term fiscal view allows the County's policy makers and administrators to identify areas of potential fiscal weakness within a timeframe that allows for thoughtful corrective action, thus avoiding disruptive fluctuations in services.

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 many 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.

County of Oakland Letter of Transmittal

Since October 1993, Oakland County has implemented fifteen (15) separate privatization efforts; these efforts have generated a reduction of 204 positions, annual savings of \$7.6 million and total savings of \$50.4 million (present value) as of December 2010.

The most recent project, implemented in the fall of 2010 involved printing activities. Specifically, the County has contracted its print work to the Oakland Intermediate School District (Oakland Schools). The Oakland Schools printing operation is located directly across the street from the County's Governmental Complex and provides full service printing functions. Through enhanced use of the internet, print jobs can be electronically sent, by County departments, to the Oakland Schools print shop. Once completed, the print jobs are delivered by Oakland Schools.

The decision to outsource print functions was not made because of dissatisfaction with the work produced by the Oakland County Print Shop; the work completed by the print shop was timely and of the best quality. The decision to outsource was based upon a change in business requirements as a result of enhanced technology and the opportunity to save money for Oakland County residents.

With the continuing development of the County's website and other electronic advancements, more documents which were previously printed are now being stored electronically on the internet. Such documents as the County's Triennial Budget, the Comprehensive Annual Financial Report, the Popular Annual Financial Report, the Equalization Report, the Report on Local Taxes, the State of the County Address, departmental reports, etc., are all located on the County's website (www.oakgov.com) providing easy and broader access to all these documents. While hard copies of these and other documents are still printed, the volume of printing has been reduced significantly. Most people find it quicker and easier to obtain information regarding Oakland County government from the internet.

The County Executive Administration recognized this new business reality and sought an alternative method to provide these services. By outsourcing the print function to Oakland Schools, the County was able to delete ten (10) authorized positions, eliminate \$250,000 in annual cost and avoid the need for the expensive replacement of equipment in the future. Further, the increased work from the County allowed Oakland Schools to reduce its printing cost through combined sharing of resources. Since Oakland Schools is supported by the same taxpayers as the County, this move creates a "double-savings" for County taxpayers as both the County and the Intermediate School District have reduced their overall printing cost.

It is also important to note that, because the County has been planning for the economic downturn by implementing a hiring freeze five years ago, there were vacant County positions available to the displaced workers from the former County print shop. No County employee was laid off from this outsourcing.

County of Oakland

Letter of Transmittal

In order to reduce energy cost and the County's carbon footprint (being a positive community partner), the Facilities Management Department has implemented a number of "green initiatives" across all County facilities. Many of these efforts began five years ago with simple adjustments such as reduced lighting in non-essential areas; changing thermostats a few degrees and using sensors to prevent sprinklers from turning on when the ground has enough moisture; and renovating the Executive Office Building (EOB) with more state-of-the-art energy efficient systems. Since 2005, these efforts have reduced the County's energy consumption on the government campus by 10%, saving Oakland County taxpayers \$4 million in reduced utility cost. Also, in 2010, the EOB received the prestigious ENERGY STAR rating from the Environmental Protection Agency.

In 2009, Oakland County received a \$4.8 million grant from the U.S. Department of Energy to further improve energy efficiency in County buildings. These grant funds were used to conduct an energy audit on the County's 40-plus buildings, identifying \$3.5 million worth of energy retrofits of which \$2.5 million will be paid by grant funding. It is estimated that \$400,000 to \$500,000 annually will be saved in utility cost upon completion of these projects.

In addition, the County is in the process of constructing a new terminal building for the Oakland County International Airport. This will be a "green" terminal which will utilize wind and solar energy, geothermal heating and cooling, plus other energy efficiencies. Further, the new terminal will contain a "green" architectural feature – a "living wall." A living wall is an innovative, vertical arrangement of plants that are part of the wall, watered by the rain water, which is collected on the rooftop. Not only will this wall be attractive to those who pass through the terminal, but it will be an additional green component that will keep the air in the terminal free from pollutants. This new terminal will be the County's first Leadership in Energy and Environmental Design (LEED) certified building.

One of the major components of increasing operational costs, both for governments and businesses, is employee health care and other benefits. Oakland County is a long-time leader in implementing employee benefit changes, limiting taxpayer cost increases while at the same time providing a fair benefit to the hard working employees of the County. Some of these efforts began as far back as 1984 with the elimination of longevity pay for new hires and the instituting of a vesting schedule for retiree health care. As previously mentioned, Oakland County began to pre-fund its retiree health care obligation as far back as 1987.

Active employee health care costs, however, remains one of the higher cost benefit expenses for the County. In 1997, the County required new hires to contribute to their health care expenses. In 2003, health care contributions were increased for ALL employees and a new three-tier prescription co-pay was implemented. Despite these efforts, active employee health care cost increased from \$24.9 million in Fiscal Year 2003 to \$38.7 million in Fiscal Year 2007, a 55% increase. Between fiscal years 2006 and 2007, the cost jumped 20% alone.

County of Oakland Letter of Transmittal

In order to slow this level of increase, Oakland County implemented two changes during 2007; the first was to raise co-pays and deductibles for health care, hospitalization, and prescription coverage. These actions clearly reduced the County's net expense, but did little to affect one of the leading causes of increasing health care cost, unhealthy life styles. Further, since the County is self-insured for health care expenses, a reduction in the need for medical care has a direct impact on how much the County pays for this benefit. In order to deal with that underlying cost driver, the County Executive Administration implemented the *OakFit* employee wellness program.

OakFit is a multifaceted program that begins with employees receiving a blood screening which checks glucose and cholesterol levels. In addition, the employee's blood pressure and body mass index are assessed. After the screening, each employee completes a "Risk Assessment Survey" which, when added to the screening results, identifies employees who are at high risk for health concerns. Those identified as high risk are referred to their primary physician.

Beyond the risk assessment, *OakFit* includes a number of lunch hour programs, made available to employees, which support and encourage healthy life styles. These programs include having Weight Watchers come to the County complex to teach classes; yoga and pilates classes on the complex; several "Lunch and Learn" lectures teaching healthy life styles; an annual Health Fair; and Oakland County Farmer's Market coupons good for the purchase of fruits and vegetables.

Through these efforts over the last four years, Oakland County's Fiscal Year 2010 active employee health care cost was \$38.4 million. For comparison, if a simple 9% inflation factor was added to the Fiscal Year 2007 expenditure, the projected Fiscal Year 2010 expenses would have been \$50 million, almost \$12 million higher than the actual amount.

Oakland County is justifiably proud of the foresight and efforts put forth by its policy makers, administrators, and employees. The continuous review of operations has lead to one of the most effective and efficient governments in the state if not the country. However, the County Executive also recognizes that Oakland County does not have a monopoly on effective and efficient governmental operations. Other counties, cities, villages, townships, states and authorities across the country are also working to implement new ideas and operations to provide necessary services while reducing the tax burden on their residents.

In light of that recognition, during 2010 the County Executive formed an "Innovation Team", under the direction of his Deputy County Executive/CIO and the Director of Management and Budget, consisting of ten (10) employees from various executive departments. This team's purpose was to conduct research regarding the innovative programs other governments were implementing and to ascertain whether some of those programs would have applicability to Oakland County.

County of Oakland Letter of Transmittal

The team conducted research using a number of organizations and websites including the National Association of Counties, International City Managers Association, the Government Finance Officers Association, the International Personnel Managers Association and the Center for Digital Government. This review identified no less than 37 projects, strategies, and programs which could have applicability to Oakland County operations. Most of the ideas involved direct savings of taxpayer dollars while some simply reflected improved level of service. Team members individually contacted the units of government which implemented these innovative programs, researching the details of those implementations and assessing the ability of Oakland County to be successful in implementing similar efforts.

The researched programs were ranked by the team as to their potential impact on the County's operation, the cost of implementation and the speed of implementation. This ranking was presented to the County Executive's Budget Task Force (consisting of the five Deputy County Executives as well as the Directors of Management and Budget and Human Resources), who prioritized the projects and are planning the implementation of those projects.

The process of constantly reviewing and restructuring Oakland County government programs clearly has an immediate impact on our residents. During both prosperous and uncertain economic times, it is essential that required services are performed in the most effective and efficient manner. However, simply concentrating on the County's internal operations has a limited impact. A strong economy and community is necessary to truly improve the lives of Oakland County residents and help make the County recession resistant. In that vein, the County 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 economy, preparing the businesses in our region to be more competitive in the global market place. These efforts include the continued support for its on-going award-winning efforts, *Automation Alley*, *Emerging Sectors*, and the *Medical Main Street* program as well as the development of the new *Economic Growth Alliance*.

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 an even 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 43 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 \$151 million in new business for trade mission participants along with creating 200 new jobs. *Automation Alley* sponsored trade missions to Central and Eastern Europe, India, China, and Mexico in 2010.

County of Oakland Letter of Transmittal

Emerging Sectors identifies the top emerging and promising business sectors for the new economy of the 21st 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 166 businesses to the County that specialize in these various sectors. These firms have generated over \$1.5 billion in new investments, created over 22,900 new jobs, and retained over 9,700 current jobs.

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 is building 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. Over the last year, McLaren Hospital started building a \$600 million medical campus in Clarkston and St. Joseph's Hospital in Pontiac has a new \$125 million patient tower on the way.

Further, the Oakland University / William Beaumont Medical School is scheduled to open in Rochester on August 11, 2011. When the school is fully ramped up to between 600 and 700 students, there is the potential for over 10,000 new jobs and an economic impact of over \$3 billion on an annual basis. There were 3,300 applicants for the 50 freshman slots, from all over the United States and several foreign countries.

Recognizing that Oakland County is not an island and that the economic vitality of the County will be enhanced by joint efforts on a regional basis, the County Administration has launched the *Economic Growth Alliance* (EGA). The EGA includes the counties of Oakland, Livingston, Genesee, Lapeer, St. Clair and (soon to be added) Macomb. Within this region, which stretches from the northern border of Detroit to just below Michigan's "Thumb Region", three million people reside all intent on the same goals: fostering quality growth, attracting good, high-paying jobs, and supporting a unique quality of life.

The assets of the EGA are impressive and can be used to develop a plan to improve the quality of life in the region. St. Clair County, with the Blue Water Bridge, is increasing commerce with Canada, something that can expand job creation activity. The Flint Bishop Airport, located in Genesee County, has expanded to provide regular air travel services across the country and ultimately overseas. Macomb County sits on an international border and is the location for Selfridge Air National Guard base, one of the most important and busiest facilities of its kind in the nation. Additionally, Macomb also houses one of the most dynamic and expanding defense sectors in the entire country; it's a multi-billion dollar job-creating juggernaut. Livingston and Lapeer counties are situated between international airports and freeway systems to support logistics and commerce. And Oakland County, with our International Airport, expanding medical service industry and central location among all these other assets, is perfectly located to generate new jobs and providing resources to improve the quality of life for the region.

County of Oakland Letter of Transmittal

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 its 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.”

Out of more than 3,100 counties in the United States, only 38 enjoy the distinction of a AAA bond rating (down from 49 counties at this time last year). 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, 2009. This was the 19th 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.

County of Oakland Letter of Transmittal

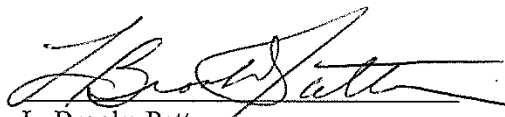
In addition, Oakland County also received the GFOA's Distinguished Budget Presentation Award for its biennial budget document dated October 1, 2009. This latest award is the 13th in a row. In order to qualify for the Distinguished Budget Presentation Award, Oakland County's budget document was judged 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 2009 PAFR award was the County's 14th consecutive citation. Oakland County is one of two counties in the state of Michigan that holds all three of the GFOA awards simultaneously.

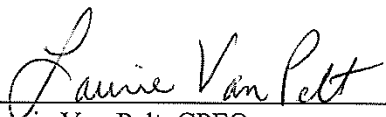
Acknowledgements:

The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services Division of the Department of Management and Budget. We would like to express our appreciation to all members of the division who assisted and contributed to the preparation of this report, 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 52nd 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

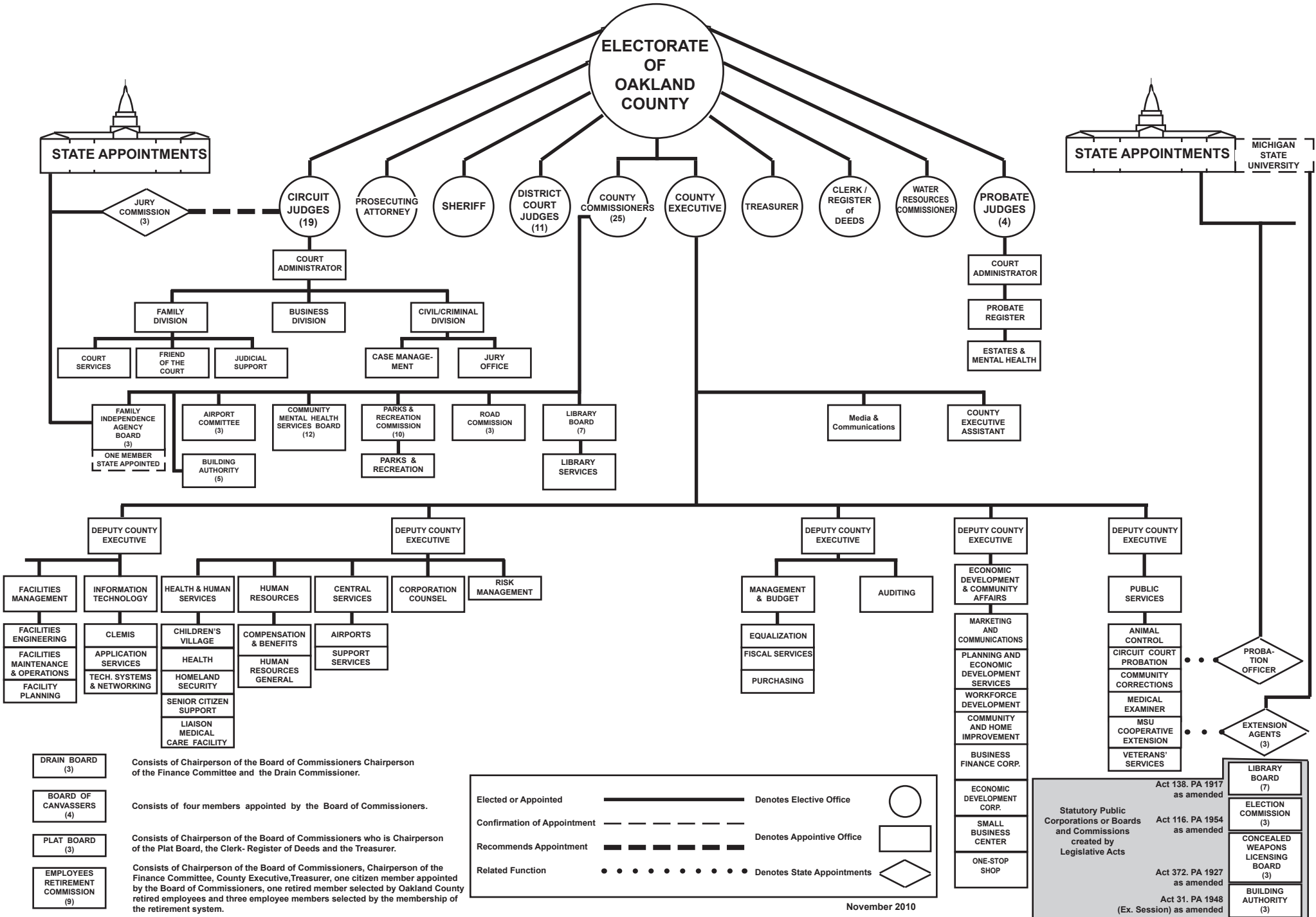


Laurie Van Pelt, CPFO
Chief Fiscal Officer and Director,
Department of Management and Budget



Timothy J. Soave, CPFO
Manager, Fiscal Services Division

OAKLAND COUNTY GOVERNMENT ORGANIZATIONAL CHART



COUNTY EXECUTIVE

L. Brooks Patterson

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

Personnel as of September 2010

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, 2009

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



President

Executive Director

II. Financial Section

The Financial Section contains:

- A. Independent Auditors' Report**
- B. Management's Discussion and Analysis**
- C. Basic Financial Statements**
- D. Notes to 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 (the "County") as of and for the year ended September 30, 2010, 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, 2010 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, 2011

County of Oakland

Management's Discussion and Analysis

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, 2010. 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 improved during Fiscal Year 2010, primarily due to a concerted effort to reduce expenses to meet structural revenue reductions.
- Net assets increased by \$20.7 million to \$1,031.4 billion (excluding component units).
- Governmental activities net assets increased by \$3.3 million to \$388.4 million.
- Business-type activity net assets increased \$17.4 million to \$643.0 million.

Fund Level:

- At the close of the fiscal year, the County's governmental funds reported a combined ending fund balance of \$661.8 million, a decrease of \$8.8 million from the fiscal year 2009 governmental funds combined ending fund balance.
- This decrease is primarily a result of the planned use of \$58.8 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 \$24.0 million to the General Fund. The RSRF was established by state statute to replace state revenue sharing payments.
- The above discussed decreases were partially offset by an increase in the General Fund balance of \$42.7 million, from \$106.3 million at the end of fiscal year 2009 to \$149.0 million at the end of fiscal year 2010. The increase is primarily attributed to planned accelerated expenditure reductions, building 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 increase of \$10.7 million during fiscal year 2010.
- The County issued \$17.9 million in new general government debt during fiscal year 2010, which primarily supported Building Authority projects, including the issuance of refunding debt.
- The County paid \$41.0 million in general government bond obligations during fiscal year 2010.
- The County is \$4.9 *billion* below its authorized debt limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the County consists of the following components: 1) the Introductory Section, which includes the *Transmittal Letter*; 2) the 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) the Statistical Section, which provides a ten (10) year history on specific data regarding the County.

County of Oakland

Management's Discussion and Analysis

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

The set of *basic financial statements* includes the Statement of Net Assets and the Statement of Activities, which report information about the County as a whole, and about its activities. Their purpose is to assist in answering the question, is the County, in its entirety, better or worse off as a result of this fiscal year's activities? These statements, which include all non-fiduciary assets and liabilities, are reported on the *accrual basis of accounting*, similar to a private business. 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 is 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

- 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. 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* (account for resources used to pay long-term debt principal and interest).

County of Oakland Management's Discussion and Analysis

- *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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As previously stated, Oakland County's financial position improved during Fiscal Year 2010. As reflected in the table below, the County's combined net assets increased by \$20.7 million over the course of this fiscal year's operations. In particular, the net assets of the governmental activities increased by \$3.3 million reflecting reductions in expenses as the County constricts operations to match shrinking revenue. These reductions offset the planned transfer of \$58.8 million from the Interim Retiree Medical Benefit Trust Fund (IRMBT) to the Voluntary Employee Beneficiary Association (VEBA), a fiduciary fund, to cover retiree health care. The business-type activities had an increase of \$17.4 million in net assets which reflect additional revenue from the various sewage disposal systems and water and sewer systems generated by fee increases implemented to cover operational shortfalls from the previous fiscal year.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current Assets	\$ 528.7	\$ 555.1	\$ 484.9	\$ 469.0	\$ 1,013.6	\$ 1,024.1
Capital Assets	200.8	205.0	246.6	231.6	447.4	436.6
Restricted Assets	337.9	359.5	-	-	337.9	359.5
Other Long-term Assets	52.2	57.6	-	-	52.2	57.6
Total Assets	1,119.6	1,177.2	731.5	700.6	1,851.1	1,877.8
Current Liabilities	113.3	154.9	88.5	75.0	201.8	229.9
Other Liabilities	617.9	637.2	-	-	617.9	637.2
Total Liabilities	731.2	792.1	88.5	75.0	819.7	867.1
Net Assets:						
Invested in Capital Assets						
Less Related Debt	151.7	150.9	246.6	231.6	398.3	382.5
Restricted	6.5	7.4	15.8	13.2	22.3	20.6
Unrestricted	230.2	226.8	380.6	380.8	610.8	607.6
Total Net Assets	\$ 388.4	\$ 385.1	\$ 643.0	\$ 625.6	\$ 1,031.4	\$ 1,010.7

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)

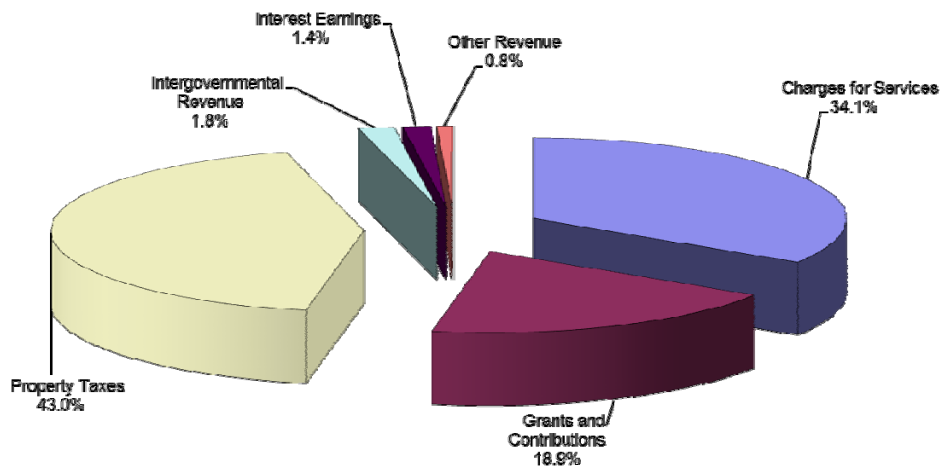
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenue						
Program Revenue						
Charges for Services	\$ 172.4	\$ 117.4	\$ 205.9	\$ 191.8	\$ 378.3	\$ 309.2
Grants and Contributions						
Operating	94.9	82.4	0.1	0.1	95.0	82.5
Capital	0.8	5.0	3.1	5.3	3.9	10.3
General Revenue						
Property Taxes	217.8	244.0	14.5	15.1	232.3	259.1
Intergovernmental Revenue	9.1	9.9	-	-	9.1	9.9
Investment Earnings	7.2	8.3	6.9	8.0	14.1	16.3
Other Revenue	4.0	5.9	-	-	4.0	5.9
Gain on Sale of Assets	-	0.1	-	-	-	0.1
Total Revenue	<u>506.2</u>	<u>473.0</u>	<u>230.5</u>	<u>220.3</u>	<u>736.7</u>	<u>693.3</u>
Expenses						
Public Safety	173.4	187.5	14.5	12.5	187.9	200.0
Justice Administration	85.7	88.2	-	-	85.7	88.2
Citizen Services	84.6	87.1	5.8	6.2	90.4	93.3
Public Works	21.6	21.1	135.3	145.6	156.9	166.7
Recreation and Leisure	1.7	2.5	21.6	20.4	23.3	22.9
Commerce and Community Dev.	67.8	59.4	-	-	67.8	59.4
General Government	64.7	65.2	1.4	2.2	66.1	67.4
Interest on Debt Service	35.9	40.0			35.9	40.0
Unallocated Depreciation	2.0	2.0	-	-	2.0	2.0
Total Expenses	<u>537.4</u>	<u>553.0</u>	<u>178.6</u>	<u>186.9</u>	<u>716.0</u>	<u>739.9</u>
Revenue (Under) Over Expenditures	(31.2)	(80.0)	51.9	33.4	20.7	(46.6)
Transfers - On-going	34.5	23.0	(34.5)	(23.0)	-	-
Increase (Decrease) in Net Assets	<u>3.3</u>	<u>(57.0)</u>	<u>17.4</u>	<u>10.4</u>	<u>20.7</u>	<u>(46.6)</u>
Net Assets - Beginning	385.1	442.1	625.6	615.2	1,010.7	1,057.3
Net Assets - Ending	<u>\$ 388.4</u>	<u>\$ 385.1</u>	<u>\$ 643.0</u>	<u>\$ 625.6</u>	<u>\$ 1,031.4</u>	<u>\$ 1,010.7</u>

County of Oakland Management's Discussion and Analysis

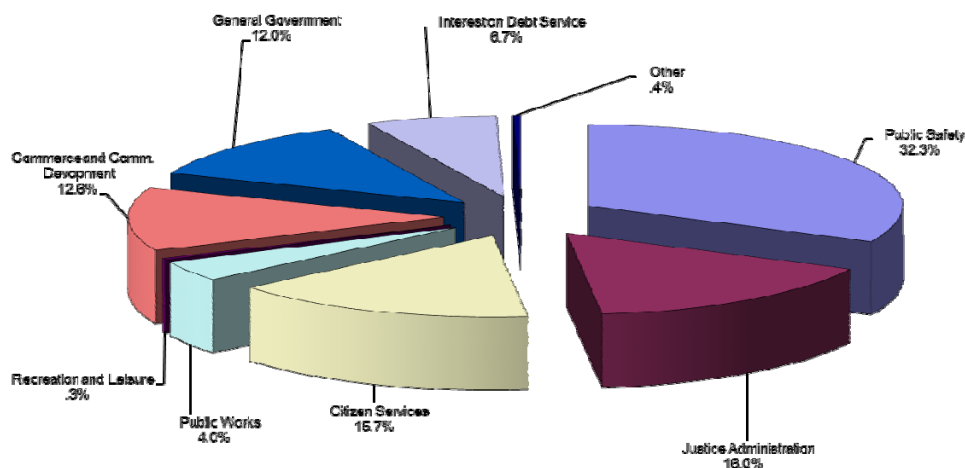
Governmental Activities:

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

Revenue - Governmental Activities Fiscal Year Ended September 30, 2010



Expenses - Governmental Activities Fiscal Year Ended September 30, 2010



In total, fiscal year 2010 governmental activity revenue collections increased by \$33.2 million from fiscal year 2009. Of this amount, charges for services received \$55.0 million more in fiscal year 2010 and grants and contributions were \$8.3 million higher than fiscal year 2009. However, these increases were partially offset by reduced property tax collections of \$26.2 million and reductions in intergovernmental revenue, investment earnings and other revenue of \$3.9 million.

County of Oakland Management's Discussion and Analysis

Property taxes, which generated \$217.8 million in revenue, remains the largest source of support for governmental activities, comprising 43.0 percent of all governmental activity revenue. Governmental activities decreased their dependency on property taxes from fiscal year 2009 when these taxes represented 51.6 percent of governmental activity revenue. The fiscal year 2010 percentage is far below fiscal year 2008, when property taxes represented 60.6 percent of governmental activity revenue. The reduced reliance on property tax revenue is due to shrinking property values rather than substantial increases from other revenue sources.

Property tax revenue decreased by \$26.2 million from the amount realized during fiscal year 2009. This decrease reflects the deterioration of the local real estate market and the subsequent effects on property values. The 2010 Oakland County Equalization Report published \$55.1 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 \$55.1 billion reported as assessed taxable value for 2010 is \$7.3 billion less than the \$62.4 billion reported as assessed taxable value for 2009. This drop in assessed taxable value, multiplied by the County's approved 2010 property tax rate of 4.19 mills, generates a loss of property tax revenue of \$3.1 million. However, after accounting for tax increment financing districts, the loss was \$2.7 million.

The additional \$4.6 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 January 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 January 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

The \$4.6 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
2010	\$ 3,900,000,000	4.19	\$ 16,341,000
	Estimated Loss of 25% of Value Under Appeal		\$ 4,085,250
	Estimated Additional Losses - Small Appeals (Residential / Commercial / Industrial)		\$ 500,000
	Total Estimated Loss from Tax Tribunal Appeals		\$ 4,585,250

It is important to note that the \$4.6 million recorded as a liability for fiscal year 2010 is less than the liability of \$8.3 million recorded in fiscal year 2009. The decrease in the recorded liability is due to the anticipation of reduced future Michigan Tax Tribunal appeals reflecting the fact that the gap between state equalized value and the taxable value of properties in Oakland County has been eliminated for over 90% of properties. The elimination of this gap means that as market value decreases for any particular property, taxable value decreases in an equal amount.

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 revenue generated by specific programs, is the second largest source of governmental activity revenue, generating \$172.4 million or 34.1 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 \$172.4 million collected in fiscal year 2010 represents a \$55.0 million increase from the previous fiscal year. The major portion of this increase is \$44.8 million in additional revenue for the Interim Retiree Medical Benefit Trust Fund (IRMBT), reflecting the fact that the fund earned \$37.4 million in income from its investments during fiscal year 2010 as opposed to experiencing \$7.4 million in investment losses in fiscal year 2009. As 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 funds assets; these investment earnings are reported as charges for services revenue. It is important to note that the IRMBT lost \$69.1 million in investments in fiscal year 2008; therefore, the fund's investments have begun to reverse the trend, and are now making money.

County of Oakland Management's Discussion and Analysis

The remaining \$10.2 million of the changes for services revenue increase includes the recording of \$5.8 million in new capital lease receivables for the Oakland County International Airport; \$1.5 million in additional processing fees under the Sheriff's Office, which reflects a change in accounting of process server payments (previously recorded as a balance sheet item); \$1.5 million reflecting current year adjustments for deferred special assessment revenue (related to lake level projects); \$700,000 in increased Health Division charges for food service licenses inspections and on-site sewage permits reflecting some slight increase in business activity; and \$500,000 in additional board and care revenue for the housing of non-Oakland County court wards in the Children's Village juvenile treatment center.

The third largest source of support for governmental activities is the \$95.7 million received in operating and capital grants and contributions during fiscal year 2010, which is 18.9 percent of the total revenue for governmental activities. This amount represents an \$8.3 million increase from fiscal year 2009. Included in this total change is \$12.5 million for increased operating grants which consists of an additional \$10.7 million in federal dollars for Housing and Community Development efforts including neighborhood stabilization and homeless prevention and re-housing; as well as an additional \$4.8 million in workforce development grants, particularly American Recovery and Reinvestment Act (ARRA) funding for dislocated workers and adult employment transition. These increases in the above operating grants were partially offset by the completion, in fiscal year 2009, of two other ARRA workforce development grants, one for adult training and one for youth training.

Capital contributions and grants decreased by \$4.2 million, reflecting the completion of equipment capitalization in fiscal year 2009 for the Courts and Law Enforcement Management Information System (CLEMIS) Fund in the amount of \$1.3 million as well as the completion of \$1.5 million in federal COPS MORE grant purchases in fiscal year 2009 and completion of \$1.3 million in Domestic Preparedness Equipment grant purchase also in fiscal year 2009.

Oakland County governmental activities also recorded \$9.1 million in intergovernmental revenue during fiscal year 2010, an \$800,000 decrease from the amount received in fiscal year 2009, 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 \$7.2 million in investment earnings during fiscal year 2010; this amount reflects a decrease of \$1.1 million from the amount earned in fiscal year 2009. The decrease is attributed to a shrinking investment base for all funds administered by the County.

Governmental activity fiscal year expenses decreased \$15.6 million from the fiscal year 2009 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. These efforts affected all activity areas and operational departments and make up a majority of the reason for the expense decrease noted under the activity areas listed below.

For governmental activities in total, personnel expenses (salaries, overtime, and fringe benefits) fell \$4.2 million from the fiscal year 2009 amount. This total reduction includes salary expense reductions of \$9.6 million, partially offset by fringe benefit expenses of \$5.4 million.

County of Oakland Management's Discussion and Analysis

In general, the reduced personnel expense reflects the fact that all County employees, with the exception of the Oakland County Deputy Sheriff's Association (with whom negotiations continue), took a 2.5 percent reduction in base salary. In addition, the County policy of not filling vacant full-time, benefit-eligible authorized positions during fiscal year 2010 unless the particular position was required for public safety (24/7) operations resulted in having 117 authorized positions vacant by the end of fiscal year 2010. (Note, 60 of these vacant positions were deleted with the fiscal year 2011 budget). Further, an additional 181 full-time benefit-eligible positions were filled with part-time no-benefit (non-eligible) employees by the end of the fiscal year.

The fringe benefit expense increase is a recognition of additional expenses for active employee health care of \$3.2 million (even though implementation of the OakFit Wellness Program has reduced the usual inflationary increases); increased defined contribution payments of \$1.1 million to employees under Oakland County's Performance Retirement System; increased fringe benefit cost of \$1.1 million required as a result of the Public Act 312 (binding arbitration) ruling concerning the Oakland County Deputy Sheriff's Association; and \$700,000 for increased unemployment compensation cost related to the federal government's extension of this benefit.

Internal services costs, beyond the personnel savings described above, decreased by \$6.0 million from the amount spent during fiscal year 2009. This additional reduction reflects continued implementation of "green technology" which allowed Facilities, Maintenance, and Operations to reduce rental rates for all Oakland County facilities by \$2.6 million and provide a "look back credit" of \$2.2 million for fiscal year 2009 cost. Depreciation expense also decreased by \$1.5 million as equipment aged without purchase of replacement assets.

Commodity expenses, purchases of expendable goods such as office and laboratory supplies, were \$1.3 million less in fiscal year 2010 than the previous fiscal year. This reduction continues the pattern from fiscal year 2009 which saw these expenses fall \$4.1 million from the amount expended in fiscal year 2008. Elected Officials continue to scrutinize each requested item to make certain that the purchase was required to perform necessary activities. In addition, the Department of Management and Budget's Purchasing Division, working with the operating departments, made a concerted effort to negotiate with the County's vendors in order to secure price reductions. Capital outlay expenses were reduced by \$2.0 million reflecting the completion of several projects and purchases financed through special revenue.

These actions affected all governmental activity areas, and virtually explain the decreased expenses experienced in fiscal year 2010 in all governmental activities. Two activities, Commerce and Community Development and Public Works, however, experienced overall increases, despite participating in the cost reduction efforts listed above.

Public Safety continued to be the largest governmental activity, expending \$173.4 million of the \$537.4 million total governmental activities amount (32.3 percent). Public Safety expenses encompass law enforcement, crime prevention, incarceration, emergency management, and technical support. Public Safety expenses decreased by \$14.1 million (7.5 percent) from the previous fiscal year. Of the total decrease, \$7.1 million reflects various personnel actions including recognizing the full year cost of the closing of several satellite corrections facilities including the Southfield Detention Facility and the Trusty Camp (\$3.0 million). These facilities were closed as part of the Sheriff's Office consolidation plan implemented to meet required budget reductions. In addition, patrol services were decreased by \$1.0 million as contracting communities, facing budget shortfalls, decided to reduce contracted deputy services. The remaining portion of the personnel related reductions are due to the fact that this activity averaged 23 vacant budgeted positions during the course of fiscal year 2010. Many of these vacancies occurred in the Sheriff's Office and were purposely held vacant to cover the fact that the Oakland County Deputy Sheriff's Association has not yet negotiated to accept the 2.5 percent base salary reductions. All employees not represented by this particular union had their base salaries reduced by the 2.5 percent amount.

County of Oakland Management's Discussion and Analysis

In addition to the personnel actions above, this activity expensed \$3.3 million less under two federal pass-through law enforcement grants. Both the COPS More and Domestic Preparedness Equipment grants basically completed their operational purposes in fiscal year 2009. Finally, the Public Safety operations received a \$2.1 million "lookback" credit from the Facilities Management department, as charges to all facilities were reduced so as to maintain a proper working capital amount in the Facilities Management and Operations Fund, in accordance with Federal Office of Management and Budget (OMB) Circular A-87. The Oakland County Jail, funded under this activity, received a large credit due to its size (credit was based upon square footage).

Closely linked to Public Safety, Justice Administration is the second largest expense category accounting for \$85.7 million, or 16.0 percent, of the total governmental activity expenses. The Justice Administration activity, which centers on the operations of the 6th Judicial Circuit Court, 52nd 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 \$2.5 million expense decrease (2.8 percent) from the previous fiscal year. This decrease is spread across all functions included under this activity and reflects the 2.5 percent base salary reduction as well as an average of 12 vacant full-time benefit-eligible positions during fiscal year 2010.

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 \$84.6 million in expenses, or 15.7 percent, of the total governmental activities. Expenses for this activity decreased by \$2.5 million from the fiscal year 2009 level (2.9 percent). In addition to the effects of the 2.5 percent base salary reduction, expense under this activity was reduced through continuing efforts aimed at transitioning Circuit Court wards 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 youth funded through the County's child care fund. In addition, the Health Division spends less on substance abuse prevention efforts due to uncertainty of State funding. Confirmation of the State appropriation was not received until late in the fiscal year, generating less activity. The unspent State appropriation has been carried forward into fiscal year 2011. These efforts were partially offset by increases in certain grants related to public health activities.

Commerce and Community Development, which reflects all efforts to promote and sustain a strong economic business climate and vibrant communities, experienced \$67.8 million in expenses, an increase of \$8.4 million (14.1 percent) from fiscal year 2009. This increase is reflective of additional net expenses of \$5.5 million for housing and community development efforts such as housing counseling, supported by additional federal/state (primarily American Recovery and Reinvestment Act – ARRA) funding; as well as \$3.5 million in additional job location and displaced worker training efforts also supported by federal/state funding. These increases were partially offset by reduced personnel expenses previously discussed.

The General Government activity, which is comprised of the administration and financial management of County business, expensed \$64.7 million in fiscal year 2010, or 12.0 percent of the total governmental activities expenditures. The level of expenditures in fiscal year 2010 decreased by \$500,000 from fiscal year 2009 (.01 percent) reflecting the 2.5 percent base salary reductions. These reductions were partially offset by increased costs related to the expansion of assessing services provided, via contract, to local cities, villages and townships as they struggle to meet shrinking budgets. The increased assessing costs were offset by an equal amount of additional revenue.

County of Oakland Management's Discussion and Analysis

The Public Works activity, which includes the operating systems that form the infrastructure of basic county functions, expended \$21.6 million in fiscal year 2010, up \$500,000 from fiscal year 2009, a 2.4 percent increase. This slight increase consists of an increase of \$2.0 million for work begun on the collaborative asset management system (CAMS), which will help Facilities Management, the Water Resource Commissioner and local cities, villages, and townships more accurately monitor their infrastructure assets assisting them to plan for orderly maintenance and replacement. The cost of implementing the CAMS was partially offset by a "lookback" charge provided to all County operations by the Facilities Management. The lookback is a net increase expense to Public Works of \$700,000 which resulted in a reduction to other activities. Further, Public Works operations averaged four (4) vacant full-time benefit-eligible positions during fiscal year 2010, filled nine (9) full-time benefit eligible positions with non-benefit eligible employees plus having the employees participate in the 2.5 percent base salary reduction. All these personnel actions further offset a portion of the increased expense.

Finally, operating transfers reflect a net transfer of \$34.5 million from business-type activities to the governmental activities; this is an increase of \$11.5 million from the net transfer amount in fiscal year 2009. As is explained in more detail in the "Financial Analysis of the County's Major Funds" section of this Management's Discussion and Analysis, this increased net transfer amount reflects one-time and limited time transfers from several business-type activity funds, to support General Fund operations.

As stated previously, the result of fiscal year 2010 governmental activity was an overall increase of \$3.3 million in net assets, to \$388.4 million. This amount reflects the fact that the County's governmental activities expended \$31.2 million more than the revenue generated, offset by \$34.5 million in transfers in from the business-type activities. Of the total \$388.4 million in governmental activities' net assets, \$151.8 million is invested in capital assets less related debt; \$6.5 million is reported as restricted, meaning these assets are legally committed for a specific purpose through statute or by another authority outside the County government; and \$230.2 million is reported as unrestricted.

Business-type Activities:

Net assets in business-type activities are reported at \$643.0 million for fiscal year 2010, an increase of \$17.4 million over the amount reported at the end of fiscal year 2009. Of the total net assets, \$246.6 million is invested in capital assets net of related debt, \$15.8 million is restricted by agreement or covenant, and \$380.6 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.

During fiscal year 2010, business-type activities generated \$230.5 million in revenue; this is an increase of \$10.2 million (4.6 percent) from the previous fiscal year. The overall net increase in revenue includes an increase of \$14.1 million in charges for services revenue, partially offset by a \$2.2 million decrease in grants and contributions; a \$1.1 million in reduced interest earnings, and a \$600,000 decrease in property tax collections.

Almost all of the \$14.1 million in increased charges for services collections during fiscal year 2010 was a result of fee increases in the four (4) sewage disposal systems (Southeast Oakland, Evergreen-Farmington, Clinton-Huron, and Huron-Rouge), established to recover losses experienced by those systems in fiscal year 2009, as well as additional fee increases for the water and sewer systems, for the same reason (\$11.2 million). The remaining portion of the charges for services increase reflects increased activity for the Parks and Recreation, due to a warm summer increasing attendance at the County's water parks and golf courses; and Court and Law Enforcement Information Management System (CLEMIS) operations reflecting a new revenue stream from the CLEMIS Crash and CLEMIS Citation programs.

County of Oakland Management's Discussion and Analysis

Partially offsetting the charges for services increase was a reduction of \$2.2 million in grants and contributions, specifically capital grants and contributions reflecting the completion, in fiscal year 2009, of the installation of public safety equipment for interagency radio communications and dispatch.

The increases, during fiscal year 2010, in business-type activity revenue collections were partially offset by \$1.1 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 \$178.6 million, a decrease of \$8.3 million from fiscal year 2009 (4.5 percent). This net expense decrease primarily reflects a combination of a \$2.0 million increase in the Public Safety activities related to the activation of new communities leading to higher use of radio and dispatch equipment. In addition, Recreation and Leisure activities experienced a \$1.2 million increase above fiscal year 2009 expenses related to increased services provided through the Parks and Recreation Commission due to the warm summer expanding the use of the County's water parks and golf courses.

These modest increases were offset by a \$10.3 million decrease in Public Works activities, which reflects decreased usage of the four (4) sewage disposal systems listed above in the business-type activity revenue discussion as well as the water and sewer systems. Further, the General Government activities expenses decreased \$800,000 from the previous year due to completion of the delinquent tax system programming in fiscal year 2009. In addition, Citizens Services spent \$400,000 less in fiscal year 2010 as the operations under this activity participated in the county-wide hiring and capital outlay expense freeze.

Finally, there was a \$34.5 million transfer to governmental activities discussed in the governmental activity section.

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 revenue 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 2010, the governmental funds reported *combined* fund balances of \$661.8 million with the fund balances of the General Fund, the Revenue Sharing Reserve Fund, and the Interim Retiree Medical Benefit Trust Fund representing 89.8 percent of the combined governmental funds balance.

The fiscal year ending combined fund balances of \$661.8 million is a decrease of \$8.8 million from the combined fund balances reported at the end of fiscal year 2009. The decrease in the combined governmental funds balance reflects designed reductions in the Revenue Sharing Reserve Fund (RSRF) of \$24.0 million, the Interim Retiree Medical Benefit Trust Fund (IRMBT) of \$58.8 million (partially offset by an increase of \$37.4 million in investment income, leaving a net loss of \$21.4 million), and the Capital and Cooperative Initiatives Revolving Fund (CCIRF) of \$7.1 million. The designed use of the RSRF and the CCIRF supported General Fund operations; the IRMBT resources were used to cover the Annual Required Contribution (ARC) for retiree health care. These planned uses were partially offset by an increase of \$42.7 million in the General Fund balance.

County of Oakland

Management's Discussion and Analysis

General Fund

The General Fund is the chief operating fund of the County. Unless otherwise required by statute, contractual agreement or policy, all County revenue and expenditures are recorded in the General Fund. As of September 30, 2010, the General Fund reported a fund balance of \$149.0 million. This amount reflects an increase of \$42.7 million from the fund balance of \$106.3 million reported as of September 30, 2009.

The overall \$42.7 million increase in the General Fund balance is a result of General Fund revenue exceeded General Fund expenditures by \$30.8 million, as well as having the General Fund receiving \$64.4 million transfers from other funds, while transferring \$52.5 million to other funds, rendering a net "transfer-in" of \$11.9 million. As explained below, the increase in the General Fund balance is due to a concerted effort to limit expenditure growth to match a shrinking revenue base as well as additional limited and one-time transfers from non-General Fund sources into the General Fund.

General Fund revenue was recorded at \$326.9 million for fiscal year 2010. This amount reflects a decrease of \$26.1 million from the \$353.0 million received in fiscal year 2009. This decrease primarily reflects a reduction of \$23.6 million in tax revenue related to the reduction of property values discussed earlier under the "Financial Analysis of the County as a Whole" section of this Management's Discussion and Analysis. Further, intergovernmental revenue decreased \$1.0 million related to constricted State of Michigan reimbursements.

General Fund expenditures were \$296.1 million, \$11.1 million less than the fiscal year 2009 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.

The General Fund received \$64.4 million in transfers from other funds; this is an increase of \$21.1 million from the amounts transferred in during fiscal year 2009. This increase in the use of other resources is part of a long-term plan to provide fiscal stability for County operations. Specifically, several funds retained balances above the amounts required to meet their statutory and financial obligations. These funds include the Delinquent Tax Revolving Fund (DTRF), the Property Forfeiture Fund and the Delinquent Personal Property Tax Administration Fund (DPPT). Rather than leaving these funds with balances in excess of the amounts required, the County Administration recommended that a portion of the excess amounts be transferred to support General Fund operations while the County's Elected Officials develop and implement thoughtful plans to restructure and reduce County General Fund expenditures to meet revenue shortfalls. The amounts transferred from these funds, \$26.4 million from the DTRF, \$3.9 million from the Property Forfeiture Fund, and \$1.8 million from the DPPT Fund, represent either one-time amounts or limited-time amounts (two years for DTRF and Property Forfeiture) and will not harm the financial or statutory performance of those funds.

In addition, two funds, the Capital and Cooperative Initiatives Revolving Fund (CCIRF) and the Jail Population Management Fund, completed the work and projects that led to their original creation. Therefore, the balance of these funds, \$7.1 million from CCIRF and \$1.4 million from the Jail Population Management Fund, were transferred to the General Fund on a one-time basis providing County Elected Officials with additional flexibility to meet revenue challenges. Finally, \$24.0 million was transferred from the Revenue Sharing Reserve Fund (RSRF) as required by State statute. The RSRF transfer is discussed in more detail below.

County of Oakland Management's Discussion and Analysis

The General Fund transferred \$52.5 million to other funds during fiscal year 2010. This amount is \$14.6 million less than the fiscal year 2009 transfers, primarily reflecting the completion of a majority of the CCIRF capital projects during fiscal year 2009 thus eliminating a \$11.5 million General Fund transfer to that fund, as well as reduced General Fund transfers to the Public Health Fund (\$2.1 million) and the Child Care Fund (\$1.4 million) reflecting the reduced expenditures experienced by those funds.

Of the total \$149.0 million General Fund balance, all but \$516,356 is reserved, designated, or earmarked for specific purposes. The total fiscal year 2010 General Fund balance represents 38.9 percent of the fiscal year 2011 General Fund/General Purpose operations. However, it should be noted that \$68.7 million from General Fund balance has been designated for "Budget Transition" to support future operations. This designation was developed through the acceleration of budget reductions planned for future fiscal years. When this designation is removed, the remaining fund balance represents 20.1 percent of the fiscal year 2011 General Fund/General Purpose operations. The General Fund balance of \$149.0 million represents 22.5 percent of the combined fund balances of the governmental funds.

General Fund Budgetary Highlights

Oakland County's budget is a dynamic document. Although adopted on September 24, 2009 (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 \$4.7 million during fiscal year 2010, from \$319.2 million to \$323.9 million (1.5 percent). The revenue budget was amended in a number of areas; however, the most significant change occurred in the Sheriff's Office budget, by recording civil processing revenue under the General Fund budget, instead of the General Fund liability account for Sheriff – Civil Processing, along with an increase in service of Personal Protection Orders (PPOs) by the Sheriff's Office, increased the budget by \$1.5 million. In addition, the Sheriff's Office salary reimbursement revenue was amended by \$1.0 million due to an increase in overtime costs associated with contracted services. Other amendments included increasing the Water Resource Commissioner's revenue budget by \$682,400 for the Collaborative Asset Management System (CAMS) Project, which experienced a delay in 2009, thereby extending the plans and associated revenue into fiscal year 2010; the Equalization Division received additional contracts for appraisal and reappraisal services, increasing revenue by \$514,100; additional revenue of \$494,000 in the Treasurer's budget was due to an increase in property valuations from Downtown Development Authority (DDA) properties; Indirect Cost revenue was budgeted on a conservative basis due to the State's fiscal challenges and the County's uncertainty regarding their plans to continue funding for various grants. Fortunately, funding was approved, increasing the revenue budget for Indirect Cost by \$535,500.

Actual General Fund revenue totaled \$326.9 million, \$3.0 million more than the final amended budget. Although variances naturally occur in every revenue line item, there were variances significantly higher or lower in four particular areas. First, property tax revenue came in at \$4.6 million higher than budgeted, as the decline in Taxable Value was less than anticipated, offset by \$1.7 million due to an increase in the number of Michigan Tax Tribunal cases from lower property assessments. Second, the housing activity improved more so than expected this past year, including the use of Enhanced Access for searching on-line property records as reflected in the Clerk/Register of Deeds revenue of \$958,000 over budget. Revenue also exceeded the budget due to a surge of activity in obtaining gun permits, requests for certified copies, increase in garnishments, motions and civil actions, all generating an additional \$492,000 in revenue; offset by \$296,000 collected in fees and reimbursements due to less counteractivity (with increased electronic filing of court documents), fewer bond forfeitures, and the consolidation of local school elections. Finally, with the market adjustments and increase in the rate of interest over the past year, the County's investment income fared better than anticipated on the rate of return in investments by \$900,000.

County of Oakland Management's Discussion and Analysis

Unfortunately, some areas did not meet their budget by a considerable amount for various reasons. The department most reflective of this is 52nd District Courts which collected \$736,000 less than anticipated. This was primarily due to a decline in caseload and the inability to collect on fines and fees, as the public continues to face hardships with the economic downturn.

The Water Resources Commissioner also received \$672,500 less than budgeted due to needing additional time to complete the planning/requirements phase of the CAMS project. Continued postponements have moved the anticipated date of completing the development/testing phase into FY 2011.

The negative revenue variance of \$423,100 under Management and Budget is the result of overstated revenue within the Equalization Division. As briefly noted earlier in the highlights, the Equalization Division's adopted budget included revenue from anticipated contract agreements with various municipalities to provide services for appraisal and reappraisal of properties. The revenues for these services were included in the original budget, as it was anticipated during the budget process that the contract agreements would be renewed. However, as some of the contracts were submitted for approval by the Board of Commissioners, a budget amendment increasing the revenue for these services was inadvertently included in the resolution, thereby duplicating the contract appropriations.

Finally, funding from the State of Michigan for the County's share of Cigarette Tax Distribution was less than anticipated by \$242,700.

The General Fund expenditure budget increased by \$6.6 million from \$326.6 million to \$333.2 million during fiscal year 2010. One major factor relates to insufficient retirement and medical fringe benefit appropriations within a number of departments. This was due to a change in the actual rates for medical costs charged to the County versus the estimated rate used at the time of preparing the departmental allocations for the budget process. The retirement costs are significantly higher for departments due to a large number of position deletions, and an increasing shift by departments in utilizing part-time, non-eligible positions and fewer full-time eligible positions. The Fringe Benefit Fund's anticipated level of retirement contribution is tied to the number of full-time benefit-eligible positions utilized. The practice of filling these positions with non-benefit eligible employees reduces the overall cost of fringe benefits; however, it also reduces the revenue the Fringe Benefit Fund anticipated in order to pay its fixed cost. In order to make the Fringe Benefit Fund whole, a budget amendment of \$417,100 increasing the expenditures in the General Fund was necessary. The General Appropriations Act requires that appropriations accumulate at the following three summary levels of expenditures within each County Department and are deemed maximum authorization for expenditures: Personnel Expenditures, Operating Expenditures, and Internal Support Expenditures.

The Sheriff's Office accounts for about 85 percent of the total amendments, having \$5.6 million in amendments, with \$2.2 million included in the retirement and medical fringe benefits amendment previously mentioned. During the year, the Sheriff's Civil Processing Fees were shifted from the General Fund Liability Account – Sheriff – Civil Processing to the General Fund expenditure account for Civil Processing Fees, which amended the budget by \$1.4 million. Also, \$1.0 million was added for overtime, with the increase in Contracted Services, \$940,000 primarily for required matching funds with various grants affiliated with the Sheriff's Office, and \$64,600 credited to the Sheriff's "budget task" to reflect a reduction in the number of patrol vehicles in an effort to cut back costs.

As noted under the amended revenue budget explanations, the Water Resources Commissioner experienced a delay in completing the Collaborative Asset Management Systems (CAMS) project and therefore, a \$682,400 amendment was made to appropriate funds for the expense of the project in FY 2010 to continue the project.

County of Oakland Management's Discussion and Analysis

Further amendments included funds carried forward from FY 2009 as follows: \$1.0 million for payments to the local hospitals contracted with the County's Indigent Hospitalization program; \$301,000 for a one-time drainage district construction assessment related to the Franklin Sub-Watershed drainage district, which had several assessments for various projects, and resulted in a shortfall in the Non-Departmental - Drain Assessments; \$328,000 for updating the Economic Development's Solid Waste Management Plan, which had been delayed on account of the State reformatting the plan guidelines, and for the expense of planning activities for the Emerging Sector, Medical Main Street, and Destination District programs; \$346,000, primarily to continue Circuit Court initiatives of video conferencing and other technical improvements for arraignments; and \$111,300 for the purpose of improving efficiencies with processing toxicology screenings and preparing autopsy reports within the Medical Examiner's Office.

It may be noticed that the non-departmental area, which accounts for operations that have a countywide impact, reflects a budget decrease of \$5.6 million during fiscal year 2010. However, it should be noted that those adjustments primarily reflect the movement of appropriations 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 2010 were \$37.1 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.

This favorable expenditure variance includes \$1.8 million in salary and fringe benefit savings 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, a \$20.0 million savings in the non-departmental budget reflects the cumulative effect of the accelerated budget reductions implemented by the County's elected officials in fiscal year 2009 carried forward to fiscal year 2010. These anticipated savings were planned and budgeted in a non-departmental account titled "Budget Transition." As is previously explained, 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 \$20.0 million in "unspent" Budget Transition appropriation falls to General Fund balance and is held in designation to be used in future fiscal years.

Further \$6.6 million in operating appropriations were also unspent. This amount includes \$5.6 million in funds appropriated for specific projects which were not completed in fiscal year 2010; thus the funds were "carried forward" or reappropriated into fiscal year 2011. Some of the larger carryforward amounts include \$2.1 million for Tri-Party Road Improvement Program contracts, which is a collaborative effort between Oakland County, the Road Commission of Oakland County (RDOC), and the individual cities, townships, and villages (CVTs) located within the county, in which each one contributes a one-third share of the program to the RCOC once projects have been identified; \$2.6 million to support anti-substance abuse programs through local operators; \$370,300 to continue Economic Development and Planning Development professional services, advertising and international business recruitment expenses for ongoing marketing activities and planning projects; \$180,000 to continue OakVideo defense attorney video arraignment pilot program with the Circuit Court; and \$134,000 to cover one-time drainage district construction assessment related to the Franklin Sub-Watershed drainage district.

Finally, the positive expenditure variance includes \$6.0 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.

County of Oakland Management's Discussion and Analysis

The adopted budget also included other financing sources and uses for General Fund operations, 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 \$7.2 million less 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 2010 by \$4.4 million from \$56.9 million to \$61.3 million. Amendments included increased planned transfers from the General Fund in the amount of \$1.5 million to the Public Health Fund reflecting \$1.0 million of it for substance abuse satellite centers carryforward of fiscal year 2009 unspent funds and additional fiscal year 2009 state appropriations; \$821,000 in planned transfers to the Child Care Fund reflecting anticipated increase in child care costs for wards of the Oakland County Circuit Court and retirement adjustment to Circuit Court budget due to insufficient appropriation in original budget as mentioned earlier with other departmental adjustments, \$750,000 in planned transfers to the Law Enforcement Grants to provide required matches for grant allocations; \$608,200 transferred to the Project Work Order Fund for renovations within the Circuit Court, Sheriff's Work Release facility, Equalization offices, and to install carpet and repair showers in the Children's Village facilities; \$382,000 planned transfer to Housing and Community Development Fund to provide required county match for HOME Investment Partnership Grant; \$244,000 to the CLEMIS Fund to upgrade the Sheriff's forensic lab software technology and to cover the operations, construction, and necessary provisions related to the extension of operating surcharges on telephone lines (July 1, 2010 - June 30, 2011) defined by the State statute and authorized by the Board of Commissioners per MR. #10076; and \$100,000 transferred per MR. #09220 for the creation of the Oakland County Micro-loan Program, which provides very small business loans as start-ups for newly established or growing small businesses within the County.

Actual financing uses from the General Fund were \$9.1 million less than budgeted. This reflects the actual resources needed by the Child Care Fund (\$4.6 million), the Public Health Fund (\$4.0 million), and the Friend of the Court Fund (\$102,000) 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, the transfer anticipated from the Equipment Fund (\$50,000) to the Circuit Court for Video Arraignment Equipment Project was inadvertently omitted; and (\$135,500) in Radio Communication funds, which were previously used to cover 50% of equipment maintenance on the County's Public Safety Answering Point Systems (PSAPs). However, most PSAPs are now part of the new Next Generation 911 system equipment.

As an offset to the financing uses, the General Fund received \$214,800 over the Amended Budget to be transferred in from the Delinquent Tax Revolving Fund Budget due to an increase in collection of fees as a result of increased real estate foreclosures and unfavorable economic conditions.

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.

County of Oakland Management's Discussion and Analysis

For fiscal year 2010, the County's contract actuary calculated the ARC payment to be \$58.8 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. In addition, IRMBT investments earned \$37.4 million in interest, a substantial improvement from the \$7.4 million in investment losses recorded in fiscal year 2009. This increase in investment earnings, plus minor charges for services amount to the VEBA (\$14,817), means the fund balance was reduced by \$21.4 million at the end of fiscal year 2010.

The September 30, 2010 IRMBT fund balance of \$337.6 million represents 51.0 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 in 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, 2010, the Revenue Sharing Reserve Fund had a fund balance of \$107.8 million, which represents 16.3 percent of the combined funds balance of the governmental funds. This amount is a \$23.2 million decrease from the fund balance as of September 30, 2009. 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 (\$728,971 in fiscal year 2010) is the only source of revenue. The RSRF transferred \$24.0 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 fund balances of \$6,826. These funds function as a pass-through for various activities and are designed to retain a small fund balance. As of September 30, 2010, the combined fund balance of these three funds totaled \$37,906. 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

Enterprise Funds

There are five (5) *enterprise funds* that are classified as major: the *Delinquent Tax Revolving Fund*, the *Parks and Recreation Fund*, the *County Airport Fund*, the *Water and Sewer Trust Fund*, and the *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund*. As of September 30, 2010, the enterprise funds had combined net assets of \$643.0 million, an increase of \$17.4 million from the combined fund balances reported at the end of fiscal year 2009. The five major enterprise funds alone reported net assets of \$488.0 million (75.9 percent of the total combined enterprise net assets). The net asset of these five major enterprise funds increased by \$11.9 million during fiscal year 2010, which is 68.4 percent of the combined enterprise net asset increase. The \$11.9 million increase represents a 2.4 percent increase in the net assets of the five major enterprise fund balances.

Four of the five major enterprise funds experienced an increase in net assets. The *Water and Sewer Trust Fund* increased its net assets by \$7.2 million (10.3 percent) to \$70.1 million. This increase reflects additional revenue related to a rate increase and usage adjustments in the various community water and sewer system as well as reimbursement from the Detroit Water and Sewer system for an overcharge and a new grant from the Michigan Economic Development Corporation for a water project initiative. Further, fund expenses also decreased, specifically in the water purchase line item, the sewage disposal services line item, and the materials and supplies line items reflecting the fluctuation in use.

The *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund* experienced a \$7.3 million (33.0 percent) increase in net assets to \$29.4 million. The primary reason for the increase in net assets is a \$6.8 million revenue increase over fiscal year 2009 collections. Included in this revenue increase is a rate increase (to recover from the loss recorded in fiscal year 2009) as well as return of advances from the *SOCSDS* construction funds. Finally, sewage disposal expenses decreased due to fluctuation in use.

The *Parks and Recreation Fund* net assets increased \$1.4 million (1.5 percent) during fiscal year 2010 to a total of \$95.6 million in net assets. This increase was a result of efforts implemented by the Parks and Recreation Commission to curtail expenses in the face of current and projected future revenue reductions. Although revenue decreased by \$500,000 from the previous fiscal year, the Parks and Recreation Commission's participation in the County-wide effort to curtail expenditures resulted in revenue exceeding expenses by \$1.4 million.

The *County Airport Fund* generated \$301,200 in net assets above the fiscal year 2009 amount, ending fiscal year 2010 with \$67.9 million in net assets. This increase in net assets reflects reduced expenses as the Airport participated in the County-wide effort to reduce expenditures to meet shrinking revenue.

The *Delinquent Tax Revolving Fund (DTRF)* ended fiscal year 2010 with net assets of \$225.0 million, \$4.3 million (2.0 percent) less than the net assets recorded at the end of fiscal year 2009. This decrease is a result of an additional transfer to the General Fund to support on-going operations previously discussed under the "Financial Analysis of the General Fund" section of this Management's Discussion and Analysis as well as the Transmittal Letter preceding this MD&A. It is important to note that approximately \$200.0 million in net assets is required to remain in the *DTRF* in order to meet its statutory and financial requirements; the fiscal year 2010 net assets of \$225.0 million still exceed that requirement.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal year 2010, the County had invested \$447.4 million, net of accumulated depreciation, in a broad range of capital assets (see table below). This amount of net capital assets reflects an increase of \$10.8 million from the fiscal year 2009 amount, all of which can be attributed to business-type activities.

County of Oakland Management's Discussion and Analysis

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 7.4	\$ 7.4	\$ 58.3	\$ 55.6	\$ 65.7	\$ 63.0
Land Improvements	0.2	0.2	5.5	6.5	5.7	6.7
Buildings and Improvements	145.9	151.1	46.9	48.8	192.8	199.9
Equipment and Vehicles	24.3	25.3	38.9	10.9	63.2	36.2
Infrastructure	14.8	15.2	82.0	76.4	96.8	91.6
Subtotal	<u>192.6</u>	<u>199.2</u>	<u>231.6</u>	<u>198.2</u>	<u>424.2</u>	<u>397.4</u>
Construction in Progress	<u>8.2</u>	<u>5.9</u>	<u>15.0</u>	<u>33.4</u>	<u>23.2</u>	<u>39.3</u>
Total Capital Assets	<u>\$ 200.8</u>	<u>\$ 205.1</u>	<u>\$ 246.6</u>	<u>\$ 231.6</u>	<u>\$ 447.4</u>	<u>\$ 436.7</u>

Net capital assets for the governmental activities decreased by \$4.2 million in fiscal year 2010. This change includes an increase of \$2.3 million in construction in progress. This increase is offset by a reduction of \$6.6 million in building and improvements, equipment, vehicles and infrastructure (all net of accumulated depreciation). In terms of gross numbers, the County's governmental activities had additions to capital assets of \$8.9 million, \$6.5 million in disposals of capital assets, and \$6.7 million increase in net accumulated depreciation.

Changes in governmental capital assets includes \$2.5 million in additions for buildings and improvements, equipment and infrastructure (this figure does not include depreciation) reflecting the capitalization of projects under construction in 2009. The primary additions include completion of an improved property tax assessment and collection system (\$1.4 million); installation of a fuel tank for Central Garage (\$400,000); the replacement of the roof to the Children's Village School (\$300,000); and the replacement of the parking lot at the South Oakland Office building (\$400,000).

Governmental activities also purchased \$3.4 million in equipment and vehicles during fiscal year 2010 (this figure does not include depreciation) including: \$1.5 million in replacement vehicles for the Sheriff, Facilities Maintenance and Operations, and the Water Resources Commissioner; \$600,000 in general equipment including 80 mobile data computers for Sheriff patrol vehicles and upgrades to the audio/video equipment in the circuit court courtrooms; \$250,000 in additional Information Technology equipment for various departments; \$900,000 for equipment related to water/sewer and drain activity, including a sewer jet truck and two vactor trucks. In addition, the County disposed of \$5.8 million in equipment and vehicles during fiscal year 2010. The disposals primarily reflected the vehicles which were replaced by the new purchases discussed above and computer equipment which was sold at auction.

The decrease in governmental activities capital assets was offset by a \$2.3 million increase in construction in progress activities. There were new projects started during fiscal year 2010 including work on collaborative asset management systems for Facilities Management and the Water Resources Commissioners office (\$2.0 million), and renovations to the Work Release Facility for additional jail inmate housing (\$200,000).

County of Oakland Management's Discussion and Analysis

Net capital assets for the business-type activities increased \$15.0 million during fiscal year 2010. This change includes increases to land (\$2.7 million), equipment and vehicles (\$28 million), and infrastructure (\$5.5 million). These increases were offset by decreases in construction in progress (\$18.4 million), land improvements (\$1.0 million) and buildings and improvements (\$1.9 million). In terms of gross numbers, the County's business-type activities had additions to capital assets of \$79.8 million, \$53.3 million in disposals of capital assets, and a \$11.5 million net increase in accumulated depreciation.

The net increase of \$15.0 million in capital assets consists of various additions, disposals, and depreciation. The additions include the purchase of \$2.7 million in additional land by the Parks and Recreation Commission to expand both Waterford Oaks Park and Highland Oaks Park; \$40.5 million in new equipment and vehicles including \$39.5 million related to the deployment of a multi-jurisdictional interoperability radio system and \$1.0 million related to the Courts and Law Enforcement Management Information System (CLEMIS) activity for the Biometric Identification System; \$10.6 million in infrastructure assets including \$2.0 million for a west perimeter road at the Oakland County International Airport; and \$8.6 million in radio tower rights which are to be amortized in the Radio Communications Fund.

The above additions were offset by \$12.4 million in depreciation expense.

The net increase of \$15.0 million in capital assets was offset by a net decrease of \$300,000 due to the disposal of components of the old terminal building at the Oakland County International Airport and a net decrease of \$18.4 million in construction in progress of business-type activities. This net figure includes \$25 million in additional or on-going projects including \$4.3 million in Parks and Recreation activity of which \$3.3 million was land acquisitions for Independence Oaks Park and Highland Oaks Park, \$600,000 was for parking lots at Waterford Oaks Park and Red Oaks Park, and \$350,000 was for a new playlot at Waterford Oaks Park; \$6 million on the construction of a terminal building at the Oakland County International Airport; CLEMIS activity related to the record management system upgrade (\$600,000) and Integrated Biometric Identification System (\$200,000); and \$13.9 million toward a radio system for multi-jurisdictional interoperability between municipal safety jurisdictions.

These additions were offset by \$43.4 million in reductions in construction in progress which includes completion of the multi-jurisdictional interoperability radio system (\$39.5 million), the CLEMIS project for the Integrated Biometric Identification System (\$1.0 million) and Parks and Recreation projects including land for Waterford Oaks Park and Highland Oaks Park (\$2.7 million) as well as park improvements including playlots, parking lots, signage, and fencing at various parks.

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

Long-term Debt - As of September 30, 2010, the County had \$664.4 million in bonds and notes outstanding. Of this amount, \$614.4 million are bonds with limited taxing authority, and \$50.0 million are notes with limited taxing authority. This represents a \$23.1 million reduction from September 30, 2009 in the limited tax authority bonds and no change in the limited taxing authority notes. In addition, the County uses its full faith and credit (as a secondary obligator) to back \$145.6 million in Drainage District component unit debt. Of this total obligation, \$11.0 million reflected new debt issues, offset by \$12.8 million in debt reductions. The Drainage District component unit debt experienced a \$1.8 million net obligation reduction during fiscal year 2010.

County of Oakland Management's Discussion and Analysis

Outstanding Debt as of September 30, 2010 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government		Drainage Districts Component Unit		Total County Commitment	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Bonds - Limited Tax Authority	\$ 614.4	\$ 637.5	\$ -	\$ -	\$ 614.4	\$ 637.5	\$ 145.6	\$ 147.4	\$ 760.0	\$ 784.9
Total Bonds	\$ 614.4	\$ 637.5	\$ -	\$ -	\$ 614.4	\$ 637.5	\$ 145.6	\$ 147.4	\$ 760.0	\$ 784.9
Notes - Limited Tax Authority	\$ -	\$ -	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ -	\$ -	\$ 50.0	\$ 50.0
Total Outstanding Debt	\$ 614.4	\$ 637.5	\$ 50.0	\$ 50.0	\$ 664.4	\$ 687.5	\$ 145.6	\$ 147.4	\$ 810.0	\$ 834.9
Debt Limit (10% of SEV)									\$ 5,774.5	\$ 6,785.8
Available Statutory Debt Limit									\$ 4,964.5	\$ 5,950.9

Oakland County issued \$17.9 million in general government debt in fiscal year 2010. Of this amount, \$10.9 million was a bond refunding for Building Authority bonds related to the 52nd District Court construction project (originally issued in 2002). In addition, \$5.8 million of Building Authority bonds were issued for the construction of the new “green” Airport Terminal Building, and \$1.1 million was issued to allow Keego Harbor to utilize Oakland County’s credit rating to refinance a loan for the Keego Harbor City Hall and Public Works Building. The County was able to take advantage of the Recovery Zone Economic Development Bond program for the \$5.8 million bond issuance related to the Airport, whereby the County is eligible for a 45% reimbursement from the Internal Revenue Service on the semi-annual interest payments. Further, the County drew down \$22,148 in fiscal year 2010 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.

The Drainage Districts component unit issued \$11.0 million in new debt during fiscal year 2010. This includes \$6.7 million for Recovery Zone Economic Development Bonds issued for the Oakland Macomb Interceptor Drainage District construction project which is eligible for a 45% reimbursement from the Internal Revenue Service on the semi-annual interest payments, \$1.3 million in draws for a State Revolving Fund loan for the Oakland Macomb Interceptor Drainage District construction project, \$2.1 million in draws for State Revolving Fund loans related to various improvement projects in the George W. Kuhn Drainage District, and \$930,000 issued for the construction of the Donohue Drain. The Oakland Macomb Interceptor Drainage District is a Chapter 21 Drainage District under Act 40 of the Public Acts of 1956, as amended. Chapter 21 Drainage Districts are Inter-County Drains that involve more than one (1) county. The Oakland Macomb Interceptor Drainage District involves Oakland County (48.5%) and Macomb County (51.5%) with each County pledging its full faith and credit, as a secondary obligor, for their respective communities.

Finally, \$50.0 million in limited taxing authority notes related to the Delinquent Tax Revolving Fund was issued, representing the same amount issued in the previous fiscal year. These notes are routinely paid off during the fiscal year.

During fiscal year 2010, \$41.0 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 - \$17.6 million), the retirement of certain water and sewer bonds/refunding bonds (\$4.9 million), the retirement of Building Authority bonds/refunding bonds (\$17.8 million) and the scheduled payment of lake level bonds issued under Act 451 (\$600,000). Also, \$50.0 million limited taxing authority notes were also retired.

County of Oakland Management's Discussion and Analysis

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, 2010 was \$57.7 billion.

ECONOMIC OUTLOOK

Although some positive economic indicators have been noticed in recent months, the economic prospects for Southeast Michigan, including Oakland County, remain constricted for at least the next fiscal year. These positive indicators include anticipated job growth for calendar year 2011 (projected by University of Michigan economist), increased home sales, and increases in various business-related revenue within the Clerk/Register of Deeds area.

However the value of real and personal property within the County's borders is anticipated to continue to fall, specifically 9% in 2011, 3% in 2012 and 1% in 2013. Further, the State of Michigan's unsustainable budget situation will continue to jeopardize payments to local units of government including Oakland County. These factors will continue to limit revenue growth for several years even as the economy begins to improve. Further, State statute severely limits the ability of counties to independently increase revenue.

The County's Elected Officials and Administration are adjusting to the fiscal reality of stagnant to shrinking revenue through the implementation and continuation of various cost reduction measures including a hiring freeze (for non-24/7 operations), a freeze on capital purchases, intense scrutiny of all expenses, restructuring of operations and services, and constant review of employee compensation (including pay reductions of 2.5 percent for fiscal year 2010 and 1.5 percent for fiscal year 2011).

The implementation of these measures has resulted in structural reductions of County expenses as well as generating additional fund balance which can be used to provide time to further restructure County operations. Even in the face of the above discussed revenue restrictions, the Oakland County Board of Commissioners (on September 23, 2010) adopted a balanced budget for fiscal years 2011, 2012, and 2013 (through September 30, 2013).

Work has begun to revise the budget plan for fiscal years 2012 and 2013, and to develop a detailed plan for fiscal year 2014. The County has also produced a high-level financial forecast through fiscal year 2016. 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.

**Basic
Financial Statements**

County of Oakland
Statement of Net Assets
September 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Totals	
Assets				
Current assets				
Pooled cash and investments	\$ 450,102,506	\$ 287,941,311	\$ 738,043,817	\$ 20,944,270
Cash and cash equivalents	-	-	-	33,107,133
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	24,724,502	-	24,724,502	-
Delinquent property taxes	1,020,954	128,198,766	129,219,720	-
Special assessments	-	-	-	7,698,122
Due from other governmental units	16,913,381	28,423,398	45,336,779	5,857,710
Due from primary government	-	-	-	3,216,350
Due from component units	667,492	117,830	785,322	-
Accrued interest receivable	1,455,078	2,201,812	3,656,890	74,707
Accounts receivable	2,088,552	44,750,048	46,838,600	17,981,628
Contracts receivable	11,034,206	990,770	12,024,976	-
Internal balances - footnote 19	9,997,557	(9,997,557)	-	-
Inventories and supplies	510,662	822,664	1,333,326	4,468,918
Prepayments and other assets	10,235,073	1,434,111	11,669,184	2,930,785
Total current assets	<u>528,749,963</u>	<u>484,883,153</u>	<u>1,013,633,116</u>	<u>96,279,623</u>
Non-current assets				
Special assessments receivable	25,518,010	-	25,518,010	170,512,822
Contracts receivable	26,693,333	-	26,693,333	159,290
Restricted assets				
Cash and investments	336,963,889	-	336,963,889	-
Accrued interest receivable	954,410	-	954,410	-
Capital assets, net				
Land and other nondepreciable assets	15,607,692	73,245,139	88,852,831	186,197,176
Land improvements, net	160,791	5,501,107	5,661,898	218,686
Buildings and improvements, net	145,909,738	46,925,866	192,835,604	8,906,030
Equipment and vehicles, net	24,265,122	38,928,098	63,193,220	3,625,701
Infrastructure, net	14,845,922	81,950,080	96,796,002	909,935,207
Total capital assets, net	<u>200,789,265</u>	<u>246,550,290</u>	<u>447,339,555</u>	<u>1,108,882,800</u>
Total non-current assets	<u>590,918,907</u>	<u>246,550,290</u>	<u>837,469,197</u>	<u>1,279,554,912</u>
Total assets	<u>\$ 1,119,668,870</u>	<u>\$ 731,433,443</u>	<u>\$ 1,851,102,313</u>	<u>\$ 1,375,834,535</u>

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

County of Oakland
Statement of Net Assets (Continued)
September 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Totals	
Liabilities				
Current liabilities				
Vouchers payable	\$ 14,076,699	\$ 5,741,174	\$ 19,817,873	\$ 10,640,006
Accrued payroll	7,585,699	-	7,585,699	-
Due to other governmental units	2,129,973	15,254,475	17,384,448	13,380,253
Due to component units	-	3,216,350	3,216,350	-
Due to primary government	-	-	-	785,322
Accrued interest payable	205,862	-	205,862	38,655
Other accrued liabilities	38,654,547	12,551,395	51,205,942	4,347,445
Accrued compensated absences	1,304,883	-	1,304,883	-
Unearned revenue	20,289,988	1,706,089	21,996,077	7,223,633
Claims and judgments	3,227,223	-	3,227,223	-
Bonds and notes payable	25,880,000	50,000,000	75,880,000	15,834,000
Total current liabilities	<u>113,354,874</u>	<u>88,469,483</u>	<u>201,824,357</u>	<u>52,249,314</u>
Non-current liabilities				
Accrued compensated absences	11,743,946	-	11,743,946	3,014,092
Claims and judgments	17,658,545	-	17,658,545	2,374,109
Other postemployment benefits	-	-	-	9,369,459
Unearned revenue	-	-	-	24,899,867
Bonds and notes payable	588,500,727	-	588,500,727	134,732,955
Total noncurrent liabilities	<u>617,903,218</u>	<u>-</u>	<u>617,903,218</u>	<u>174,390,482</u>
Total liabilities	<u>731,258,092</u>	<u>88,469,483</u>	<u>819,727,575</u>	<u>226,639,796</u>
Net assets				
Investment in capital assets, net of related debt	151,764,265	246,550,290	398,314,555	959,269,846
Restricted for				
Capital projects	6,175,010	-	6,175,010	4,437,646
Debt service	305,797	-	305,797	146,089,134
Airports	-	21,065	21,065	-
Community water and sewer	-	15,781,136	15,781,136	-
Unrestricted	230,165,706	380,611,469	610,777,175	39,398,113
Total net assets	<u>\$ 388,410,778</u>	<u>\$ 642,963,960</u>	<u>\$ 1,031,374,738</u>	<u>\$ 1,149,194,739</u>

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

**County of Oakland
Statement of Activities
Year Ended September 30, 2010**

	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government				
Governmental activities				
General government, administrative	\$ 64,661,974	\$ 26,766,446	\$ 1,785,795	\$ -
Public safety	173,410,126	64,847,767	22,185,332	259,795
Justice administration	85,663,267	38,414,451	629,776	-
Citizen services	84,616,509	12,948,266	22,734,748	-
Public works	21,638,989	13,972,441	1,483,907	493,320
Recreation and leisure	1,717,720	178,753	11,500	-
Commerce and community development	67,785,938	15,254,871	46,056,662	-
Unallocated depreciation	1,990,978	-	-	-
Interest on debt	35,876,728	-	-	-
Total governmental activities	<u>537,362,229</u>	<u>172,382,995</u>	<u>94,887,720</u>	<u>753,115</u>
Business-type activities				
Airports	5,819,585	3,747,657	59,892	1,988,314
Community safety support	14,469,036	11,486,639	-	1,076,608
Community tax financing	1,446,745	26,195,224	-	-
Community water and sewer	41,891,865	48,741,135	-	-
Recreation and leisure	21,635,614	7,931,012	42,723	-
Sewage disposal systems	93,373,475	107,752,414	22,389	78,531
Total business-type activities	<u>178,636,320</u>	<u>205,854,081</u>	<u>125,004</u>	<u>3,143,453</u>
Total primary government	<u>\$ 715,998,549</u>	<u>\$ 378,237,076</u>	<u>\$ 95,012,724</u>	<u>\$ 3,896,568</u>
Component units				
Drainage districts	\$ 56,831,440	\$ 16,419,278	\$ 16,205,375	\$ 16,262,599
Road commission	93,817,982	13,680,342	57,540,542	28,463,553
Total component units	<u>\$ 150,649,422</u>	<u>\$ 30,099,620</u>	<u>\$ 73,745,917</u>	<u>\$ 44,726,152</u>
General revenue				
Taxes				
Property taxes				
State-shared revenue (unrestricted)				
Unrestricted investment earnings				
Other revenue				
Transfers in (out)				
Total general revenue and transfers				
Change in net assets				
Net assets				
Beginning				
Ending				

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

County of Oakland
Statement of Activities (Continued)
Year Ended September 30, 2010

Net (Expenses) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business- Type Activities	Totals	Component Units
\$ (36,109,733)	\$ -	\$ (36,109,733)	\$ -
(86,117,232)	-	(86,117,232)	-
(46,619,040)	-	(46,619,040)	-
(48,933,495)	-	(48,933,495)	-
(5,689,321)	-	(5,689,321)	-
(1,527,467)	-	(1,527,467)	-
(6,474,405)	-	(6,474,405)	-
(1,990,978)	-	(1,990,978)	-
(35,876,728)	-	(35,876,728)	-
<u>(269,338,399)</u>	<u>-</u>	<u>(269,338,399)</u>	<u>-</u>
-	(23,722)	(23,722)	-
-	(1,905,789)	(1,905,789)	-
-	24,748,479	24,748,479	-
-	6,849,270	6,849,270	-
-	(13,661,879)	(13,661,879)	-
-	14,479,859	14,479,859	-
<u>-</u>	<u>30,486,218</u>	<u>30,486,218</u>	<u>-</u>
<u>(269,338,399)</u>	<u>30,486,218</u>	<u>(238,852,181)</u>	<u>-</u>
-	-	-	(7,944,188)
-	-	-	5,866,455
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,077,733)</u>
217,789,968	14,506,403	232,296,371	-
9,104,897	-	9,104,897	-
7,243,074	6,854,390	14,097,464	737,886
4,045,007	-	4,045,007	-
34,473,232	(34,473,232)	-	-
<u>272,656,178</u>	<u>(13,112,439)</u>	<u>259,543,739</u>	<u>737,886</u>
3,317,779	17,373,779	20,691,558	(1,339,847)
<u>385,092,999</u>	<u>625,590,181</u>	<u>1,010,683,180</u>	<u>1,150,534,586</u>
<u>\$ 388,410,778</u>	<u>\$ 642,963,960</u>	<u>\$ 1,031,374,738</u>	<u>\$ 1,149,194,739</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 ten 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 eight 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, 2010**

	Major Funds			
	General	Public Health	Revenue Sharing Reserve	Interim Retiree Medical Benefits Trust
Assets				
Current assets				
Pooled cash and investments	\$ 155,954,093	\$ 4,077,866	\$ 107,577,883	\$ 4,656,229
Investments, at fair value	-	-	-	332,307,660
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	24,724,502	-	-	-
Delinquent property taxes	1,020,954	-	-	-
Due from other governmental units	4,813,292	204,707	-	-
Due from component units	27,461	-	-	-
Accrued interest receivable	248,553	-	243,860	954,410
Accounts receivable	199,266	51,696	-	-
Contracts receivable	11,017,539	-	-	-
Due from other funds	12,154,906	22,684	-	-
Prepayments and other assets	115,623	1,195	-	-
Total current assets	<u>210,276,189</u>	<u>4,358,148</u>	<u>107,821,743</u>	<u>337,918,299</u>
Advances receivable	-	-	-	-
Special assessments receivable	-	-	-	-
Contracts receivable	-	-	-	-
Total assets	<u>\$ 210,276,189</u>	<u>\$ 4,358,148</u>	<u>\$ 107,821,743</u>	<u>\$ 337,918,299</u>
Liabilities and Fund Balances				
Current liabilities				
Vouchers payable	\$ 5,555,084	\$ 658,276	\$ -	\$ -
Accrued payroll	7,585,699	-	-	-
Due to other governmental units	1,067,537	114,832	-	-
Due to other funds	618,187	3,562,684	-	-
Deferred revenue	11,173,751	13,653	-	-
Deferred revenue - property taxes	16,735,200	-	-	-
Other accrued liabilities	18,534,750	7,297	-	272,588
Total current liabilities	<u>61,270,208</u>	<u>4,356,742</u>	<u>-</u>	<u>272,588</u>
Deferred revenue	-	-	-	-
Advances payable	-	-	-	-
Total liabilities	<u>61,270,208</u>	<u>4,356,742</u>	<u>-</u>	<u>272,588</u>
Fund balances				
Reserved				
Long-term receivables	-	-	-	-
Prepayments	115,623	-	-	-
Programs	264,170	-	-	337,645,711
Debt service	-	-	-	-
Unreserved, designated for, reported in:				
General Fund	148,109,832	-	-	-
Special revenue funds	-	1,406	107,821,743	-
Capital projects funds	-	-	-	-
Unreserved, undesignated reported in:				
General Fund	516,356	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total fund balances	<u>149,005,981</u>	<u>1,406</u>	<u>107,821,743</u>	<u>337,645,711</u>
Total liabilities and fund balances	<u>\$ 210,276,189</u>	<u>\$ 4,358,148</u>	<u>\$ 107,821,743</u>	<u>\$ 337,918,299</u>

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

**County of Oakland
Balance Sheet (Continued)
Governmental Funds
September 30, 2010**

	Major Funds			Totals September 30, 2010
	Building Authority Debt Act 31	Water and Sewer Debt Act 342	Non-Major Funds	
Assets				
Current assets				
Pooled cash and investments	\$ 163,652	\$ 705,718	\$ 81,840,000	\$ 354,975,441
Investments, at fair value	-	-	-	332,307,660
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	-	-	-	24,724,502
Delinquent property taxes	-	-	-	1,020,954
Due from other governmental units	-	-	11,753,751	16,771,750
Due from component units	-	-	607,766	635,227
Accrued interest receivable	3,283	1,381	259,198	1,710,685
Accounts receivable	-	-	1,401,423	1,652,385
Contracts receivable	-	-	16,667	11,034,206
Due from other funds	-	-	1,386,236	13,563,826
Prepayments and other assets	-	-	5,468,414	5,585,232
Total current assets	<u>166,935</u>	<u>707,099</u>	<u>102,733,455</u>	<u>763,981,868</u>
Advances receivable	-	-	330,543	330,543
Special assessments receivable	-	19,960,727	5,557,283	25,518,010
Contracts receivable	18,800,000	-	7,893,333	26,693,333
Total assets	<u>\$ 18,966,935</u>	<u>\$ 20,667,826</u>	<u>\$ 116,514,614</u>	<u>\$ 816,523,754</u>
Liabilities and Fund Balances				
Current liabilities				
Vouchers payable	\$ 156,376	\$ 542,301	\$ 5,144,232	\$ 12,056,269
Accrued payroll	-	-	-	7,585,699
Due to other governmental units	-	-	426,760	1,609,129
Due to other funds	-	-	9,081,533	13,262,404
Deferred revenue	-	-	8,081,630	19,269,034
Deferred revenue - property taxes	-	-	-	16,735,200
Other accrued liabilities	-	138,857	12,725,753	31,679,245
Total current liabilities	<u>156,376</u>	<u>681,158</u>	<u>35,459,908</u>	<u>102,196,980</u>
Deferred revenue	18,800,000	19,960,727	13,417,283	52,178,010
Advances payable	-	-	330,543	330,543
Total liabilities	<u>18,956,376</u>	<u>20,641,885</u>	<u>49,207,734</u>	<u>154,705,533</u>
Fund balances				
Reserved				
Long-term receivables	-	-	363,876	363,876
Prepayments	-	-	-	115,623
Programs	-	-	9,306,896	347,216,777
Debt service	10,559	25,941	269,297	305,797
Unreserved, designated for, reported in:				
General Fund	-	-	-	148,109,832
Special revenue funds	-	-	39,526,276	147,349,425
Capital projects funds	-	-	6,175,010	6,175,010
Unreserved, undesignated reported in:				
General Fund	-	-	-	516,356
Special revenue funds	-	-	(91,342)	(91,342)
Capital projects funds	-	-	11,756,867	11,756,867
Total fund balances	<u>10,559</u>	<u>25,941</u>	<u>67,306,880</u>	<u>661,818,221</u>
Total liabilities and fund balances	<u>\$ 18,966,935</u>	<u>\$ 20,667,826</u>	<u>\$ 116,514,614</u>	<u>\$ 816,523,754</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, 2010

Total fund balances for governmental funds		\$ 661,818,221
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	5,591,668	
Land improvements, net of \$970,491 depreciation	160,791	
Buildings and improvements, net of \$83,867,607 depreciation	144,631,404	
Equipment and vehicles, net of \$12,549,080 depreciation	7,723,758	
Infrastructure, net of \$11,055,469 depreciation	<u>14,657,878</u>	
		180,001,050
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.		
Capital lease receivable		10,985,000
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.		82,300,840
Real property tax revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenue in the funds.		15,714,246
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.		52,178,010
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	(614,380,727)	
Accrued interest payable	<u>(205,862)</u>	
		<u>(614,586,589)</u>
Net assets of governmental activities		<u>\$ 388,410,778</u>

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

County of Oakland
Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2010

	Major Funds			
	General	Public Health	Revenue Sharing Reserve	Interim Retiree Medical Benefits Trust
Revenue				
Taxes	\$ 221,271,719	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Federal grants	333,783	11,255	-	-
State grants	105,458	4,756,299	-	-
Other intergovernmental revenues	11,306,128	-	-	-
Charges for services	79,853,599	2,764,499	-	14,817
Contributions	261,806	1,000	-	-
Investment income	3,927,537	-	728,971	37,383,223
Indirect cost recovery	9,141,312	-	-	-
Other	741,486	23,224	-	-
Total revenue	<u>326,942,828</u>	<u>7,556,277</u>	<u>728,971</u>	<u>37,398,040</u>
Expenditures				
Current operations				
County executive	59,237,056	29,402,740	-	-
Clerk/register of deeds	10,477,610	-	-	-
Treasurer	4,181,021	-	-	-
Justice administration	55,396,901	-	-	-
Law enforcement	141,595,580	-	-	-
Legislative	4,549,812	-	-	-
Water resource commissioner	5,548,862	-	-	-
Non-departmental	15,002,987	-	-	58,785,379
Total current operations	<u>295,989,829</u>	<u>29,402,740</u>	<u>-</u>	<u>58,785,379</u>
Capital outlay	133,923	-	-	-
Intergovernmental	-	-	-	-
Debt service				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>296,123,752</u>	<u>29,402,740</u>	<u>-</u>	<u>58,785,379</u>
Excess (deficiency) of revenue over (under) expenditures	<u>30,819,076</u>	<u>(21,846,463)</u>	<u>728,971</u>	<u>(21,387,339)</u>
Other financing sources (uses)				
Transfers in	64,433,459	21,846,965	-	-
Transfers out	(52,513,207)	-	(23,977,527)	-
Issuance of bonds	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premiums on bonds sold	-	-	-	-
Discounts on bonds sold	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>11,920,252</u>	<u>21,846,965</u>	<u>(23,977,527)</u>	<u>-</u>
Net change in fund balances	<u>42,739,328</u>	<u>502</u>	<u>(23,248,556)</u>	<u>(21,387,339)</u>
Fund balances				
October 1, 2009	<u>106,266,653</u>	<u>904</u>	<u>131,070,299</u>	<u>359,033,050</u>
September 30, 2010	<u>\$ 149,005,981</u>	<u>\$ 1,406</u>	<u>\$ 107,821,743</u>	<u>\$ 337,645,711</u>

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

County of Oakland
Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
Year Ended September 30, 2010

	Major Funds			Totals September 30, 2010
	Building Authority Debt Act 31	Water and Sewer Debt Act 342	Non-Major Funds	
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ 221,271,719
Special assessments	2,891,104	2,388,710	5,140,931	10,420,745
Federal grants	-	-	64,065,445	64,410,483
State grants	-	-	25,941,811	30,803,568
Other intergovernmental revenues	-	-	1,551,851	12,857,979
Charges for services	825	1,850	26,349,169	108,984,759
Contributions	-	-	137,446	400,252
Investment income	24,352	4,025	760,187	42,828,295
Indirect cost recovery	-	-	-	9,141,312
Other	-	-	3,280,297	4,045,007
Total revenue	2,916,281	2,394,585	127,227,137	505,164,119
Expenditures				
Current operations				
County executive	129,672	-	99,262,501	188,031,969
Clerk/register of deeds	-	-	946,297	11,423,907
Treasurer	-	-	4,299,342	8,480,363
Justice administration	-	-	26,518,393	81,915,294
Law enforcement	-	-	6,877,761	148,473,341
Legislative	-	-	-	4,549,812
Water resource commissioner	-	9,466	5,572,696	11,131,024
Non-departmental	-	-	228,777	74,017,143
Total current operations	129,672	9,466	143,705,767	528,022,853
Capital outlay	-	-	9,306,478	9,440,401
Intergovernmental	1,068,053	2,738	527,739	1,598,530
Debt service				
Principal payments	4,590,000	2,420,000	4,645,000	11,655,000
Interest and fiscal charges	3,398,805	855,278	940,421	5,194,504
Total expenditures	9,186,530	3,287,482	159,125,405	555,911,288
Excess (deficiency) of revenue over (under) expenditures	(6,270,249)	(892,897)	(31,898,268)	(50,747,169)
Other financing sources (uses)				
Transfers in	5,072,664	893,684	35,856,067	128,102,839
Transfers out	-	-	(16,688,834)	(93,179,568)
Issuance of bonds	1,120,000	-	5,822,148	6,942,148
Issuance of refunding bonds	10,990,000	-	-	10,990,000
Premiums on bonds sold	1,592,775	-	-	1,592,775
Discounts on bonds sold	(11,200)	-	(43,500)	(54,700)
Payments to bond escrow agent	(12,488,453)	-	-	(12,488,453)
Total other financing sources (uses)	6,275,786	893,684	24,945,881	41,905,041
Net change in fund balances	5,537	787	(6,952,387)	(8,842,128)
Fund balances				
October 1, 2009	5,022	25,154	74,259,267	670,660,349
September 30, 2010	\$ 10,559	\$ 25,941	\$ 67,306,880	\$ 661,818,221

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

County of Oakland
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund
Balances – Governmental Funds to the Statement of Activities
Year Ended September 30, 2010

Net change in fund balance - total governmental funds		\$ (8,842,128)
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	\$ 3,675,684	
Buildings and improvements	312,121	
Equipment and vehicles	585,551	
Infrastructure	399,543	
Depreciation expense	<u>(7,231,725)</u>	(2,258,826)
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.		
		(815,000)
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.		
		(4,796,045)
Real property tax revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenue in the funds.		
Prior year's deferral	(19,195,997)	
Current year deferral	15,714,246	(3,481,751)
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.		
		(5,372,724)
Long-term lease receivable for debt issued to benefit proprietary funds did not provide current year financial resources in the governmental funds.		
		5,800,000
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	(17,932,148)	
Repayment of bond principal	40,995,000	
Accrued interest	<u>21,401</u>	23,084,253
Change in net assets of governmental activities		<u>\$ 3,317,779</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 revenue is 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.

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. Revenue is primarily derived from leases, hangar rentals, landing fees, and other rental or service charges.

Water and Sewer Trust - This fund is used to account for monies received from those County residents whose water and sewer systems are maintained for their 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.

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.

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, 2010**

	Business-Type Activities - Enterprise Funds			
	Major			
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust
Assets				
Current assets				
Pooled cash and investments	\$ 25,449,343	\$ 116,707,151	\$ 15,837,047	\$ 27,273,871
Delinquent property taxes	-	128,198,766	-	-
Due from other governmental units	-	6,908,796	248	523,693
Due from component units	-	-	-	-
Accrued interest receivable	14,379	1,299,891	96,220	120,948
Accounts receivable (net of allowance for uncollectibles where applicable)	303,632	23,218,667	600,092	19,495,015
Due from other funds	-	-	-	356,273
Current portion of contracts receivable	-	-	990,770	-
Current portion of advances receivable	-	12,883	-	-
Inventories and supplies	43,003	-	-	153,333
Prepayments and other assets	1,091	-	93,453	-
Total current assets	<u>25,811,448</u>	<u>276,346,154</u>	<u>17,617,830</u>	<u>47,923,133</u>
Noncurrent assets				
Advances receivable	-	128,830	-	-
Capital assets, net				
Land and other nondepreciable assets	33,122,258	-	37,960,208	-
Land improvements, net	-	-	5,501,107	-
Building and improvements, net	18,236,957	-	16,871,294	-
Equipment and vehicles, net	1,056,387	-	731,290	-
Infrastructure, net	18,106,324	-	2,000,713	27,175,660
Total noncurrent assets	<u>70,521,926</u>	<u>128,830</u>	<u>63,064,612</u>	<u>27,175,660</u>
Total assets	<u>96,333,374</u>	<u>276,474,984</u>	<u>80,682,442</u>	<u>75,098,793</u>
Liabilities				
Current liabilities				
Vouchers payable	295,109	988,930	33,444	2,131,596
Due to other governmental units	-	403,501	-	686,316
Due to component units	-	-	-	-
Due to other funds	-	-	-	1,315,867
Deferred revenue	244,531	-	1,322,382	-
Capital lease obligation - current portion	-	-	275,000	-
Notes payable	-	50,000,000	-	-
Current portion of compensated absences	-	-	-	-
Current portion of claims and judgments	-	-	-	-
Current portion of advances payable	-	-	-	-
Other accrued liabilities	168,950	54,183	490,557	873,848
Total current liabilities	<u>708,590</u>	<u>51,446,614</u>	<u>2,121,383</u>	<u>5,007,627</u>
Noncurrent liabilities				
Capital lease obligations	-	-	10,710,000	-
Accrued compensated absences	-	-	-	-
Claims and judgments	-	-	-	-
Advances payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>10,710,000</u>	<u>-</u>
Total liabilities	<u>708,590</u>	<u>51,446,614</u>	<u>12,831,383</u>	<u>5,007,627</u>
Net assets				
Invested in capital assets	70,521,926	-	63,064,612	27,175,660
Restricted for programs	-	-	21,065	15,335,184
Unrestricted	25,102,858	225,028,370	4,765,382	27,580,322
Total net assets	<u>\$ 95,624,784</u>	<u>\$ 225,028,370</u>	<u>\$ 67,851,059</u>	<u>\$ 70,091,166</u>

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

**County of Oakland
Statement of Net Assets (Continued)
Proprietary Funds
September 30, 2010**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major			
	S.O.C.S.D.S.	Non-Major Funds	Totals September 30, 2010	
Assets				
Current assets				
Pooled cash and investments	\$ 21,668,641	\$ 81,005,258	\$ 287,941,311	\$ 99,783,294
Delinquent property taxes	-	-	128,198,766	-
Due from other governmental units	5,990,230	15,000,431	28,423,398	141,631
Due from component units	-	117,830	117,830	32,265
Accrued interest receivable	213,923	456,451	2,201,812	698,803
Accounts receivable (net of allowance for uncollectibles where applicable)	5,424	1,127,218	44,750,048	436,167
Due from other funds	-	959,595	1,315,868	240
Current portion of contracts receivable	-	-	990,770	-
Current portion of advances receivable	176,928	-	189,811	-
Inventories and supplies	-	626,328	822,664	510,662
Prepayments and other assets	714,000	625,567	1,434,111	4,649,841
Total current assets	<u>28,769,146</u>	<u>99,918,678</u>	<u>496,386,389</u>	<u>106,252,903</u>
Noncurrent assets				
Advances receivable	673,315	-	802,145	-
Capital assets, net				
Land and other nondepreciable assets	618,893	1,543,780	73,245,139	2,780,473
Land improvements, net	-	-	5,501,107	-
Building and improvements, net	8,383	11,809,232	46,925,866	1,278,334
Equipment and vehicles, net	107,348	37,033,073	38,928,098	16,541,364
Infrastructure, net	6,551,110	28,116,273	81,950,080	188,044
Total noncurrent assets	<u>7,959,049</u>	<u>78,502,358</u>	<u>247,352,435</u>	<u>20,788,215</u>
Total assets	<u>36,728,195</u>	<u>178,421,036</u>	<u>743,738,824</u>	<u>127,041,118</u>
Liabilities				
Current liabilities				
Vouchers payable	35,218	2,256,877	5,741,174	2,020,430
Due to other governmental units	7,247,937	6,916,721	15,254,475	520,844
Due to component units	-	3,216,350	3,216,350	-
Due to other funds	1,899	2,615	1,320,381	297,149
Deferred revenue	-	139,176	1,706,089	-
Capital lease obligation - current portion	-	-	275,000	-
Notes payable	-	-	50,000,000	-
Current portion of compensated absences	-	-	-	1,304,883
Current portion of claims and judgments	-	-	-	3,227,223
Current portion of advances payable	-	-	-	189,811
Other accrued liabilities	91,132	10,872,725	12,551,395	6,975,302
Total current liabilities	<u>7,376,186</u>	<u>23,404,464</u>	<u>90,064,864</u>	<u>14,535,642</u>
Noncurrent liabilities				
Capital lease obligations	-	-	10,710,000	-
Accrued compensated absences	-	-	-	11,743,946
Claims and judgments	-	-	-	17,658,545
Advances payable	-	-	-	802,145
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>10,710,000</u>	<u>30,204,636</u>
Total liabilities	<u>7,376,186</u>	<u>23,404,464</u>	<u>100,774,864</u>	<u>44,740,278</u>
Net assets				
Invested in capital assets	7,285,734	78,502,358	246,550,290	20,788,215
Restricted for programs	259,957	185,995	15,802,201	-
Unrestricted	21,806,318	76,328,219	380,611,469	61,512,625
Total net assets	<u>\$ 29,352,009</u>	<u>\$ 155,016,572</u>	<u>\$ 642,963,960</u>	<u>\$ 82,300,840</u>

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

County of Oakland
Statement of Revenue, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended September 30, 2010

	Business-Type Activities - Enterprise Funds			
	Major			
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust
Operating revenue				
Charges for services	\$ 7,928,264	\$ 26,071,574	\$ 4,033,023	\$ 48,084,915
Other	19,114	123,650	-	656,220
Total operating revenue	<u>7,947,378</u>	<u>26,195,224</u>	<u>4,033,023</u>	<u>48,741,135</u>
Operating expenses				
Salaries	7,881,187	58,204	1,118,031	6,931,532
Fringe benefits	2,785,418	41,857	658,794	3,621,674
Contractual services	5,219,178	349,819	1,505,902	24,587,522
Commodities	947,762	-	71,030	2,043,913
Depreciation	2,929,568	-	1,874,228	599,668
Internal services	1,861,228	-	235,312	2,898,126
Intergovernmental	-	-	-	1,209,430
Total operating expenses	<u>21,624,341</u>	<u>449,880</u>	<u>5,463,297</u>	<u>41,891,865</u>
Operating income (loss)	<u>(13,676,963)</u>	<u>25,745,344</u>	<u>(1,430,274)</u>	<u>6,849,270</u>
Nonoperating revenue (expenses)				
Property taxes	14,506,403	-	-	-
Contributions	42,723	-	-	-
Interest recovery - federal grants	-	-	59,892	-
Interest revenue	544,047	2,623,726	324,968	363,355
Interest expense and paying agent fees	(11,273)	(996,865)	(356,288)	-
Bonds maturing	-	-	-	-
Gain (loss) on sale of property and equipment	(16,366)	-	(285,366)	-
Total nonoperating revenue	<u>15,065,534</u>	<u>1,626,861</u>	<u>(256,794)</u>	<u>363,355</u>
Income (loss) before transfers and contributions	<u>1,388,571</u>	<u>27,372,205</u>	<u>(1,687,068)</u>	<u>7,212,625</u>
Transfers and contributions				
Capital contributions	-	-	1,988,314	-
Transfers in	858	-	-	-
Transfers out	-	(31,695,465)	-	-
Total transfers and contributions	<u>858</u>	<u>(31,695,465)</u>	<u>1,988,314</u>	<u>-</u>
Change in net assets	<u>1,389,429</u>	<u>(4,323,260)</u>	<u>301,246</u>	<u>7,212,625</u>
Net assets				
October 1, 2009	<u>94,235,355</u>	<u>229,351,630</u>	<u>67,549,813</u>	<u>62,878,541</u>
September 30, 2010	<u>\$ 95,624,784</u>	<u>\$ 225,028,370</u>	<u>\$ 67,851,059</u>	<u>\$ 70,091,166</u>

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

County of Oakland
Statement of Revenue, Expenses, and Changes in Fund Net Assets (Continued)
Proprietary Funds
Year Ended September 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major			
	S.O.C.S.D.S.	Non-Major Funds	Totals September 30, 2010	
Operating revenue				
Charges for services	\$ 40,773,899	\$ 72,332,966	\$ 199,224,641	\$ 202,124,129
Other	22,389	6,210,719	7,032,092	22,673
Total operating revenue	40,796,288	78,543,685	206,256,733	202,146,802
Operating expenses				
Salaries	591,787	3,052,693	19,633,434	19,396,952
Fringe benefits	293,385	1,704,389	9,105,517	11,656,167
Contractual services	32,465,832	58,706,422	122,834,675	112,470,365
Commodities	131,698	1,922,664	5,117,067	5,711,568
Depreciation	1,361,190	5,649,105	12,413,759	4,766,673
Internal services	186,523	1,776,823	6,958,012	5,364,099
Intergovernmental	-	-	1,209,430	-
Total operating expenses	35,030,415	72,812,096	177,271,894	159,365,824
Operating income (loss)	5,765,873	5,731,589	28,984,839	42,780,978
Nonoperating revenue (expenses)				
Property taxes	-	-	14,506,403	-
Contributions	-	-	42,723	-
Interest recovery - federal grants	-	-	59,892	-
Interest revenue	1,521,330	1,476,964	6,854,390	1,798,002
Interest expense and paying agent fees	-	-	(1,364,426)	(31,463,427)
Bonds maturing	-	-	-	(17,590,000)
Gain (loss) on sale of property and equipment	-	-	(301,732)	101,909
Total nonoperating revenue	1,521,330	1,476,964	19,797,250	(47,153,516)
Income (loss) before transfers and contributions	7,287,203	7,208,553	48,782,089	(4,372,538)
Transfers and contributions				
Capital contributions	-	1,076,608	3,064,922	26,532
Transfers in	-	2,092,875	2,093,733	1,441,808
Transfers out	-	(4,871,500)	(36,566,965)	(1,891,847)
Total transfers and contributions	-	(1,702,017)	(31,408,310)	(423,507)
Change in net assets	7,287,203	5,506,536	17,373,779	(4,796,045)
Net assets				
October 1, 2009	22,064,806	149,510,036	625,590,181	87,096,885
September 30, 2010	\$ 29,352,009	\$ 155,016,572	\$ 642,963,960	\$ 82,300,840

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

County of Oakland
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2010

	Business-Type Activities - Enterprise Funds			
	Major			
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust
Cash flows from operating activities				
Cash received from users	\$ 8,133,972	\$ 19,114,742	\$ 4,123,954	\$ 46,132,946
Cash paid to suppliers	(10,710,930)	(391,676)	(2,471,132)	(34,184,859)
Cash paid to employees	(7,881,187)	(58,204)	(1,118,031)	(6,931,532)
Net cash provided by (used in) operating activities	<u>(10,458,145)</u>	<u>18,664,862</u>	<u>534,791</u>	<u>5,016,555</u>
Cash flows from noncapital financing activities				
Transfers from other funds	858	-	-	-
Transfers to other funds	-	(31,695,465)	-	-
Contributions	42,723	-	-	-
Principal paid on debt	-	-	-	-
Interest paid on debt	-	-	-	-
Purchase of delinquent property taxes	-	(155,464,907)	-	-
Delinquent property taxes collected	-	143,039,737	-	-
Issuance of short-term borrowings	-	50,000,000	-	-
Advances issued	-	-	-	-
Repayments received on advances	-	12,883	-	-
Property taxes	14,506,403	-	-	-
Interest paid on short-term borrowings	-	(1,703,329)	-	-
Payments on short-term borrowings	-	(50,000,000)	-	-
Net cash provided by (used in) noncapital financing activities	<u>14,549,984</u>	<u>(45,811,081)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Advances received	-	-	-	-
Transfers from other funds	-	-	-	-
Interest recovery - federal grants	-	-	59,892	-
Proceeds from sale of capital assets	11,116	-	-	-
Acquisition of capital assets	(4,677,189)	-	(234,422)	-
Payments on capital lease obligation	(550,000)	-	(265,000)	-
Interest and fees paid on capital lease obligation	(11,273)	-	(356,288)	-
Amount paid on advances	-	-	-	-
Interest paid on advances	-	-	-	-
Net cash used in capital and related financing activities	<u>(5,227,346)</u>	<u>-</u>	<u>(795,818)</u>	<u>-</u>
Cash flows from investing activities				
Interest on investments	555,804	2,647,937	326,110	367,823
Net cash provided by investing activities	<u>555,804</u>	<u>2,647,937</u>	<u>326,110</u>	<u>367,823</u>
Net increase (decrease) in cash and cash equivalents	(579,703)	(24,498,282)	65,083	5,384,378
Pooled cash and investments				
October 1, 2009	26,029,046	141,205,433	15,771,964	21,889,493
September 30, 2010	<u>\$ 25,449,343</u>	<u>\$ 116,707,151</u>	<u>\$ 15,837,047</u>	<u>\$ 27,273,871</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, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major			
	S.O.C.S.D.S.	Non-Major Funds	Totals September 30, 2010	
Cash flows from operating activities				
Cash received from users	\$ 39,832,069	\$ 77,180,243	\$ 194,517,926	\$ 206,429,771
Cash paid to suppliers	(31,403,701)	(60,887,876)	(140,050,174)	(156,862,852)
Cash paid to employees	(591,787)	(3,052,693)	(19,633,434)	(19,396,952)
Net cash provided by (used in) operating activities	7,836,581	13,239,674	34,834,318	30,169,967
Cash flows from noncapital financing activities				
Transfers from other funds	-	2,092,875	2,093,733	1,264,101
Transfers to other funds	-	(4,871,500)	(36,566,965)	(1,891,847)
Contributions	-	-	42,723	-
Principal paid on debt	-	-	-	(17,590,000)
Interest paid on debt	-	-	-	(31,456,887)
Purchase of delinquent property taxes	-	-	(155,464,907)	-
Delinquent property taxes collected	-	-	143,039,737	-
Issuance of short-term borrowings	-	-	50,000,000	-
Advances issued	(884,639)	-	(884,639)	-
Repayments received on advances	34,396	-	47,279	-
Property taxes	-	-	14,506,403	-
Interest paid on short-term borrowings	-	-	(1,703,329)	-
Payments on short-term borrowings	-	-	(50,000,000)	-
Net cash provided by (used in) noncapital financing activities	(850,243)	(2,778,625)	(34,889,965)	(49,674,633)
Cash flows from capital and related financing activities				
Advances received	-	-	-	884,639
Transfers from other funds	-	-	-	177,707
Interest recovery - federal grants	-	-	59,892	-
Proceeds from sale of capital assets	-	-	11,116	648,429
Acquisition of capital assets	(13,283)	(4,312,404)	(9,237,298)	(3,293,717)
Payments on capital lease obligation	-	-	(815,000)	-
Interest and fees paid on capital lease obligation	-	-	(367,561)	-
Amount paid on advances	-	-	-	(47,279)
Interest paid on advances	-	-	-	(6,540)
Net cash used in capital and related financing activities	(13,283)	(4,312,404)	(10,348,851)	(1,636,761)
Cash flows from investing activities				
Interest on investments	1,414,292	1,479,409	6,791,375	1,789,540
Net cash provided by investing activities	1,414,292	1,479,409	6,791,375	1,789,540
Net increase (decrease) in cash and cash equivalents	8,387,347	7,628,054	(3,613,123)	(19,351,887)
Pooled cash and investments				
October 1, 2009	13,281,294	73,377,204	291,554,434	119,135,181
September 30, 2010	\$ 21,668,641	\$ 81,005,258	\$ 287,941,311	\$ 99,783,294

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, 2010

	Business-Type Activities - Enterprise Funds			
	Major			
	Parks and Recreation	Delinquent Tax Revolving	County Airports	Water and Sewer Trust
Operating (loss) income	\$ (13,676,963)	\$ 25,745,344	\$ (1,430,274)	\$ 6,849,270
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	2,929,568	-	1,874,228	599,668
(Increase) decrease in due from other governmental units	47,463	(4,626,232)	575	710,166
(Increase) decrease in due from component units	-	-	-	-
(Increase) decrease in accounts receivable	64,660	(3,192,942)	39,052	(2,962,082)
(Increase) decrease in due from other funds	21,875	-	-	(356,273)
(Increase) decrease in inventories and supplies	3,964	-	-	(52,633)
(Increase) decrease in prepayments and other assets	2,520	-	(5,495)	-
Increase (decrease) in vouchers payable	(28,281)	700,708	869	(176,010)
Increase (decrease) in due to other govern- mental units	-	32,853	-	154,201
Increase (decrease) in due to component units	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	1,315,867
Increase (decrease) in deferred revenue	52,596	-	51,304	-
Increase (decrease) in current portion of compensated absences	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-
Increase (decrease) in other accrued liabilities	124,453	5,131	4,532	(1,065,619)
Increase (decrease) in accrued compensated absences	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (10,458,145)</u>	<u>\$ 18,664,862</u>	<u>\$ 534,791</u>	<u>\$ 5,016,555</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, 2010

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Major</u>			
	S.O.C.S.D.S.	Non-Major Funds	Totals September 30, 2010	
Operating income (loss)	\$ 5,765,873	\$ 5,731,589	\$ 28,984,839	\$ 42,780,978
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	1,361,190	5,649,105	12,413,759	4,766,673
(Increase) decrease in due from other governmental units	(965,933)	(314,799)	(5,148,760)	(65,191)
(Increase) decrease in due from component units	-	39,613	39,613	(7,886)
(Increase) decrease in accounts receivable	1,714	(259,960)	(6,309,558)	(110,644)
(Increase) decrease in due from other funds	-	(858,783)	(1,193,181)	4,468,065
(Increase) decrease in inventories and supplies	-	(40,554)	(89,223)	5,725
(Increase) decrease in prepayments and other assets	34,000	60,007	91,032	(134,469)
Increase (decrease) in vouchers payable	28,834	1,771,132	2,297,252	(16,188,571)
Increase (decrease) in due to other govern- mental units	1,621,233	(2,048,904)	(240,617)	(19,498)
Increase (decrease) in due to component units	-	3,216,350	3,216,350	-
Increase (decrease) in due to other funds	-	-	1,315,867	(879,333)
Increase (decrease) in deferred revenue	-	30,487	134,387	(1,375)
Increase (decrease) in current portion of compensated absences	-	-	-	8,367
Increase (decrease) in current portion of claims and judgments	-	-	-	(2,106,649)
Increase (decrease) in other accrued liabilities	(10,330)	264,391	(677,442)	(3,635,151)
Increase (decrease) in accrued compensated absences	-	-	-	75,301
Increase (decrease) in claims and judgments	-	-	-	1,213,625
Net cash provided by (used in) operating activities	<u>\$ 7,836,581</u>	<u>\$ 13,239,674</u>	<u>\$ 34,834,318</u>	<u>\$ 30,169,967</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, 2010

Noncash transactions

Enterprise Funds

Major funds:

Noncash and capital related financing activities included \$5,800,000 of capital assets acquired through capital lease obligation, write-off of \$772,964 (net of \$487,598 accumulated depreciation) of capital assets, contribution of capital assets in the amount of \$1,988,314 in the County Airports fund, and write-off of fully depreciated assets of \$59,928 in the SOCSDS fund.

Noncash and non-capital related financing activities included interest expense of \$43,536 included in Vouchers Payable liability in the Delinquent Tax Revolving fund, and recording of Contracts Receivable and Deferred Revenue of \$990,770 in the County Airports fund.

Nonmajor funds:

Noncash and capital related financing activities included contribution of capital assets of \$1,076,680 in the CLEMIS fund; acquisition of capital assets in the amount of \$9,599,751 included in Other accrued liabilities account in the Radio Communications fund, and write-off of fully depreciated assets in the amount of \$17,600 in the Evergreen-Farmington SDS fund.

Internal Service Funds

Noncash capital and related financing included write-off of \$2,581,415 of fully depreciated capital assets and \$26,532 of capital assets contributed in the Information Technology 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, 2010

	Pension (and Other Post- employment Benefits) Trust Funds	Investment Trust Funds	Agency Funds
Assets			
Pooled cash and investments	\$ 5,677,525	\$ 179,775,927	\$ 236,547,217
Cash and cash equivalents	-	-	591,820
Investments, at fair value			
Common stock	389,806,349	-	-
Government securities	94,710,282	-	-
Corporate bonds	133,537,562	-	-
Municipal bonds	34,957	-	-
Commingled	142,748,758	-	-
Limited partnerships	25,887,620	-	-
Asset-backed fixed income	4,344,499	-	-
CMO/REMIC investments	2,979,727	-	-
Mortgage-backed securities	13,013,000	-	-
Commercial mortgage-backed securities	10,933,364	-	-
Money market funds	151,708,202	-	-
International common stock	181,981,626	-	-
Equity REIT	7,964,874	-	-
Other	37,539,198	-	-
Total investments	<u>1,197,190,018</u>	<u>-</u>	<u>-</u>
Receivables - interest and dividends	3,656,660	164,993	191,963
Prepaid expenses	160,422	-	-
Total assets	<u>1,206,684,625</u>	<u>179,940,920</u>	<u>237,331,000</u>
Liabilities			
Vouchers payable	550,547	-	139,366
Due to other governmental units	-	-	222,635,777
Other accrued liabilities	1,125,822	-	14,555,857
Total liabilities	<u>1,676,369</u>	<u>-</u>	<u>237,331,000</u>
Net assets			
Held in Trust for Pension and other Postemployment healthcare benefits, and pool participants	<u>\$ 1,205,008,256</u>	<u>\$ 179,940,920</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, 2010

	Pension (and Other Post- employment Benefits) Trust Funds	Investment Trust Funds
Additions		
Contributions		
Employer	\$ 57,631,411	\$ -
Pool participants	-	668,142,176
Plan members	1,069,265	-
Total contributions	<u>58,700,676</u>	<u>668,142,176</u>
Investment income	115,248,196	2,379,825
Other revenue	1,954,043	-
Total additions	<u>175,902,915</u>	<u>670,522,001</u>
Deductions		
Benefits	62,982,363	-
Administrative expenses	2,663,597	-
Distribution to pool participants	-	562,369,314
Total deductions	<u>65,645,960</u>	<u>562,369,314</u>
Net increase	110,256,955	108,152,687
Net assets held in trust for pension and other postemployment healthcare benefits, and pool participants		
October 1, 2009	<u>1,094,751,301</u>	<u>71,788,233</u>
September 30, 2010	<u>\$ 1,205,008,256</u>	<u>\$ 179,940,920</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, 2010**

	Drainage Districts	Road Commission	Total Component Units
Assets			
Current assets			
Pooled cash and investments	\$ 20,944,270	\$ -	\$ 20,944,270
Cash and cash equivalents	-	33,107,133	33,107,133
Receivables (net of allowance for uncollectibles where applicable)			
Special assessments	-	7,698,122	7,698,122
Due from primary government	3,216,350	-	3,216,350
Due from other governmental units	5,857,710	-	5,857,710
Accrued interest receivable	74,707	-	74,707
Accounts receivable	8,265	17,973,363	17,981,628
Inventories and supplies	-	4,468,918	4,468,918
Prepayments and other assets	-	2,930,785	2,930,785
Total current assets	<u>30,101,302</u>	<u>66,178,321</u>	<u>96,279,623</u>
Capital assets, net			
Land and other nondepreciable assets	18,255,240	167,941,936	186,197,176
Land improvements, net	-	218,686	218,686
Buildings and improvements, net	-	8,906,030	8,906,030
Equipment and vehicles, net	-	3,625,701	3,625,701
Infrastructure, net	403,381,448	506,553,759	909,935,207
Total capital assets, net	<u>421,636,688</u>	<u>687,246,112</u>	<u>1,108,882,800</u>
Noncurrent assets			
Contracts receivable	159,290	-	159,290
Special assessments receivable	170,512,822	-	170,512,822
Total assets	<u>622,410,102</u>	<u>753,424,433</u>	<u>1,375,834,535</u>
Liabilities			
Current liabilities			
Vouchers payable	4,091,651	6,548,355	10,640,006
Due to other governmental units	13,380,253	-	13,380,253
Due to primary government	756,634	28,688	785,322
Deferred revenue and advances	-	7,223,633	7,223,633
Accrued interest payable	11,989	26,666	38,655
Current portion of long-term debt	13,380,000	2,454,000	15,834,000
Other accrued liabilities	2,190,418	2,157,027	4,347,445
Total current liabilities	<u>33,810,945</u>	<u>18,438,369</u>	<u>52,249,314</u>
Deferred revenue	24,899,867	-	24,899,867
Bonds and notes payable	132,232,955	2,500,000	134,732,955
Accrued compensated absences	-	3,014,092	3,014,092
Claims and judgments	-	2,374,109	2,374,109
Other postemployment benefits	-	9,369,459	9,369,459
Total liabilities	<u>190,943,767</u>	<u>35,696,029</u>	<u>226,639,796</u>
Net assets			
Invested in capital assets, net of related debt	276,023,734	683,246,112	959,269,846
Restricted for			
Capital projects	4,437,646	-	4,437,646
Debt service	146,089,134	-	146,089,134
Unrestricted	4,915,821	34,482,292	39,398,113
Total net assets	<u>\$ 431,466,335</u>	<u>\$ 717,728,404</u>	<u>\$ 1,149,194,739</u>

The accompanying notes are an integral part of the financial statements

**County of Oakland
Statement of Activities
Component Units
Year Ended September 30, 2010**

	Program Revenue				Drainage Districts	Road Commission	Total Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Functions/Programs							
Drainage Districts	\$ 56,831,440	\$ 16,419,278	\$ 16,205,375	\$ 16,262,599	\$ (7,944,188)	\$ -	\$ (7,944,188)
Road Commission	93,817,982	13,680,342	57,540,542	28,463,553	-	5,866,455	5,866,455
Total component units	<u>\$ 150,649,422</u>	<u>\$ 30,099,620</u>	<u>\$ 73,745,917</u>	<u>\$ 44,726,152</u>	<u>(7,944,188)</u>	<u>5,866,455</u>	<u>(2,077,733)</u>
General Revenue							
Unrestricted investment earnings					192,480	545,406	737,886
Change in net assets					(7,751,708)	6,411,861	(1,339,847)
Net assets							
Beginning					439,218,043	711,316,543	1,150,534,586
Ending					<u>\$ 431,466,335</u>	<u>\$ 717,728,404</u>	<u>\$ 1,149,194,739</u>

The accompanying notes are an integral part of the financial statements

County of Oakland

Notes to Basic Financial Statements

September 30, 2010

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, 2010, 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, 2009, 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 183 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, 2010 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 revenue. Program revenue includes 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 revenue are reported instead as general revenue, which are used to cover the net cost of the various functional categories of the County.

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
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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 revenue 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.

County of Oakland
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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. Revenue is primarily derived from property taxes, state and federal distributions, and charges for services.

The Public Health Fund accounts for revenue 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 County Airports Fund was created to account for operations of the County's airports.

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

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.

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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.

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 revenue 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 revenue rather than as program revenue.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue 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. Revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

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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.

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 revenue 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 revenue 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 revenue 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 revenue is 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, revenue is 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. Revenue 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 their 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. Revenue 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, 2009 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, 2010 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, 2010.

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, 2010 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:

Class	Years
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.

County of Oakland
Notes to Basic Financial Statements
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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.

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 are not considered to be available to liquidate liabilities of the current period.

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2009 through September 30, 2010) and are reported as revenue 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, 2010. These estimates and assumptions also affect the reported amounts of revenue 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.

County of Oakland
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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 that 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.

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."

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

	Appropriation	Expenditures	Excess Expenditures
General Fund			
County Executive			
Human Services			
Personnel expenditures	\$ 924,084	\$ 931,508	\$ 7,424
Justice Administration			
Circuit Court			
Operating expenditures	21,918,715	22,072,680	153,965
Special Revenue Funds			
Interim Retirees' Medical Benefits Trust			
Non-departmental			
Operating expenditures	57,631,411	58,785,379	1,153,968
Child Care			
County Executive			
Human Services			
Personnel expenditures	13,581,056	13,921,528	340,472

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 2011.

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.

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.

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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, 2010, the bank balance of the County's deposits was \$995,961,263. Insured deposits were \$91,000,000, and the remaining \$904,961,263 was uninsured, uncollateralized, and held in the County's name.

The Drainage District's component unit's 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, 2010, the Road Commission component unit had \$242,186 of bank deposits (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.

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.

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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, 2010, the County had the following deposit and investment types in its internal investment pool.

Deposit and Investment Type	Market Value	Weighted Average Maturity (days)
Certificates of Deposit (1)	\$ 529,319,900	241
Deposit Accounts (1)	466,641,363	1
Money Market Investment Pools	1,007,976	1
MI Government Coupon	43,075,677	5,423
U.S. Agencies	127,378,755	700
Total Market Value of Internal Investment Pool	\$ 1,167,423,671	
Weighted Average Maturity of Internal Investment Pool (in days)		350

(1) These items 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 \$127,378,755 invested in U.S. government securities which are rated AAA by Standard & Poor's and Aaa by Moody's. The County had \$41,363,249 in Municipal bonds rated Aaa by Moody's, AA+ by Standard and Poor's and \$1,712,427 rated A- by Standard and Poor'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, 2010, the County had no investments in commercial paper. Three of the money market investment pools used by the County, with a fair value of \$1,002,814 at September 30, 2010, 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 \$5,162 at September 30, 2010, 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, 2010, \$170,454,432 in investments, at par value, was held in third-party safekeeping in the County's name.

County of Oakland
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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, 2010, the County had no investments with U.S. Agency issuers that exceeded 5% of the total portfolio.

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, 2010, the internal investment pool had a weighted average maturity of 350 days and the longest investment maturity in the portfolio was 6,026 days (16.7 years).

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, 2010, the Primary Government's Pension Trust fund had eighteen investment advisors. Investments are held in street name by safekeeping agents under formal trust agreements and/or in the Retirement Systems' name.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

As of September 30, 2010, the County had the following investment types in its Retirement System:

Investment Type	Fair Value	Percentage	Average Duration (In Years)
Government Bonds	\$ 160,527,152	10.48 %	8.29
Asset-Backed Fixed Income	5,931,858	0.39	10.13
Commercial Mortgage-Backed Securities	14,828,094	0.97	3.69
Mortgage-Backed Securities	21,921,928	1.43	3.72
Municipal Bonds	2,309,009	0.15	23.56
Corporate Bonds	135,283,486	8.83	8.05
CMO/REMIC Investments	3,609,408	0.23	2.84
Common Stock	517,174,978	33.77	N/A
Equity ADR	2,540,055	0.17	N/A
Equity REIT	10,528,176	0.69	N/A
Investment Companies-SPDR	1,332,149	0.09	N/A
International Common Stock	51,740,387	3.38	N/A
International Government Bonds	4,974,151	0.32	N/A
Investment Companies-Mutual Funds	58,760,771	3.84	N/A
Money Market Funds	151,851,165	9.92	0.04
Real Estate	3,430	0.00	N/A
Investment Companies-Commingled Funds	185,763,530	12.13	N/A
Limited Partnership	199,310,181	13.01	N/A
Alternative Investments	3,132,199	0.20	N/A
Total	\$ 1,531,522,107	100.0 %	

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 shall then instruct the investment manager as to which action should be taken. As of September 30, 2010, debt obligation investments held in the retirement system had the following ratings:

County of Oakland
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Fair Value	Percentage	Ratings	
		Moody's	S&P
\$209,342,367	59.92 %	Aaa	AAA
7,498,186	2.15	Aa1	AA+
6,329,991	1.81	Aa2	AA
3,169,742	0.91	Aa3	AA-
14,749,292	4.22	A1	A+
26,670,663	7.63	A2	A
10,812,477	3.09	A3	A-
11,844,968	3.39	Baa1	BBB+
10,116,195	2.90	Baa2	BBB
12,115,846	3.47	Baa3	BBB-
4,010,339	1.15	Ba1	BB+
6,599,065	1.89	Ba2	BB
7,180,113	2.05	Ba	BB-
7,003,781	2.00	B2	B+
1,849,329	0.53	Ba3	B
780,938	0.22	B1	B-
9,311,795	2.67	NR	NR
<u>\$349,385,087</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, 2010, \$1,544,758,843 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.

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, 2010, as reported by the system's investment managers, no holdings exceed any of the Board's adopted limits.

County of Oakland

Notes to Basic Financial Statements

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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 89 indicates, the system's fixed income investments had average durations of between .04 years and 23.56 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 impose restrictions capping the loans at the current levels during the year ended September 30, 2010 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, 2010, 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, 2010 were \$100,073,833 and \$97,539,879, respectively, or 102.6% 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 .31 years to 38.1 years and are backed by investments in various assets, including mortgages. As of September 30, 2010, the market value was \$11,917,404.

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, 2010, the County's CMO portfolio had effective duration ranges of 2.74 years and 3.1 years.

Variable Rate Coupon Notes and Bonds - In the County's Retirement System investment portfolio are Variable Rate coupon instruments with a market value of \$79,795,253 as of September 30, 2010. Such investments include U.S. government-issued securities and corporate-issued securities. The variable rate securities have maturities through the year 2038 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, 2010, 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.

County of Oakland
Notes to Basic Financial Statements
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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 2010 summer levy amounted to \$57,745,076,507 with taxable values of \$55,081,707,586. The operating tax rate for the 2010 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 \$25,745,456 at September 30, 2010.

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 (\$128,198,766 at September 30, 2010) 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 \$28,695,300 in 2010, are used to service the notes payable.

5. Allowances for Uncollectible Receivables

At September 30, 2010, 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, 2010:

	Employees' Retirement	VEBA Trust	IRMB Trust
Interest and dividends	\$ 12,775,615	\$ 9,843,937	\$ 6,409,822
Unrealized/Realized gain on investments	<u>52,723,070</u>	<u>39,905,574</u>	<u>30,973,401</u>
Total	<u>\$ 65,498,685</u>	<u>\$ 49,749,511</u>	<u>\$ 37,383,223</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

7. Capital Assets

An analysis of property and equipment as reported in the Statement of Net Assets, and related accumulated depreciation, at September 30, 2010, for governmental activities follows:

	Balance October 1, 2009	Additions	Disposals	Balance September 30, 2010
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 7,365,551	\$ -	\$ -	\$ 7,365,551
Construction in progress	5,886,572	3,017,269	(661,700)	8,242,141
Total capital assets not being depreciated	<u>13,252,123</u>	<u>3,017,269</u>	<u>(661,700)</u>	<u>15,607,692</u>
Capital assets being depreciated				
Land improvements	1,131,282	-	-	1,131,282
Buildings and improvements	230,679,007	312,121	-	230,991,128
Equipment and vehicles	102,082,052	5,225,915	(5,834,874)	101,473,093
Infrastructure	28,483,487	399,543	-	28,883,030
Total capital assets being depreciated	<u>362,375,828</u>	<u>5,937,579</u>	<u>(5,834,874)</u>	<u>362,478,533</u>
Less: Accumulated depreciation				
Land improvements	948,867	21,624	-	970,491
Buildings and improvements	79,596,674	5,484,716	-	85,081,390
Equipment and vehicles	76,752,915	5,743,410	(5,288,354)	77,207,971
Infrastructure	13,288,460	748,648	-	14,037,108
Total accumulated depreciation	<u>170,586,916</u>	<u>11,998,398</u>	<u>(5,288,354)</u>	<u>177,296,960</u>
Total capital assets being depreciated, net	<u>191,788,912</u>	<u>(6,060,819)</u>	<u>(546,520)</u>	<u>185,181,573</u>
Governmental activities capital assets, net	<u>\$ 205,041,035</u>	<u>\$ (3,043,550)</u>	<u>\$ (1,208,220)</u>	<u>\$ 200,789,265</u>
Depreciation expense was charged to functions as follows:				
Public safety		\$ 3,085,080		
Justice administration		1,130,446		
Citizens services		384,580		
Public infrastructure		611,104		
Commerce and Community Development		29,537		
Unallocated depreciation		1,990,978		
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>4,766,673</u>		
Total depreciation expense - governmental activities		<u>\$ 11,998,398</u>		

County of Oakland
Notes to Basic Financial Statements
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A summary of business-type property and equipment at September 30, 2010 follows:

	Balance October 1, 2009	Additions	Disposals	Balance September 30, 2010
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 55,566,884	\$ 2,708,050	\$ -	\$ 58,274,934
Construction in progress	33,395,356	25,050,608	(43,487,759)	14,958,205
Other	12,000	-	-	12,000
Total capital assets not being depreciated	<u>88,974,240</u>	<u>27,758,658</u>	<u>(43,487,759)</u>	<u>73,245,139</u>
Capital assets being depreciated				
Land improvements	23,895,684	-	(1,642)	23,894,042
Buildings and improvements	68,356,828	49,032	(819,451)	67,586,409
Equipment and vehicles	57,793,495	41,152,059	(8,843,026)	90,102,528
Infrastructure	229,622,781	10,815,751	(99,768)	240,338,764
Total capital assets being depreciated	<u>379,668,788</u>	<u>52,016,842</u>	<u>(9,763,887)</u>	<u>421,921,743</u>
Less: Accumulated depreciation				
Land improvements	17,381,396	1,013,181	(1,642)	18,392,935
Buildings and improvements	19,540,257	1,628,803	(508,517)	20,660,543
Equipment and vehicles	46,888,887	4,542,799	(257,256)	51,174,430
Infrastructure	153,257,562	5,228,976	(97,854)	158,388,684
Total accumulated depreciation	<u>237,068,102</u>	<u>12,413,759</u>	<u>(865,269)</u>	<u>248,616,592</u>
Total capital assets being depreciated, net	<u>142,600,686</u>	<u>39,603,083</u>	<u>(8,898,618)</u>	<u>173,305,151</u>
Business-type activities capital assets, net	<u>\$ 231,574,926</u>	<u>\$ 67,361,741</u>	<u>\$ (52,386,377)</u>	<u>\$ 246,550,290</u>
Depreciation expense was charged to functions as follows:				
Airports		\$ 1,874,228		
Community safety support		3,979,334		
Community water and sewer		599,668		
Recreation and leisure		2,929,568		
Sewage disposal systems		3,030,961		
Total depreciation expense - business-type activities		<u>\$ 12,413,759</u>		

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

An analysis of property and equipment, and related accumulated depreciation where applicable, at September 30, 2010, for component units follows:

	Balance October 1, 2009	Additions	Disposals	Balance September 30, 2010
Component Units				
Drainage Districts				
Capital assets not being depreciated				
Construction in progress	\$ 148,256,403	\$ 2,209,290	\$ (132,210,453)	\$ 18,255,240
Capital assets being depreciated				
Infrastructure	346,455,293	131,570,582	-	478,025,875
Less: Accumulated depreciation				
Infrastructure	70,694,189	3,950,238	-	74,644,427
Total capital assets being depreciated, net	<u>275,761,104</u>	<u>127,620,344</u>	<u>-</u>	<u>403,381,448</u>
Governmental activity capital assets, net	<u>\$ 424,017,507</u>	<u>\$ 129,829,634</u>	<u>\$ (132,210,453)</u>	<u>\$ 421,636,688</u>
Road Commission				
Capital assets not being depreciated				
Land and other	\$ 165,228,482	\$ 2,564,526	\$ -	\$ 167,793,008
Construction in progress	257,404	-	(108,476)	148,928
Total capital assets not being depreciated	<u>165,485,886</u>	<u>2,564,526</u>	<u>(108,476)</u>	<u>167,941,936</u>
Capital assets being depreciated				
Buildings and storage bins	18,481,743	224,581	(7,971)	18,698,353
Road equipment	47,406,372	162,887	(85,957)	47,483,302
Other equipment	5,556,687	6,995	(205,305)	5,358,377
Infrastructure	895,840,879	43,414,301	-	939,255,180
Brine wells and gravel pits	1,389,028	-	-	1,389,028
Total capital assets being depreciated	<u>968,674,709</u>	<u>43,808,764</u>	<u>(299,233)</u>	<u>1,012,184,240</u>
Less: Accumulated depreciation				
Buildings and storage bins	9,443,812	356,482	(7,971)	9,792,323
Road equipment	42,186,438	2,416,532	(85,322)	44,517,648
Other equipment	4,639,977	263,658	(205,305)	4,698,330
Infrastructure	398,467,597	34,233,824	-	432,701,421
Brine wells and gravel pits	1,115,733	54,609	-	1,170,342
Total accumulated depreciation	<u>455,853,557</u>	<u>37,325,105</u>	<u>(298,598)</u>	<u>492,880,064</u>
Total capital assets being depreciated, net	<u>512,821,152</u>	<u>6,483,659</u>	<u>(635)</u>	<u>519,304,176</u>
Governmental activity capital assets, net	<u>\$ 678,307,038</u>	<u>\$ 9,048,185</u>	<u>\$ (109,111)</u>	<u>\$ 687,246,112</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

8. Debt

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

Primary Government

	Interest rate	October 1, 2009	Additions	Reductions	September 30, 2010	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Debt with limited taxing authority									
Building authority - Act 31	1.00%-5.90%	\$ 77,280,000	\$ 6,920,000	\$ (16,340,000)	\$ 67,860,000	\$ 4,445,000	\$ 63,415,000	\$ 49,060,000	\$ 18,800,000
Building authority refunding	2.00%-5.00%	9,305,000	10,990,000	(1,485,000)	18,810,000	70,000	18,740,000	10,950,000	7,860,000
Certificates of Participation - Taxable	6.00%-6.25%	519,610,000	-	(17,590,000)	502,020,000	18,320,000	483,700,000	502,020,000	-
Lake levels - Act 451	2.25%-3.40%	330,000	-	(60,000)	270,000	60,000	210,000	-	270,000
Sewage disposal - Act 342	4.10%-6.00%	1,960,000	-	(505,000)	1,455,000	135,000	1,320,000	-	1,455,000
Water and sewer - Act 342	4.00%-4.50%	3,250,000	-	(975,000)	2,275,000	150,000	2,125,000	-	2,275,000
Water supply - Act 342	3.50%-6.00%	10,675,000	-	(360,000)	10,315,000	375,000	9,940,000	-	10,315,000
Water and sewer refunding bonds	2.00%-3.50%	1,300,000	-	(305,000)	995,000	330,000	665,000	-	995,000
Water supply refunding bonds	1.50%-3.75%	1,315,000	-	(265,000)	1,050,000	275,000	775,000	-	1,050,000
Sewage disposal refunding bonds	2.00%-3.60%	5,945,000	-	(2,530,000)	3,415,000	1,135,000	2,280,000	-	3,415,000
Michigan Bond Authority - Sewage Disposal Bonds	1.62%-2.25%	6,473,579	22,148	(580,000)	5,915,727	585,000	5,330,727	-	5,915,727
Total bonds - governmental activities		<u>\$ 637,443,579</u>	<u>\$ 17,932,148</u>	<u>\$ (40,995,000)</u>	<u>\$ 614,380,727</u>	<u>\$ 25,880,000</u>	<u>\$ 588,500,727</u>	<u>\$ 562,030,000</u>	<u>\$ 52,350,727</u>
Tax notes - limited taxing authority - business-type activities	1.58%	<u>\$ 50,000,000</u>	<u>\$ 50,000,000</u>	<u>\$ (50,000,000)</u>	<u>\$ 50,000,000</u>	<u>\$ 50,000,000</u>	<u>\$ -</u>	<u>\$ 50,000,000</u>	<u>\$ -</u>

Component units

Drainage Districts

	Interest rate	October 1, 2009	Additions	Reductions	September 30, 2010	Amounts due within one year	Amounts due thereafter	General obligation	With governmental commitment
Debt with limited taxing authority									
Drain bonds - Act 40	1.15%-7.00%	\$ 18,520,000	\$ 7,630,000	\$ (1,995,000)	\$ 24,155,000	\$ 2,310,000	\$ 21,845,000	\$ 1,639,024	\$ 22,515,976
Drain refunding bonds	1.00%-5.00%	37,405,000	-	(5,350,000)	32,055,000	5,425,000	26,630,000	2,448,813	29,606,187
Michigan Bond Authority - Drain Bonds	1.15%-4.15%	91,556,080	3,341,875	(5,495,000)	89,402,955	5,645,000	83,757,955	397,993	89,004,962
Total Drainage Districts		<u>\$ 147,481,080</u>	<u>\$ 10,971,875</u>	<u>\$ (12,840,000)</u>	<u>\$ 145,612,955</u>	<u>\$ 13,380,000</u>	<u>\$ 132,232,955</u>	<u>\$ 4,485,830</u>	<u>\$ 141,127,125</u>
Total County Debt		<u>\$ 834,924,659</u>	<u>\$ 78,904,023</u>	<u>\$ (103,835,000)</u>	<u>\$ 809,993,682</u>	<u>\$ 89,260,000</u>	<u>\$ 720,733,682</u>	<u>\$ 616,515,830</u>	<u>\$ 193,477,852</u>

Road Commission

Compensated absences	--	\$ 3,083,032	\$ -	\$ (68,940)	\$ 3,014,092	\$ -	\$ 3,014,092	\$ -	\$ 3,014,092
Self-insured losses	--	2,100,000	1,228,109	-	3,328,109	954,000	2,374,109	-	3,328,109
Other postemployment benefits	--	6,424,140	2,945,319	-	9,369,459	-	9,369,459	-	9,369,459
Michigan Transportation Fund revenue notes	3.75%-4.75%	5,500,000	-	(1,500,000)	4,000,000	1,500,000	2,500,000	-	4,000,000
Total Road Commission		<u>\$ 17,107,172</u>	<u>\$ 4,173,428</u>	<u>\$ (1,568,940)</u>	<u>\$ 19,711,660</u>	<u>\$ 2,454,000</u>	<u>\$ 17,257,660</u>	<u>\$ -</u>	<u>\$ 19,711,660</u>
Total reporting entity		<u>\$ 852,031,831</u>	<u>\$ 83,077,451</u>	<u>\$ (105,403,940)</u>	<u>\$ 829,705,342</u>	<u>\$ 91,714,000</u>	<u>\$ 737,991,342</u>	<u>\$ 616,515,830</u>	<u>\$ 213,189,512</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

The annual requirements to pay principal and interest on debt outstanding at September 30, 2010 (excluding the liabilities for compensated absences, other postemployment benefits, and uninsured losses for the Road Commission component unit) were as follows:

	Bonds with limited taxing authority		Certificates of Participation limited taxing authority		Notes with limited taxing authority		Total primary government	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 7,560,000	\$ 4,819,180	\$ 18,320,000	\$ 30,379,587	\$ 50,000,000	\$ 528,750	\$ 75,880,000	\$ 35,727,517
2012	7,545,000	4,564,606	19,545,000	29,243,638	-	-	27,090,000	33,808,244
2013	8,070,000	4,308,545	20,520,000	28,041,687	-	-	28,590,000	32,350,232
2014	7,150,000	4,016,383	21,500,000	26,781,088	-	-	28,650,000	30,797,471
2015	7,165,000	3,726,748	22,720,000	25,454,488	-	-	29,885,000	29,181,236
2016-2020	37,885,000	13,823,044	134,365,000	104,446,056	-	-	172,250,000	118,269,100
2021-2025	28,185,000	5,462,814	178,085,000	56,269,531	-	-	206,270,000	61,732,345
2026-2030	8,285,727	1,080,484	86,965,000	5,511,719	-	-	95,250,727	6,592,203
2031-2035	230,000	90,950	-	-	-	-	230,000	90,950
2036-2040	285,000	37,825	-	-	-	-	285,000	37,825
Totals	\$ 112,360,727	\$ 41,930,579	\$ 502,020,000	\$ 306,127,794	\$ 50,000,000	\$ 528,750	\$ 664,380,727	\$ 348,587,123

	Drainage Districts		Road Commission		Total reporting entity	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 13,380,000	\$ 4,732,056	\$ 1,500,000	\$ 160,000	\$ 90,760,000	\$ 40,619,573
2012	11,960,000	4,533,236	500,000	100,000	39,550,000	38,441,480
2013	13,256,000	4,167,844	500,000	80,000	42,346,000	36,598,076
2014	11,555,854	3,243,047	500,000	60,000	40,705,854	34,100,518
2015	10,845,000	2,830,413	500,000	40,000	41,230,000	32,051,649
2016-2020	44,185,000	9,725,492	500,000	20,000	216,935,000	128,014,592
2021-2025	35,417,676	3,373,118	-	-	241,687,676	65,105,463
2026-2030	5,013,425	525,564	-	-	100,264,152	7,117,767
2031-2035	-	-	-	-	230,000	90,950
2036-2040	-	-	-	-	285,000	37,825
Totals	\$ 145,612,955	\$ 33,130,770	\$ 4,000,000	\$ 460,000	\$ 813,993,682	\$ 382,177,893

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

The County has pledged its full faith and credit on debt totaling \$809,993,682. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2010, the debt limit was \$5,774,507,650. 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, 2010, there were ten issues outstanding, totaling \$67,860,000, maturing in the years 2011-2040, which represents debt originally issued in the years 2002-2010 totaling \$105,080,000.

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, 2010, there remained debt outstanding in the amount of \$502,020,000, maturing in the years 2011-2027.

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 revenue produced by utility or tax revenue. 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, 2010, there were six issues outstanding, totaling \$14,045,000, maturing in the years 2011-2030. This represents debt originally issued in the amount of \$8,025,000 issued in the years 1995-2005.

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, 2010, there were six issues outstanding, totaling \$24,270,000, maturing in the years 2011-2027. This represents debt originally issued in the years 2003-2010 totaling \$28,540,000.

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, 2010 was \$4,250,000, which matures in the years 2011-2018.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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, 2010, the County received \$1,935,727 from the State Revolving Loan fund. The amount outstanding at September 30, 2010 for this issue is \$1,665,727, which matures in the years 2011-2027.

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, 2010 was \$270,000, which matures in the years 2011-2014.

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 \$276,474,984 at September 30, 2010, 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, 2010 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 – 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 revenue 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, 2010, there were nineteen issues outstanding, totaling \$24,155,000, maturing in the years 2011-2030. This represents original debt issued for \$45,600,000 in the years 1993-2010.

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, 2010, there were sixteen issues outstanding, totaling \$32,055,000, maturing in the years 2011-2024. This represents debt originally issued in the years 1999-2009 in the amount of \$55,475,000.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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, 2010, the drainage district received \$95,341,101 from the State Revolving Loan Fund for Segment II. In February 2010, Oakland County, Macomb County, and their underlying municipalities under the authority of Chapter 21 of Public Act 40, Public Acts of Michigan of 1956 were permitted to issue bonds in the amount of \$26,076,000 for the Oakland-Macomb Interceptor Drainage District. As of September 30, 2010, \$1,281,854 of the authorized amount had been received. At September 30, 2010, there were eleven issues outstanding, totaling \$89,402,955, maturing in the years 2011-2029.

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, 2010, 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 March 2010, the County issued \$10,990,000 of refunding bonds for a current refunding of a general obligation limited tax bond issue pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding bonds were issued for the payment of future debt service payment of the refunded debt. The debt refunded amounted to \$11,750,000 of Building Authority Bonds, Series 2002, maturing in the years 2012 through 2022. The refunding was undertaken to reduce the debt service payment over the next 12 years by \$977,329 and to obtain an economic (present value) gain of \$801,640.

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, 2010, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities					
Accrued compensated absences	\$ 12,965,161	\$ 1,380,184	\$ (1,296,516)	\$ 13,048,829	\$ 1,304,883
Claims and judgments					
Accrued unreported health costs	2,562,000	434,000	(854,000)	2,142,000	714,000
Accrued workers' compensation	12,018,241	1,793,209	(1,750,000)	12,061,450	1,300,000
Building and liability insurance	7,198,551	2,213,639	(2,729,872)	6,682,318	1,213,223
Governmental activity long-term liabilities	<u>\$ 34,743,953</u>	<u>\$ 5,821,032</u>	<u>\$ (6,630,388)</u>	<u>\$ 33,934,597</u>	<u>\$ 4,532,106</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

9. Interfund Balances

Interfund receivables and payables at September 30, 2010 were as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Public Health	\$ 3,562,684
	Nonmajor governmental	8,587,514
	Nonmajor enterprise	2,615
	Internal service	2,093
	Total	<u>12,154,906</u>
Public Health	Nonmajor governmental	<u>22,684</u>
Nonmajor governmental	General	618,067
	Nonmajor governmental	471,334
	S.O.C.S.D.S.	1,899
	Internal service	294,936
	Total	<u>1,386,236</u>
Water & Sewer Trust	Water & Sewer Trust	<u>356,273</u>
Nonmajor enterprise	Nonmajor governmental	1
	Water & Sewer Trust	959,594
	Total	<u>959,595</u>
Internal service	General	120
	Internal service	120
	Total	<u>240</u>
	Total	<u>\$ 14,879,934</u>

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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

Receivables and payables between funds of the Primary Government and the Component Units at September 30, 2010 were as follows:

Primary Government	Component Unit	
Due from Component Unit	Due to Primary Government	
General	Drainage Districts	\$ 26,390
	Road Commission	<u>1,071</u>
	Total	<u>27,461</u>
Nonmajor governmental	Drainage Districts	<u>607,766</u>
Nonmajor enterprise	Drainage Districts	<u>117,830</u>
Internal Service	Drainage Districts	4,648
	Road Commission	<u>27,617</u>
	Total	<u>32,265</u>
	Total	<u>\$ 785,322</u>

Advances to/from other funds (including current and long-term portions) at September 30, 2010 were as follows:

Receivable Fund	Payable Fund	
Nonmajor governmental	Nonmajor governmental	<u>\$ 330,543</u>
Delinquent Tax Revolving	Internal Service	<u>141,713</u>
S.O.C.S.D.S.	Internal Service	<u>850,243</u>
	Total	<u>\$ 1,322,499</u>

The County has certain "internal" leases when a lease is executed between the County and the Oakland County Building Authority, a blended component unit for purposes of providing funds to service debt issued to finance capital assets in the Enterprise Funds. This amount is reported as a capital lease payable in the respective enterprise fund, with the bond proceeds recorded in a capital project fund and debt service transactions reported in a debt service fund. The lease payable amount corresponds directly to the debt service schedules, and the enterprise fund reports a capital asset of construction in progress. The receivable for the lease is recorded in the reconciliation of governmental funds to the statement of net assets. As of September 30, 2010, there are two leases in the County Airports fund amounting to \$10,985,000, maturing in the years 2011 through 2030.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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, 2010 were as follows:

Transfers In	Transfers Out	Amount
General	Revenue Sharing Reserve	\$ 23,977,527
	Nonmajor governmental	14,091,094
	Delinquent Tax Revolving	<u>26,364,838</u>
	Total	<u>64,433,459</u>
Public Health	General	<u>21,846,965</u>
Building Authority Act 31	Delinquent Tax Revolving	<u>5,072,664</u>
Water & Sewer Debt Act 342	Nonmajor governmental	<u>893,684</u>
Nonmajor governmental	General	27,609,554
	Nonmajor governmental	1,674,410
	Delinquent Tax Revolving	257,963
	Nonmajor enterprise	4,600,000
	Internal Service	<u>1,714,140</u>
	Total	<u>35,856,067</u>
Parks & Recreation	Nonmajor governmental	<u>858</u>
Nonmajor enterprise	General	1,892,875
	Nonmajor enterprise	<u>200,000</u>
	Total	<u>2,092,875</u>
Internal Service	General	1,163,813
	Nonmajor governmental	28,788
	Nonmajor enterprise	71,500
	Internal Service	<u>177,707</u>
	Total	<u>1,441,808</u>
	Total transfers	<u>\$ 131,638,380</u>

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, 2010

10. Fund Equities

At September 30, 2010, a deficit existed in the following funds:

Special Revenue Fund	
Lake Levels Act 146	\$ 91,342
Capital Projects Fund	
Lake Levels Act 146	147,117
Internal Service Fund	
Drain Equipment	721,923

In the Special Revenue fund, 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. The majority of the overall net negative unreserved fund balance is due to a remaining \$53,582 deficit in the Oxford Multi Lake Level fund and a deficit of \$50,914 in the Oakland Woodhull Lake Level. The Oxford Multi Lake Level Fund deficit is related to a large maintenance project being funded through a five-year special assessment which is being assessed through 2014. At the end of fiscal 2010, a lawsuit was settled for the Oakland Woodhull Lake Level, and a settlement of \$30,000 is due to be paid to the fund by December 31, 2010. Negative unreserved fund balances in the various other lake level funds will be reviewed and eliminated in future years' assessments.

In the Capital Projects fund, the negative unreserved fund balance in the Lake Levels Act 146 Fund primarily reflects costs that are related to the Bush Lake Level project in the amount of \$114,445 and the Upper Straights Lake Level Dam Reconstruction project in the amount of \$36,106. Litigation pertaining to the Bush Lake Level project has concluded and the project is moving forward. A ten-year assessment has been approved to cover the costs of this project. The project for Upper Straights Lake Level is in the design phase and will be funded through a special assessment that will be determined once an estimate of construction cost has been calculated.

In the Internal Service fund, the negative unrestricted net assets balance in the Drain Equipment Fund 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 continued to improve in FY 2010, realizing a positive change in net assets of \$573,096. The \$573,096 positive change in net assets is more than the \$260,928 projection provided to the State of Michigan with the FY 2009 deficit elimination plan detail. During FY 2010, the Drain Equipment Fund had to take out an \$884,639 internal loan in order to replace two vector trucks and one jetter truck as the vehicles were in need of replacement. As a point of clarification, since the loan was from an internal funding source and was not an external loan, the related debt could not be used in the "invested in capital assets, net of related debt" calculation. Had this been an external loan, the related debt would have been included in the calculation and the fund would not have a negative unrestricted net assets balance at the end of FY 2010 (the balance of the loan as of September 30, 2010 was \$850,243). 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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

Reserved, designated, and unreserved fund balances and net assets at September 30, 2010, including the Road Commission and Drainage Districts component units, were as follows:

	Reserved	Unreserved	
		Designated	Undesignated
Primary Government			
General Fund			
Encumbrances	\$ -	\$ 142,505	\$ -
Prepays	115,623	-	-
Future operating requirements	-	117,166,090	-
Capital outlay	-	10,186,292	-
Other programs	264,170	20,614,945	-
Uncommitted	-	-	516,356
	<u>\$ 379,793</u>	<u>\$ 148,109,832</u>	<u>\$ 516,356</u>
Special Revenue Funds			
Encumbrances	\$ -	\$ 11,448	\$ -
Specific programs	337,645,711	147,337,977	(91,342)
	<u>\$ 337,645,711</u>	<u>\$ 147,349,425</u>	<u>\$ (91,342)</u>
Debt Service Funds			
Debt service - general obligations	\$ 305,797	\$ -	\$ -
Capital Projects Funds			
Long-term receivables	\$ 363,876	\$ -	\$ -
Work projects	9,306,896	6,175,010	-
Uncommitted	-	-	11,756,867
	<u>\$ 9,670,772</u>	<u>\$ 6,175,010</u>	<u>\$ 11,756,867</u>
	Reserved	Unreserved	
		Designated	Undesignated
Component Units			
Road Commission			
Governmental Fund			
Construction and maintenance	\$ 11,802,817	\$ 8,989,000	\$ -
Subsequent year's budget	-	3,086,091	-
Long-term portion of provision for uninsured losses	-	3,328,109	-
Compensated absences	-	3,014,092	-
Postemployment benefits	-	9,369,549	-
	<u>\$ 11,802,817</u>	<u>\$ 27,786,841</u>	<u>\$ -</u>
Drainage Districts			
Governmental Fund			
Construction and maintenance	\$ 9,353,456	\$ -	\$ -
Debt Service	476,191	-	-
	<u>\$ 9,829,647</u>	<u>\$ -</u>	<u>\$ -</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

11. Employee Benefits

Primary Government

The County provides various benefits to its employees. Expenditures in 2010 for these benefits totaled the following: medical insurance, \$29,344,791; dental insurance, \$3,124,876; optical insurance, \$275,156; annual and sick leave, \$1,067,499; disability, \$2,381,107; tuition reimbursement, \$224,610; Social Security, \$15,605,078; workers' compensation, \$1,668,063; and unemployment claims, \$762,665.

Road Commission

The Road Commission provides medical, dental, and optical insurance to its employees. Expenditures in 2010 for these benefits approximated \$11,023,610, and workers' compensation expense in 2010 totaled \$1,393,977.

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.

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, 2010:

Statement of Net Assets

Cash and investments	\$ 685,083,519
Other assets	2,323,823
Total assets	<u>687,407,342</u>
Liabilities	<u>509,607</u>
Net assets	<u>\$ 686,897,735</u>

Statement of Changes in Net Assets

Additions:	
Contributions	\$ 974,449
Investment income	65,498,685
Other revenue	414,949
Total additions	<u>66,888,083</u>
Deductions:	
Benefit payments	39,250,214
Other expenses	2,663,597
Total deductions	<u>41,913,811</u>
Change in net assets	24,974,272
Net assets held in trust, beginning of year	<u>661,923,463</u>
Net assets held in trust, end of year	<u>\$ 686,897,735</u>

County of Oakland

Notes to Basic Financial Statements

September 30, 2010

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 valuations performed at September 30, 2008 and September 30, 2007, respectively. There were no contributions from County funds for the years 2000 through 2010.

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, 2010 and September 30, 2009 amounted to \$974,449 and \$1,007,374, 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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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, 2009, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,794
Terminated plan members entitled to, but not yet receiving benefits	184
Active plan members	<u>723</u>
Total	<u><u>2,701</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.

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,		
	2009	2008	2007
Actuarial value of assets	\$ 750,432,703	\$ 791,541,576	\$ 799,307,403
Actuarial accrued liability (entry age)	<u>683,077,469</u>	<u>675,166,642</u>	<u>652,118,082</u>
Unfunded AAL	<u>\$ (67,355,234)</u>	<u>\$ (116,374,934)</u>	<u>\$ (147,189,321)</u>
Funded ratio	109.9%	117.2%	122.6%
Covered payroll	\$ 44,884,070	\$ 46,690,015	\$ 55,704,389
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, 2008, 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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

Fund Balance Reserved for Employees' Pension Benefits

Fund balances reserved for employees' pension benefits include legally required reserves. Fund balance as of September 30, 2010 consists of the following reserves:

Annuity reserve	\$ 8,531,060
Pension reserve	252,444,671
Pension accumulated reserve	<u>425,922,004</u>
Total fund balance	<u>\$ 686,897,735</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.

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, 2010 was 2,644, which includes 571 employees who elected to transfer from the PERS in 1995 through 2000 and 2,073 current employees hired since July 1, 1994.

The County's payroll for employees covered by the OPRS for the year ended September 30, 2010 was \$166,368,524, and the County's total payroll was \$234,684,850. The required contributions, which matched those actually made, were \$6,496,184 by employees and \$15,348,968 by the County, representing 3.9% and 9.2% of covered payroll, respectively.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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 2010, the County contributed \$183,328 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).

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 2010, the County provided 1,989 retirees medical insurance and reimbursed them for Medicare premiums under the Trust. In 2010, the County disbursed \$23,732,149 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, 2009, the date of the most recent actuarial valuation, membership in the OPEB consisted of 2,026 retirees and beneficiaries currently receiving benefits, 3,101 active employees, and 278 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		
	2010	2009	2008
Annual OPEB cost (ARC)	\$ 57,631,411	\$ 61,863,580	\$ 60,200,684
Percentage of ARC contributed	100%	100%	100%
Net OPEB obligation	\$ -	\$ -	\$ -

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

In 2010, the County contributed \$57,631,411 and experienced a gain of \$49,749,511 in interest income, with retirees contributing \$94,816 toward the cost of hospitalization riders. Employer contributions in 2010 for the County OPEB as determined through actuarial valuations performed at September 30, 2008 were: General \$45,974,581, Command Officers \$2,428,649, and Deputies \$9,228,181. This is expressed in percentages of covered payroll as 26.12% and 19.54%, respectively, for the last two classes. The General division is expressed only in dollars due to a change in the level dollar amortization method used to finance the unfunded accrued liability. Employees are not required to contribute to the plan.

The funding progress of the plan as of September 30, 2009, the most recent actuarial valuation report, is as follows:

Retirees and beneficiaries	\$ 374,631,963
Vested terminated employees who will be eligible when they collect retirement (age 60 in most cases) and their beneficiaries	52,331,914
Active employees and beneficiaries	<u>391,890,320</u>
Actuarial accrued liability	818,854,197
Actuarial value of assets	<u>452,506,005</u>
Unfunded AAL (UAAL)	<u>\$ 366,348,192</u>
Funded ratio	55.3%
Annual covered payroll	\$ 180,539,069
UAAL as a percentage of covered payroll	203.0%

Unfunded actuarial accrued liabilities are being amortized as a fixed percentage of payroll over a closed period of 26 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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

In the September 30, 2009 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, 2010 was 26 years.

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, 2010:

Statement of Net Assets

Cash and investments	\$ 517,784,024
Other assets	1,493,259
Total assets	<u>519,277,283</u>
Liabilities	<u>1,166,762</u>
Net assets	<u>\$ 518,110,521</u>

Statement of Changes in Net Assets

Additions:	
Contributions	\$ 57,726,227
Investment income	49,749,511
Other revenue	1,539,094
Total additions	<u>109,014,832</u>
Deductions:	
Benefits	<u>23,732,149</u>
Change in net assets	85,282,683
Net assets held in trust, beginning of year	<u>432,827,838</u>
Net assets held in trust, end of year	<u>\$ 518,110,521</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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, 2010, the Road Commission's annual required contribution to the Trust was \$8,773,672, with interest of \$481,811 on the prior year net OPEB obligation. The Road Commission contributed \$1,000,000 to the Trust during the year and paid \$5,310,164 directly toward insurance premiums and medical costs for retirees during fiscal year 2010, leaving a net OPEB obligation of \$9,369,459 at September 30, 2010.

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 \$517,769,284, electronic data processing equipment in the amount of \$35,246,332, 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 \$2,854,184, 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 for each occurrence, and 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.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

The County and the Road Commission estimate the liability for all the above-mentioned claims that have been incurred through September 30, 2010, 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.

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:

	September 30	
	2010	2009
Primary Government		
Beginning-of-period liability	<u>\$ 21,778,792</u>	<u>\$ 20,650,939</u>
Estimated claims incurred, claim adjustment expenses and changes in estimates		
Provisions for current-year events	37,840,599	36,031,765
Decrease in provisions for prior-year events	<u>(1,216,268)</u>	<u>(134,218)</u>
Total incurred claims, claim adjustment expenses and changes in estimates	36,624,331	35,897,547
Claim payments and claim adjustment expenses		
Related to current-year events	(35,747,376)	(31,721,893)
Related to prior-year events	<u>(1,769,979)</u>	<u>(3,047,801)</u>
Total claim payments and claim adjustment expenses	<u>(37,517,355)</u>	<u>(34,769,694)</u>
End-of-period liability	<u>\$ 20,885,768</u>	<u>\$ 21,778,792</u>
Road Commission - Component Unit		
Beginning-of-year liability	\$ 4,200,000	\$ 3,650,000
Estimated claims incurred and changes in estimates	12,928,005	13,441,055
Claim payments	<u>(12,899,896)</u>	<u>(12,891,055)</u>
End-of-year liability	<u>\$ 4,228,109</u>	<u>\$ 4,200,000</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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, 2010 were \$786,089. The future minimum lease payments as of September 30, 2010 are as follows:

Fiscal year	Primary government
2011	\$ 963,882
2012	846,950
2013	667,045
2014	650,845
2015	324,473
2016 - 2020	583,099
	<u>\$ 4,036,294</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, 2010 amounted to \$111,656, recorded in the Facilities Maintenance & Operations fund, an internal service fund type.

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, Community Mental Health Authority Housing Project in the amount of \$5,500,000 in 2007, and Keego Harbor City Hall and DPW Building in the amount of \$1,120,000 in 2010. The future minimum lease payments to be received as of September 30, 2010 are as follows:

Fiscal year	Primary government
2011	\$ 2,170,147
2012	2,162,838
2013	2,480,275
2014	2,517,968
2015	2,496,734
2016 - 2020	12,403,009
2021 - 2025	10,785,392
2026 - 2030	3,335,937
2031 - 2035	320,950
2036 - 2040	322,825
	<u>\$ 38,996,075</u>

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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, the 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, 2010 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; Oakland County International Airport Terminal project with a contract of \$5,725,438 with a remaining balance of \$4,806,512; radio tower project of \$36,618,820 with a balance of \$16,583,174; 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 \$6,843,943, with a remaining balance of \$22,907 and contracts for the Oakland Macomb Interceptor Drainage District Project with a total cost of \$38,523,031, with a remaining balance of \$19,385,801 as of September 30, 2010.

County of Oakland
Notes to Basic Financial Statements
September 30, 2010

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	\$ 13,563,826
Long-term advances receivable	330,543
Due to other funds	(13,262,404)
Current and long-term advances payable	(330,543)
Internal Service Funds	
Due from other funds	240
Due to other funds	(297,149)
Current and long-term advances payable	(991,956)
Capital lease receivable for County Airports, not reported in funds	<u>10,985,000</u>
Governmental activities, internal balances	<u>\$ 9,997,557</u>

Business-Type Activities

Proprietary Funds	
Due from other funds	\$ 1,315,868
Current and long-term advances receivable	991,956
Due to other funds	(1,320,381)
Current and long-term capital lease payable	<u>(10,985,000)</u>
Business-type activities, internal balances	<u>\$ (9,997,557)</u>

20. Restricted Assets

Cash and investments in the amount of \$336,963,889 and accrued interest on the investments of \$954,410 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.

REQUIRED SUPPLEMENTARY INFORMATION

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

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
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%
2009	750,432,703	683,077,469	(67,355,234)	109.9%	44,884,070	0.0%

Schedule of employer contributions:

Year ended September 30,	Annual required contribution	Percentage contributed
2004	\$ 0	100%
2005	0	100%
2006	0	100%
2007	0	100%
2008	0	100%
2009	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**

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
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%
2009	452,506,005	818,854,197	366,348,192	55.3%	180,539,069	203.0%

Schedule of employer contributions:

Year ended September 30,	Annual required contribution	Percentage contributed
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%
2009	61,863,580	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	26 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, 2010**

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Revenue				
Taxes				
Current property taxes	\$ 218,116,055	\$ 218,116,055	\$ 222,738,017	\$ 4,621,962
Delinquent taxes - prior years	98,500	98,500	(1,555,148)	(1,653,648)
Trailer tax	88,000	88,000	88,850	850
Total	<u>218,302,555</u>	<u>218,302,555</u>	<u>221,271,719</u>	<u>2,969,164</u>
Other intergovernmental revenue				
Cigarette tax distribution	540,000	540,000	297,345	(242,655)
Circuit judges' salaries	866,381	866,381	868,869	2,488
Probate judges' salaries	592,724	592,724	575,498	(17,226)
District judges' salaries	501,589	501,589	502,964	1,375
State court fund - P.A. 189	5,500,000	5,578,439	5,578,440	1
Convention facility/Liquor tax	2,900,000	3,229,112	3,229,112	-
Other	361,250	459,954	253,900	(206,054)
Total	<u>11,261,944</u>	<u>11,768,199</u>	<u>11,306,128</u>	<u>(462,071)</u>
Charges for services				
County Executive	230,000	30,000	13,020	(16,980)
Management and Budget	3,412,741	3,926,880	3,503,752	(423,128)
Central Services	153,000	153,000	111,038	(41,962)
Human Resources	800	800	587	(213)
Human Services	-	-	201,410	201,410
Public Services	1,331,442	1,312,442	1,283,032	(29,410)
Community and Economic Development	487,300	487,300	348,718	(138,582)
Clerk/Register of Deeds	9,727,900	9,891,668	11,047,023	1,155,355
Treasurer	1,923,530	2,417,530	2,547,809	130,279
Circuit Court	3,916,150	3,916,150	3,773,642	(142,508)
District Court	13,573,909	13,573,909	12,837,916	(735,993)
Probate Court	566,300	566,300	572,655	6,355
Prosecuting Attorney	805,300	470,300	432,908	(37,392)
Sheriff	38,429,389	40,097,986	40,382,236	284,250
Legislative	27,600	28,855	73,362	44,507
Water Resources Commissioner	1,827,240	2,509,608	1,837,074	(672,534)
Non-Departmental	750,000	821,077	887,417	66,340
Total	<u>77,162,601</u>	<u>80,203,805</u>	<u>79,853,599</u>	<u>(350,206)</u>
Investment income	2,761,800	3,029,389	3,927,537	898,148
Indirect cost recovery	8,517,499	9,053,032	9,141,312	88,280
Federal grants	365,947	374,102	333,783	(40,319)
State grants	169,947	179,472	105,458	(74,014)
Contributions	-	178,217	261,806	83,589
Other revenue	700,226	806,643	741,486	(65,157)
Total revenue	<u>319,242,519</u>	<u>323,895,414</u>	<u>326,942,828</u>	<u>3,047,414</u>

(continued)

**County of Oakland
 Budgetary Comparison Schedule (Continued)
 Major Governmental Funds
 Year Ended September 30, 2010**

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Expenditures				
County Executive				
Administration				
Personnel	\$ 4,900,393	\$ 4,905,769	\$ 4,905,767	\$ 2
Operating	309,103	359,155	287,459	71,696
Internal Support	930,968	939,578	746,009	193,569
Total Administration	<u>6,140,464</u>	<u>6,204,502</u>	<u>5,939,235</u>	<u>265,267</u>
Management and Budget				
Personnel	16,146,734	16,176,398	15,602,172	574,226
Operating	508,576	541,098	319,004	222,094
Internal Support	2,956,692	4,036,463	3,730,564	305,899
Total Management and Budget	<u>19,612,002</u>	<u>20,753,959</u>	<u>19,651,740</u>	<u>1,102,219</u>
Central Services				
Personnel	1,228,790	1,256,223	1,256,223	-
Operating	56,444	56,444	30,499	25,945
Internal Support	786,951	892,796	815,948	76,848
Total Central Services	<u>2,072,185</u>	<u>2,205,463</u>	<u>2,102,670</u>	<u>102,793</u>
Facilities Management				
Personnel	1,098,577	1,098,577	1,004,846	93,731
Operating	90,484	90,484	48,016	42,468
Internal Support	100,179	100,186	85,722	14,464
Total Facilities Management	<u>1,289,240</u>	<u>1,289,247</u>	<u>1,138,584</u>	<u>150,663</u>
Human Resources				
Personnel	2,827,383	2,830,767	2,743,615	87,152
Operating	523,053	523,053	287,008	236,045
Internal Support	782,997	948,073	920,217	27,856
Total Human Resources	<u>4,133,433</u>	<u>4,301,893</u>	<u>3,950,840</u>	<u>351,053</u>
Human Services				
Personnel	926,913	924,084	931,508	(7,424)
Operating	3,237,418	4,247,647	3,863,304	384,343
Internal Support	512,459	535,321	471,826	63,495
Total Human Services	<u>4,676,790</u>	<u>5,707,052</u>	<u>5,266,638</u>	<u>440,414</u>
Public Services				
Personnel	10,565,802	10,514,791	10,260,456	254,335
Operating	1,733,838	1,865,068	1,503,844	361,224
Internal Support	3,231,984	3,527,022	3,169,950	357,072
Total Public Services	<u>15,531,624</u>	<u>15,906,881</u>	<u>14,934,250</u>	<u>972,631</u>

(continued)

**County of Oakland
 Budgetary Comparison Schedule (Continued)
 Major Governmental Funds
 Year Ended September 30, 2010**

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended budget	Actual	
Expenditures (continued)				
County Executive (continued)				
Community and Economic Development				
Personnel	\$ 4,671,781	\$ 4,716,973	\$ 4,563,570	\$ 153,403
Operating	1,573,269	1,828,129	781,494	1,046,635
Internal Support	1,044,384	1,128,210	978,448	149,762
Total Community and Economic Development	<u>7,289,434</u>	<u>7,673,312</u>	<u>6,323,512</u>	<u>1,349,800</u>
Total County Executive	<u>60,745,172</u>	<u>64,042,309</u>	<u>59,307,469</u>	<u>4,734,840</u>
Clerk/Register of Deeds				
Personnel	7,586,057	7,607,574	7,245,968	361,606
Operating	2,251,250	2,262,550	1,660,239	602,311
Internal Support	1,670,944	1,965,588	1,571,403	394,185
Total Clerk/Register of Deeds	<u>11,508,251</u>	<u>11,835,712</u>	<u>10,477,610</u>	<u>1,358,102</u>
Treasurer				
Personnel	2,654,440	2,866,788	2,866,787	1
Operating	189,920	188,465	153,092	35,373
Internal Support	659,415	1,288,798	1,161,268	127,530
Total Treasurer	<u>3,503,775</u>	<u>4,344,051</u>	<u>4,181,147</u>	<u>162,904</u>
Justice Administration				
Circuit Court				
Personnel	21,846,198	21,918,715	22,072,680	(153,965)
Operating	7,054,678	7,401,021	6,694,562	706,459
Internal Support	4,651,945	5,055,032	4,477,133	577,899
Total Circuit Court	<u>33,552,821</u>	<u>34,374,768</u>	<u>33,244,375</u>	<u>1,130,393</u>
District Court				
Personnel	11,677,617	11,926,834	11,926,834	-
Operating	2,499,184	2,575,820	2,215,970	359,850
Internal Support	1,772,240	2,017,054	1,784,584	232,470
Total District Court	<u>15,949,041</u>	<u>16,519,708</u>	<u>15,927,388</u>	<u>592,320</u>
Probate Court				
Personnel	4,346,304	4,657,627	4,657,627	-
Operating	679,272	721,015	712,916	8,099
Internal Support	1,092,646	953,887	862,795	91,092
Total Probate Court	<u>6,118,222</u>	<u>6,332,529</u>	<u>6,233,338</u>	<u>99,191</u>
Total Justice Administration	<u>55,620,084</u>	<u>57,227,005</u>	<u>55,405,101</u>	<u>1,821,904</u> (continued)

**County of Oakland
 Budgetary Comparison Schedule (Continued)
 Major Governmental Funds
 Year Ended September 30, 2010**

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Expenditures (continued)				
Law Enforcement				
Prosecuting Attorney				
Personnel	\$ 15,319,876	\$ 15,304,278	\$ 15,162,107	\$ 142,171
Operating	886,273	701,557	559,459	142,098
Internal Support	1,887,175	1,967,833	1,714,752	253,081
Total Prosecuting Attorney	<u>18,093,324</u>	<u>17,973,668</u>	<u>17,436,318</u>	<u>537,350</u>
Sheriff				
Personnel	95,766,625	99,154,485	99,154,449	36
Operating	10,216,476	11,918,864	9,912,309	2,006,555
Internal Support	16,715,200	17,192,756	15,147,688	2,045,068
Total Sheriff	<u>122,698,301</u>	<u>128,266,105</u>	<u>124,214,446</u>	<u>4,051,659</u>
Total Law Enforcement	<u>140,791,625</u>	<u>146,239,773</u>	<u>141,650,764</u>	<u>4,589,009</u>
Legislative				
Board of Commissioners				
Personnel	3,049,394	3,109,309	3,109,308	1
Operating	653,280	653,280	585,750	67,530
Internal Support	1,148,131	974,162	854,754	119,408
Total Legislative	<u>4,850,805</u>	<u>4,736,751</u>	<u>4,549,812</u>	<u>186,939</u>
Water Resource Commissioner				
Personnel	3,677,188	4,247,319	3,976,410	270,909
Operating	457,412	457,412	215,355	242,057
Internal Support	1,121,581	1,530,162	1,357,097	173,065
Total Water Resource Commissioner	<u>5,256,181</u>	<u>6,234,893</u>	<u>5,548,862</u>	<u>686,031</u>
Non-departmental				
Operating	35,445,442	35,320,936	12,540,879	22,780,057
Internal Support	8,891,730	3,257,113	2,462,108	795,005
Total non-departmental	<u>44,337,172</u>	<u>38,578,049</u>	<u>15,002,987</u>	<u>23,575,062</u>
Total expenditures	<u>326,613,065</u>	<u>333,238,543</u>	<u>296,123,752</u>	<u>37,114,791</u>
Excess of revenue (under) over expenditures	<u>(7,370,546)</u>	<u>(9,343,129)</u>	<u>30,819,076</u>	<u>40,162,205</u> (continued)

**County of Oakland
 Budgetary Comparison Schedule (Continued)
 Major Governmental Funds
 Year Ended September 30, 2010**

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Other Financing Sources (Uses)				
Transfers in				
Special Revenue Funds				
Revenue Sharing Reserve	\$ 23,977,537	\$ 23,977,527	\$ 23,977,527	\$ -
Delinquent Personal Tax Administration	1,766,000	1,766,000	1,766,000	-
Property Tax Forfeiture	3,800,000	3,800,000	3,800,000	-
Restricted funds	-	4,541	14	(4,527)
CCIRF	7,100,000	7,100,000	7,100,000	-
Jail Population Management	1,385,000	1,385,000	1,385,000	-
Law Enforcement Grants	-	-	34,178	34,178
Total special revenue	<u>38,028,537</u>	<u>38,033,068</u>	<u>38,062,719</u>	<u>29,651</u>
Capital Projects				
Project Work Orders	-	-	5,902	5,902
Enterprise Funds				
Delinquent Tax Revolving	<u>26,150,000</u>	<u>26,150,000</u>	<u>26,364,838</u>	<u>214,838</u>
Total Transfers In	<u>64,178,537</u>	<u>64,183,068</u>	<u>64,433,459</u>	<u>250,391</u>
Transfers out				
Special Revenue Funds				
Public Health	(24,395,153)	(25,868,712)	(21,846,965)	4,021,747
Child Care	(22,830,133)	(23,651,317)	(19,091,653)	4,559,664
Social Welfare Foster Care	(1,000)	(1,000)	-	1,000
Oakland Enhancement	-	(100,000)	(100,000)	-
Drains-Act 40 Chapters 4 & 18				
Maintenance	(56,165)	(56,165)	(46,935)	9,230
Friend of the Court Grant	(4,360,124)	(4,360,124)	(4,257,270)	102,854
Multi Organizational Grants	-	(7,574)	(11,506)	(3,932)
Law Enforcement Grants	(844,991)	(1,640,510)	(1,621,074)	19,436
Housing Community Development	-	(382,256)	(382,256)	-
Judicial Grants	(72,811)	(33,415)	(31,868)	1,547
Total special revenue funds	<u>(52,560,377)</u>	<u>(56,101,073)</u>	<u>(47,389,527)</u>	<u>8,711,546</u>
Debt Service Funds				
Building Authority Refunding	<u>(1,458,768)</u>	<u>(1,458,768)</u>	<u>(1,458,773)</u>	<u>(5)</u>
Total debt service funds	<u>(1,458,768)</u>	<u>(1,458,768)</u>	<u>(1,458,773)</u>	<u>(5)</u>

(continued)

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2010

	General Fund			Variance with Final Amended Budget
	Original Budget	Final Amended Budget	Actual	
Other Financing Sources (Uses) (continued)				
Capital Projects Funds				
Project Work Orders	\$ -	\$ (608,219)	\$ (608,219)	\$ -
Internal Service Funds				
Facilities Maintenance and Operations	-	-	(745)	(745)
Information Technology	(1,131,143)	(1,082,068)	(1,141,068)	(59,000)
Drain Equipment	(50,000)	(50,000)	-	50,000
Building and Liability Insurance	-	(22,000)	(22,000)	-
Total internal service funds	<u>(1,181,143)</u>	<u>(1,154,068)</u>	<u>(1,163,813)</u>	<u>(9,745)</u>
Enterprise Funds				
Fire Records Management	(413,997)	(413,997)	(440,689)	(26,692)
CLEMIS	(1,208,186)	(1,452,186)	(1,452,186)	-
Radio Communications	(135,510)	(135,510)	-	135,510
Total enterprise funds	<u>(1,757,693)</u>	<u>(2,001,693)</u>	<u>(1,892,875)</u>	<u>108,818</u>
Total transfers out	<u>(56,957,981)</u>	<u>(61,323,821)</u>	<u>(52,513,207)</u>	<u>8,810,614</u>
Total other financing sources (uses)	<u>7,220,556</u>	<u>2,859,247</u>	<u>11,920,252</u>	<u>9,061,005</u>
Net change in fund balance	(149,990)	(6,483,882)	42,739,328	49,223,210
Fund balance				
October 1, 2009	<u>106,266,653</u>	<u>106,266,653</u>	<u>106,266,653</u>	<u>-</u>
September 30, 2010	<u>\$ 106,116,663</u>	<u>\$ 99,782,771</u>	<u>\$ 149,005,981</u>	<u>\$ 49,223,210</u>

**County of Oakland
 Budgetary Comparison Schedule (Continued)
 Major Governmental Funds
 Year Ended September 30, 2010**

	Public Health			
	Original budget	Final Amended budget	Actual	Variance with Final Amended Budget
Revenue				
Federal grants	\$ 21,728	\$ 63,484	\$ 11,255	\$ (52,229)
State grants	4,882,410	4,798,597	4,756,299	(42,298)
Charges for services	2,812,337	2,927,571	2,764,499	(163,072)
Contributions	-	-	1,000	1,000
Other	-	-	23,224	23,224
Total revenue	<u>7,716,475</u>	<u>7,789,652</u>	<u>7,556,277</u>	<u>(233,375)</u>
Expenditures				
Current operations				
County Executive				
Human Services				
Personnel	23,752,490	22,938,472	22,590,575	347,897
Operating	4,778,762	6,134,704	2,755,406	3,379,298
Internal Support	<u>3,580,376</u>	<u>4,586,092</u>	<u>4,056,759</u>	<u>529,333</u>
Total Human Services	<u>32,111,628</u>	<u>33,659,268</u>	<u>29,402,740</u>	<u>4,256,528</u>
Total County Executive	<u>32,111,628</u>	<u>33,659,268</u>	<u>29,402,740</u>	<u>4,256,528</u>
Total expenditures	<u>32,111,628</u>	<u>33,659,268</u>	<u>29,402,740</u>	<u>4,256,528</u>
Deficiency of revenue under expenditures	<u>(24,395,153)</u>	<u>(25,869,616)</u>	<u>(21,846,463)</u>	<u>4,023,153</u>
Other financing sources				
Transfers in	<u>24,395,153</u>	<u>25,868,712</u>	<u>21,846,965</u>	<u>(4,021,747)</u>
Net change in fund balance	-	(904)	502	1,406
Fund balance				
October 1, 2009	<u>904</u>	<u>904</u>	<u>904</u>	<u>-</u>
September 30, 2010	<u>\$ 904</u>	<u>\$ -</u>	<u>\$ 1,406</u>	<u>\$ 1,406</u>

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2010

	Revenue Sharing Reserve			Variance with Final Amended Budget
	Original budget	Final Amended budget	Actual	
Revenue				
Investment income	\$ 1,140,000	\$ 1,140,000	\$ 728,971	\$ (411,029)
Other financing sources (uses)				
Transfers out	23,977,527	23,977,527	(23,977,527)	47,955,054
Net change in fund balance	25,117,527	25,117,527	(23,248,556)	48,366,083
Fund balance				
October 1, 2009	131,070,299	131,070,299	131,070,299	-
September 30, 2010	\$ 156,187,826	\$ 156,187,826	\$ 107,821,743	\$ 48,366,083

County of Oakland
Budgetary Comparison Schedule (Continued)
Major Governmental Funds
Year Ended September 30, 2010

	Interim Retirees' Medical Benefits Trust			
	Original budget	Final Amended budget	Actual	Variance with Final Amended Budget
Revenue				
Investment income	\$ 5,571,636	\$ 5,571,636	\$ 37,383,223	\$ 31,811,587
Charges for services	-	-	14,817	14,817
Total revenue	<u>5,571,636</u>	<u>5,571,636</u>	<u>37,398,040</u>	<u>31,826,404</u>
Expenditures				
Non-departmental				
Operating	<u>57,631,411</u>	<u>57,631,411</u>	<u>58,785,379</u>	<u>(1,153,968)</u>
Total expenditures	<u>57,631,411</u>	<u>57,631,411</u>	<u>58,785,379</u>	<u>(1,153,968)</u>
Net change in fund balance	(52,059,775)	(52,059,775)	(21,387,339)	30,672,436
Fund balance				
October 1, 2009	<u>359,033,050</u>	<u>359,033,050</u>	<u>359,033,050</u>	-
September 30, 2010	<u>\$ 306,973,275</u>	<u>\$ 306,973,275</u>	<u>\$ 337,645,711</u>	<u>\$ 30,672,436</u>

County of Oakland
Notes to Required Supplementary Information
September 30, 2010

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."

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

**County of Oakland
Balance Sheet
Non-Major Governmental Funds – By Fund Type
September 30, 2010**

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2010
Assets				
Current assets				
Pooled cash and investments	\$ 52,591,185	\$ 2,090,624	\$ 27,158,191	\$ 81,840,000
Due from other governmental units	11,753,751	-	-	11,753,751
Due from component units	-	-	607,766	607,766
Accrued interest receivable	173,531	1,170	84,497	259,198
Accounts receivable (net of allowance for uncollectibles where applicable)	1,401,423	-	-	1,401,423
Contracts receivable	-	-	16,667	16,667
Due from other funds	410,240	-	975,996	1,386,236
Other assets	5,468,414	-	-	5,468,414
Total current assets	<u>71,798,544</u>	<u>2,091,794</u>	<u>28,843,117</u>	<u>102,733,455</u>
Noncurrent assets				
Advances	-	-	330,543	330,543
Special assessments receivable	-	5,557,283	-	5,557,283
Contracts receivable	-	7,860,000	33,333	7,893,333
Total noncurrent assets	<u>-</u>	<u>13,417,283</u>	<u>363,876</u>	<u>13,781,159</u>
Total assets	<u>\$ 71,798,544</u>	<u>\$ 15,509,077</u>	<u>\$ 29,206,993</u>	<u>\$ 116,514,614</u>
Liabilities and Fund Balances				
Current liabilities				
Vouchers payable	\$ 4,728,779	\$ 150	\$ 415,303	\$ 5,144,232
Due to other governmental units	426,760	-	-	426,760
Due to other funds	9,039,055	-	42,478	9,081,533
Deferred revenue	8,081,630	-	-	8,081,630
Other accrued liabilities	10,056,843	1,822,347	846,563	12,725,753
Total current liabilities	<u>32,333,067</u>	<u>1,822,497</u>	<u>1,304,344</u>	<u>35,459,908</u>
Noncurrent liabilities				
Deferred revenue	-	13,417,283	-	13,417,283
Advances	30,543	-	300,000	330,543
Total noncurrent liabilities	<u>30,543</u>	<u>13,417,283</u>	<u>300,000</u>	<u>13,747,826</u>
Total liabilities	<u>32,363,610</u>	<u>15,239,780</u>	<u>1,604,344</u>	<u>49,207,734</u>
Fund balances				
Reserved				
Long-term receivables	-	-	363,876	363,876
Programs	-	-	9,306,896	9,306,896
Debt service	-	269,297	-	269,297
Unreserved				
Designated for encumbrances	10,042	-	-	10,042
Designated for programs	39,516,234	-	6,175,010	45,691,244
Undesignated	(91,342)	-	11,756,867	11,665,525
Total fund balances	<u>39,434,934</u>	<u>269,297</u>	<u>27,602,649</u>	<u>67,306,880</u>
Total liabilities and fund balances	<u>\$ 71,798,544</u>	<u>\$ 15,509,077</u>	<u>\$ 29,206,993</u>	<u>\$ 116,514,614</u>

County of Oakland
Statement of Revenue, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds – By Fund Type
Year Ended September 30, 2010

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2010
Revenue				
Special assessments	\$ 1,349,019	\$ 3,791,912	\$ -	\$ 5,140,931
Federal grants	64,065,445	-	-	64,065,445
State grants	25,941,811	-	-	25,941,811
Other intergovernmental revenue	1,551,851	-	-	1,551,851
Charges for services	26,241,449	7,787	99,933	26,349,169
Contributions	137,446	-	-	137,446
Investment income	641,003	64,834	54,350	760,187
Other	3,276,973	3,324	-	3,280,297
Total revenue	<u>123,204,997</u>	<u>3,867,857</u>	<u>154,283</u>	<u>127,227,137</u>
Expenditures				
Current operations				
County Executive	99,262,501	-	-	99,262,501
Clerk/Register of Deeds	946,297	-	-	946,297
Treasurer	4,299,342	-	-	4,299,342
Justice administration	26,518,393	-	-	26,518,393
Law enforcement	6,877,761	-	-	6,877,761
Water resource commissioner	5,572,696	-	-	5,572,696
Non-departmental	228,777	-	-	228,777
Total current operations	<u>143,705,767</u>	<u>-</u>	<u>-</u>	<u>143,705,767</u>
Capital outlay	2,877,585	-	6,428,893	9,306,478
Intergovernmental	477,317	50,422	-	527,739
Debt service				
Principal payments	-	4,645,000	-	4,645,000
Interest and fiscal charges	-	940,421	-	940,421
Total expenditures	<u>147,060,669</u>	<u>5,635,843</u>	<u>6,428,893</u>	<u>159,125,405</u>
Deficiency of revenue under expenditures	<u>(23,855,672)</u>	<u>(1,767,986)</u>	<u>(6,274,610)</u>	<u>(31,898,268)</u>
Other financing sources (uses)				
Transfers in	30,146,562	1,716,736	3,992,769	35,856,067
Transfers out	(15,348,793)	-	(1,340,041)	(16,688,834)
Issuance of bonds	22,148	-	5,800,000	5,822,148
Discounts on bonds sold	-	-	(43,500)	(43,500)
Total other financing sources (uses)	<u>14,819,917</u>	<u>1,716,736</u>	<u>8,409,228</u>	<u>24,945,881</u>
Net change in fund balances	<u>(9,035,755)</u>	<u>(51,250)</u>	<u>2,134,618</u>	<u>(6,952,387)</u>
Fund balances				
October 1, 2009	<u>48,470,689</u>	<u>320,547</u>	<u>25,468,031</u>	<u>74,259,267</u>
September 30, 2010	<u>\$ 39,434,934</u>	<u>\$ 269,297</u>	<u>\$ 27,602,649</u>	<u>\$ 67,306,880</u>

County of Oakland

Non-Major Special Revenue Funds

Special Revenue Funds

These funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes such as special assessment revenue, non-capital grants, and other earmarked revenue 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 revenue 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 revenue 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: the Medical Examiner Library and FSC, Animal Population Control and Education, Arts, Culture, and Film.

County of Oakland

Non-Major Special Revenue Funds

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

The 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 5) 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 304 drains). Revenue is provided from special assessments against the benefiting properties within the district.

The Lake Improvements Act 345 Fund - is used to account for special assessment revenue collected to oversee the improvement (i.e., weed control) of various lakes in Oakland County. Efforts began in 2004 to transfer lake improvement board treasurer responsibilities from the County to the local municipality (as opposed to the former arrangement with the Oakland County Treasurer). This will remove accounting and reporting responsibility from Oakland County. The three lake improvement funds remaining as of September 30, 2010 have not held meetings for several years.

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

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 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 52nd 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, 2010**

	Child Care	Delinquent Personal Tax Administration	Register of Deeds Automation	Oakland Enhancement	Property Tax Forfeiture	Restricted Funds	Social Welfare
Assets							
Current assets							
Pooled cash and investments	\$ 2,716,031	\$ 4,648,818	\$ 8,386,912	\$ 349,744	\$ 4,564,283	\$ 382,771	\$ 39,899
Due from other governmental units	2,602,792	-	-	-	-	-	4,369
Accrued interest receivable	-	60,497	19,872	2,191	31,605	623	-
Accounts receivable (net of allowance for uncollectibles where applicable)	415,099	-	-	5,658	-	-	142,000
Due from other funds	13,607	-	-	-	-	-	-
Other assets	150	-	-	-	-	-	-
Total assets	\$ 5,747,679	\$ 4,709,315	\$ 8,406,784	\$ 357,593	\$ 4,595,888	\$ 383,394	\$ 186,268
Liabilities and Fund Balances							
Current liabilities							
Vouchers payable	\$ 756,337	\$ 17,192	\$ 44,300	\$ 2,224	\$ 220,165	\$ 8,199	\$ 44,060
Due to other governmental units	-	-	-	-	-	-	142,000
Due to other funds	4,229,104	-	-	-	-	-	-
Deferred revenue	150,766	-	-	-	-	-	-
Other accrued liabilities	601,430	104,554	-	-	292,565	-	-
Total liabilities	5,737,637	121,746	44,300	2,224	512,730	8,199	186,060
Noncurrent liabilities							
Advances payable	-	-	-	-	-	-	-
Total liabilities	5,737,637	121,746	44,300	2,224	512,730	8,199	186,060
Fund balances							
Unreserved, designated for							
Encumbrances	10,042	-	-	-	-	-	-
Programs	-	4,587,569	8,362,484	355,369	4,083,158	375,195	208
Unreserved, undesignated							
	-	-	-	-	-	-	-
Total fund balances (deficit)	10,042	4,587,569	8,362,484	355,369	4,083,158	375,195	208
Total liabilities and fund balances	\$ 5,747,679	\$ 4,709,315	\$ 8,406,784	\$ 357,593	\$ 4,595,888	\$ 383,394	\$ 186,268

(continued)

**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2010**

	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
Assets								
Current assets								
Pooled cash and investments	\$ 7,973	\$ 14,991,967	\$ 507,648	\$ 1,387,495	\$ 1,107,946	\$ 3,049,783	\$ -	\$ 2,383,576
Due from other governmental units	-	-	-	-	-	77,363	48,663	10,264
Accrued interest receivable	-	8,035	56	-	13,768	1	1,408	28,106
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	-	-	-	-	6,637
Due from other funds	-	294,937	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,973</u>	<u>\$ 15,294,939</u>	<u>\$ 507,704</u>	<u>\$ 1,387,495</u>	<u>\$ 1,121,714</u>	<u>\$ 3,127,147</u>	<u>\$ 50,071</u>	<u>\$ 2,428,583</u>
Liabilities and Fund Balances								
Current liabilities								
Vouchers payable	\$ -	\$ 49,387	\$ -	\$ -	\$ -	\$ 121,154	\$ 6,950	\$ 4,305
Due to other governmental units	-	-	-	-	-	-	-	270
Due to other funds	-	-	-	-	-	-	92,713	266,117
Deferred revenue	-	-	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	1,067,032	11,207	1,699,214
Total current liabilities	<u>-</u>	<u>49,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,188,186</u>	<u>110,870</u>	<u>1,969,906</u>
Noncurrent liabilities								
Advances payable	-	-	-	-	-	-	30,543	-
Total liabilities	<u>-</u>	<u>49,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,188,186</u>	<u>141,413</u>	<u>1,969,906</u>
Fund balances								
Unreserved, designated for								
Encumbrances	-	-	-	-	-	-	-	-
Programs	7,973	15,245,552	507,704	1,387,495	1,121,714	1,938,961	-	458,677
Unreserved, undesignated								
	-	-	-	-	-	-	(91,342)	-
Total fund balances (deficit)	<u>7,973</u>	<u>15,245,552</u>	<u>507,704</u>	<u>1,387,495</u>	<u>1,121,714</u>	<u>1,938,961</u>	<u>(91,342)</u>	<u>458,677</u>
Total liabilities and fund balances	<u>\$ 7,973</u>	<u>\$ 15,294,939</u>	<u>\$ 507,704</u>	<u>\$ 1,387,495</u>	<u>\$ 1,121,714</u>	<u>\$ 3,127,147</u>	<u>\$ 50,071</u>	<u>\$ 2,428,583</u>

(continued)

**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2010**

	Lake Improvements Act 345	Pollution Control Grants	Friend of the Court	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development
Assets							
Current assets							
Pooled cash and investments	\$ 970	\$ 5,912	\$ -	\$ 1,172,548	\$ 178,497	\$ -	\$ 2,329,923
Due from other governmental units	-	-	1,522,851	674,960	1,654,639	1,075,542	394,150
Accrued interest receivable	6	-	-	-	-	-	7,363
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	35,643	-	-	858	-
Due from other funds	-	4,352	3	-	-	108	7,269
Other assets	-	-	6,822	-	5,458,119	869	-
Total assets	<u>\$ 976</u>	<u>\$ 10,264</u>	<u>\$ 1,565,319</u>	<u>\$ 1,847,508</u>	<u>\$ 7,291,255</u>	<u>\$ 1,077,377</u>	<u>\$ 2,738,705</u>
Liabilities and Fund Balances							
Current liabilities							
Vouchers payable	\$ -	\$ -	\$ 5,283	\$ 243,259	\$ 1,467,571	\$ 102,286	\$ 158,682
Due to other governmental units	-	-	-	105,428	-	172,726	-
Due to other funds	-	-	1,550,360	340	-	758,470	7,269
Deferred revenue	-	10,264	-	1,357,810	-	39,296	1,608,798
Other accrued liabilities	-	-	9,676	140,671	5,823,684	4,599	4,187
Total liabilities	<u>-</u>	<u>10,264</u>	<u>1,565,319</u>	<u>1,847,508</u>	<u>7,291,255</u>	<u>1,077,377</u>	<u>1,778,936</u>
Noncurrent liabilities							
Advances payable	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>10,264</u>	<u>1,565,319</u>	<u>1,847,508</u>	<u>7,291,255</u>	<u>1,077,377</u>	<u>1,778,936</u>
Fund balances							
Unreserved, designated for							
Encumbrances	-	-	-	-	-	-	-
Programs	976	-	-	-	-	-	959,769
Unreserved, undesignated							
	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>959,769</u>
Total liabilities and fund balances	<u>\$ 976</u>	<u>\$ 10,264</u>	<u>\$ 1,565,319</u>	<u>\$ 1,847,508</u>	<u>\$ 7,291,255</u>	<u>\$ 1,077,377</u>	<u>\$ 2,738,705</u>

(continued)

**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Special Revenue Funds
September 30, 2010**

	Human Service Grants	Other Grants	COPS More Grant	Judicial Grants	Oakland Brownfield Initiative	MI Child	Totals September 30, 2010
Assets							
Current assets							
Pooled cash and investments	\$ 4,378,217	\$ -	\$ -	\$ -	\$ -	\$ 272	\$ 52,591,185
Due from other governmental units	234,990	3,050,089	50,915	52,060	300,104	-	11,753,751
Accrued interest receivable	-	-	-	-	-	-	173,531
Accounts receivable (net of allowance for uncollectibles where applicable)	26,394	-	-	8,262	760,872	-	1,401,423
Due from other funds	89,964	-	-	-	-	-	410,240
Other assets	1,923	531	-	-	-	-	5,468,414
Total assets	<u>\$ 4,731,488</u>	<u>\$ 3,050,620</u>	<u>\$ 50,915</u>	<u>\$ 60,322</u>	<u>\$ 1,060,976</u>	<u>\$ 272</u>	<u>\$ 71,798,544</u>
Liabilities and Fund Balances							
Current liabilities							
Vouchers payable	\$ 947,888	\$ 411,712	\$ -	\$ 2,831	\$ 114,810	\$ 184	\$ 4,728,779
Due to other governmental units	6,286	-	-	50	-	-	426,760
Due to other funds	112,647	1,784,160	42,251	26,865	168,759	-	9,039,055
Deferred revenue	3,386,978	736,298	-	30,548	760,872	-	8,081,630
Other accrued liabilities	277,689	11,643	8,664	28	-	-	10,056,843
Total liabilities	<u>4,731,488</u>	<u>2,943,813</u>	<u>50,915</u>	<u>60,322</u>	<u>1,044,441</u>	<u>184</u>	<u>32,333,067</u>
Noncurrent liabilities							
Advances payable	-	-	-	-	-	-	30,543
Total liabilities	<u>4,731,488</u>	<u>2,943,813</u>	<u>50,915</u>	<u>60,322</u>	<u>1,044,441</u>	<u>184</u>	<u>32,363,610</u>
Fund balances							
Unreserved, designated for							
Encumbrances	-	-	-	-	-	-	10,042
Programs	-	106,807	-	-	16,535	88	39,516,234
Unreserved, undesignated							
	-	-	-	-	-	-	(91,342)
Total fund balances (deficit)	<u>-</u>	<u>106,807</u>	<u>-</u>	<u>-</u>	<u>16,535</u>	<u>88</u>	<u>39,434,934</u>
Total liabilities and fund balances	<u>\$ 4,731,488</u>	<u>\$ 3,050,620</u>	<u>\$ 50,915</u>	<u>\$ 60,322</u>	<u>\$ 1,060,976</u>	<u>\$ 272</u>	<u>\$ 71,798,544</u>

County of Oakland
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended September 30, 2010

	Child Care	Delinquent Personal Tax Administration	Register of Deeds Automation	Oakland Enhancement	Property Tax Forfeiture	Restricted Funds	Social Welfare
Revenue							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	338,489	-	-	-	-	-	-
State grants	12,623,818	-	-	-	-	-	-
Other intergovernmental revenue	-	-	-	-	-	-	-
Charges for services	5,043,272	984,616	989,445	615,312	3,898,352	5,394	1,479,128
Contributions	-	-	-	34,456	-	102,990	-
Investment income	-	116,522	108,166	5,325	62,311	941	-
Other	319,617	-	-	-	2,914,468	-	-
Total revenue	<u>18,325,196</u>	<u>1,101,138</u>	<u>1,097,611</u>	<u>655,093</u>	<u>6,875,131</u>	<u>109,325</u>	<u>1,479,128</u>
Expenditures							
Salaries	9,813,115	343,485	-	287,248	74,705	-	-
Fringe benefits	5,590,675	181,237	-	161,814	65,489	-	-
Contractual services	18,683,496	378,456	618,954	233,150	3,123,002	33,308	1,481,135
Commodities	787,530	1,150	850	8,411	-	30,404	-
Capital outlay	3,968	-	157	-	-	-	-
Internal services	2,532,520	119,914	125,844	13	11,905	-	-
Intergovernmental	-	-	-	-	-	-	-
Total expenditure	<u>37,411,304</u>	<u>1,024,242</u>	<u>745,805</u>	<u>690,636</u>	<u>3,275,101</u>	<u>63,712</u>	<u>1,481,135</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(19,086,108)</u>	<u>76,896</u>	<u>351,806</u>	<u>(35,543)</u>	<u>3,600,030</u>	<u>45,613</u>	<u>(2,007)</u>
Other financing sources (uses)							
Transfers in	19,091,653	-	-	100,000	-	-	-
Transfers out	(2,000)	(1,766,000)	-	-	(3,929,559)	(34,178)	-
Issuance of bonds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>19,089,653</u>	<u>(1,766,000)</u>	<u>-</u>	<u>100,000</u>	<u>(3,929,559)</u>	<u>(34,178)</u>	<u>-</u>
Net change in fund balances	3,545	(1,689,104)	351,806	64,457	(329,529)	11,435	(2,007)
Fund balances (deficit)							
October 1, 2009	<u>6,497</u>	<u>6,276,673</u>	<u>8,010,678</u>	<u>290,912</u>	<u>4,412,687</u>	<u>363,760</u>	<u>2,215</u>
September 30, 2010	<u>\$ 10,042</u>	<u>\$ 4,587,569</u>	<u>\$ 8,362,484</u>	<u>\$ 355,369</u>	<u>\$ 4,083,158</u>	<u>\$ 375,195</u>	<u>\$ 208</u>

(continued)

County of Oakland
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2010

	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
Revenue								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,104	\$ 442,696	\$ 193,219
Federal grants	-	-	-	-	-	1,390,692	-	-
State grants	117,274	-	-	-	-	-	-	-
Other intergovernmental revenue	-	-	-	-	-	-	-	-
Charges for services	-	-	148,481	-	-	-	2,414	200,646
Contributions	-	-	-	-	-	-	-	-
Investment income	-	304,596	5,914	-	16,226	(20,098)	611	38,177
Other	-	13,845	-	-	-	-	-	-
Total revenue	<u>117,274</u>	<u>318,441</u>	<u>154,395</u>	<u>-</u>	<u>16,226</u>	<u>2,083,698</u>	<u>445,721</u>	<u>432,042</u>
Expenditures								
Salaries	-	-	38,753	-	-	591,732	149,754	366,371
Fringe benefits	-	-	21,491	-	-	322,031	71,840	198,798
Contractual services	110,126	165,066	-	-	-	3,100,212	145,797	25,509
Commodities	307	-	-	-	-	283,857	8,712	4,604
Capital outlay	-	-	-	-	93,342	-	-	-
Internal services	-	-	-	-	-	103,040	71,163	109,565
Intergovernmental	-	-	-	-	-	477,317	-	-
Total expenditures	<u>110,433</u>	<u>165,066</u>	<u>60,244</u>	<u>-</u>	<u>93,342</u>	<u>4,878,189</u>	<u>447,266</u>	<u>704,847</u>
Excess (deficiency) of revenue over (under) expenditures	<u>6,841</u>	<u>153,375</u>	<u>94,151</u>	<u>-</u>	<u>(77,116)</u>	<u>(2,794,491)</u>	<u>(1,545)</u>	<u>(272,805)</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	-	4,600,000	-	46,935
Transfers out	-	(7,100,000)	-	(1,385,000)	-	(893,684)	-	-
Issuance of bonds	-	-	-	-	-	22,148	-	-
Total other financing sources (uses)	<u>-</u>	<u>(7,100,000)</u>	<u>-</u>	<u>(1,385,000)</u>	<u>-</u>	<u>3,728,464</u>	<u>-</u>	<u>46,935</u>
Net change in fund balances	<u>6,841</u>	<u>(6,946,625)</u>	<u>94,151</u>	<u>(1,385,000)</u>	<u>(77,116)</u>	<u>933,973</u>	<u>(1,545)</u>	<u>(225,870)</u>
Fund balances (deficit)								
October 1, 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>
September 30, 2010	<u>\$ 7,973</u>	<u>\$ 15,245,552</u>	<u>\$ 507,704</u>	<u>\$ 1,387,495</u>	<u>\$ 1,121,714</u>	<u>\$ 1,938,961</u>	<u>\$ (91,342)</u>	<u>\$ 458,677</u>

(continued)

County of Oakland
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2010

	Lake Improvements Act 345	Pollution Control Grants	Friend of the Court	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development
Revenue							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	-	21,614	-	1,782,455	35,465,078	845,170	14,836,566
State grants	-	-	-	1,583,441	763,051	1,537,929	-
Other intergovernmental revenue	-	-	1,539,549	-	-	-	12,302
Charges for services	-	4,352	9,330,600	-	-	1,606,529	1,873,935
Contributions	-	-	-	-	-	-	-
Investment income	3	-	-	2,309	-	-	-
Other	-	-	602	-	-	2,446	-
Total revenue	3	25,966	10,870,751	3,368,205	36,228,129	3,992,074	16,722,803
Expenditures							
Salaries	-	1,686	8,015,015	954,466	508,083	2,841,947	1,332,744
Fringe benefits	-	824	4,778,179	572,299	216,554	1,738,501	811,402
Contractual services	-	17,076	834,163	723,681	35,379,456	490,319	14,635,540
Commodities	-	-	39,649	1,072,322	3,823	247,116	9,158
Capital outlay	-	-	-	-	-	-	-
Internal services	-	126	1,461,014	21,337	120,213	295,252	179,416
Intergovernmental	-	-	-	-	-	-	-
Total expenditures	-	19,712	15,128,020	3,344,105	36,228,129	5,613,135	16,968,260
Excess (deficiency) of revenue over (under) expenditures	3	6,254	(4,257,269)	24,100	-	(1,621,061)	(245,457)
Other financing sources (uses)							
Transfers in	-	-	4,257,269	11,506	-	1,621,075	382,256
Transfers out	-	-	-	(35,606)	-	(14)	-
Issuance of bonds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	4,257,269	(24,100)	-	1,621,061	382,256
Net change in fund balances	3	6,254	-	-	-	-	136,799
Fund balances (deficit)							
October 1, 2009	973	(6,254)	-	-	-	-	822,970
September 30, 2010	\$ 976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 959,769

(continued)

County of Oakland
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Special Revenue Funds
Year Ended September 30, 2010

	Human Service Grants	Other Grants	COPS More Grant	Judicial Grants	Oakland Brownfield Initiative	MI Child	Totals September 30, 2010
Revenue							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,349,019
Federal grants	4,507,427	4,389,297	50,915	829	436,913	-	64,065,445
State grants	9,018,491	206,850	-	90,957	-	-	25,941,811
Other intergovernmental revenue	-	-	-	-	-	-	1,551,851
Charges for services	96	13,900	-	-	30,175	14,802	26,241,449
Contributions	-	-	-	-	-	-	137,446
Investment income	-	-	-	-	-	-	641,003
Other	25,492	-	-	503	-	-	3,276,973
Total revenue	13,551,506	4,610,047	50,915	92,289	467,088	14,802	123,204,997
Expenditures							
Salaries	3,940,699	181,359	-	67,425	7,325	-	29,515,912
Fringe benefits	2,073,752	101,537	-	41,548	4,178	-	16,952,149
Contractual services	6,306,973	1,511,721	50,915	11,352	439,050	19,560	88,518,017
Commodities	374,448	44,915	-	3,832	-	-	2,921,088
Capital outlay	24,992	2,755,126	-	-	-	-	2,877,585
Internal services	635,891	11,388	-	-	-	-	5,798,601
Intergovernmental	-	-	-	-	-	-	477,317
Total expenditures	13,356,755	4,606,046	50,915	124,157	450,553	19,560	147,060,669
Excess (deficiency) of revenue over (under) expenditures	194,751	4,001	-	(31,868)	16,535	(4,758)	(23,855,672)
Other financing sources (uses)							
Transfers in	4,000	-	-	31,868	-	-	30,146,562
Transfers out	(198,751)	(4,001)	-	-	-	-	(15,348,793)
Issuance of bonds	-	-	-	-	-	-	22,148
Total other financing sources (uses)	(194,751)	(4,001)	-	31,868	-	-	14,819,917
Net change in fund balances	-	-	-	-	16,535	(4,758)	(9,035,755)
Fund balances (deficit)							
October 1, 2009	-	106,807	-	-	-	4,846	48,470,689
September 30, 2010	\$ -	\$ 106,807	\$ -	\$ -	\$ 16,535	\$ 88	\$ 39,434,934

County of Oakland
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and
Actual – Non-Major Special Revenue Funds
Year Ended September 30, 2010

	Child Care		
	Final Amended Budget	Actual	Variance with Final Amended Budget
Revenue			
Federal grants	\$ 300,000	\$ 338,489	\$ 38,489
State grants	14,290,540	12,623,818	(1,666,722)
Charges for services	4,220,659	5,043,272	822,613
Other	-	319,617	319,617
Total revenue	<u>18,811,199</u>	<u>18,325,196</u>	<u>(486,003)</u>
Expenditures			
Current operations			
County Executive			
Human Services			
Personnel	13,581,056	13,921,528	(340,472)
Operating	12,215,314	8,933,861	3,281,453
Internal Support	2,714,894	2,530,214	184,680
Total Human Services	<u>28,511,264</u>	<u>25,385,603</u>	<u>3,125,661</u>
Total County Executive	<u>28,511,264</u>	<u>25,385,603</u>	<u>3,125,661</u>
Justice administration			
Circuit Court			
Personnel	1,636,228	1,482,263	153,965
Operating	12,311,339	10,541,133	1,770,206
Internal Support	2,486	2,305	181
Total Circuit Court	<u>13,950,053</u>	<u>12,025,701</u>	<u>1,924,352</u>
Total Justice administration	<u>13,950,053</u>	<u>12,025,701</u>	<u>1,924,352</u>
Total expenditures	<u>42,461,317</u>	<u>37,411,304</u>	<u>5,050,013</u>
Deficiency of revenue under expenditures	(23,650,118)	(19,086,108)	4,564,010
Other financing sources (uses)			
Transfers in	23,651,317	19,091,653	(4,559,664)
Transfers out	(7,696)	(2,000)	5,696
Total other financing sources (uses)	<u>23,643,621</u>	<u>19,089,653</u>	<u>(4,553,968)</u>
Net change in fund balance	(6,497)	3,545	10,042
Fund balance			
October 1, 2009	<u>6,497</u>	<u>6,497</u>	<u>-</u>
September 30, 2010	<u>\$ -</u>	<u>\$ 10,042</u>	<u>\$ 10,042</u>

County of Oakland
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget
and Actual – Non-Major Special Revenue Funds (Continued)
Year Ended September 30, 2010

	<u>Social Welfare Foster Care</u>		
	Final Amended Budget	Actual	Variance with Final Amended Budget
Revenue			
State grants	\$ 1,000	\$ -	\$ (1,000)
Total revenue	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Expenditures			
Current operations			
County Executive			
Human Services			
Operating	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Deficiency of revenue under expenditures	(1,000)	-	1,000
Other financing sources			
Transfers in	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net change in fund balance	-	-	-
Fund balance			
October 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Oakland

Non-Major Debt Service Funds

Debt Service Funds

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

The Building Authority 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 four issues).

**County of Oakland
Combining Balance Sheet
Non-Major Debt Service Funds
September 30, 2010**

	Building Authority Debt Refunding	Lake Level Debt Act 146	Water and Sewer Debt Refunding	Totals September 30, 2010
Assets				
Current assets				
Pooled cash and investments	\$ 508	\$ 213,870	\$ 1,876,246	\$ 2,090,624
Accrued interest receivable	231	939	-	1,170
Total current assets	<u>739</u>	<u>214,809</u>	<u>1,876,246</u>	<u>2,091,794</u>
Noncurrent assets				
Special assessments receivable	-	97,283	5,460,000	5,557,283
Contracts receivable	7,860,000	-	-	7,860,000
Total assets	<u>\$ 7,860,739</u>	<u>\$ 312,092</u>	<u>\$ 7,336,246</u>	<u>\$ 15,509,077</u>
Liabilities and Fund Balances				
Current liabilities				
Vouchers payable	\$ 150	\$ -	\$ -	\$ 150
Other accrued liabilities	-	-	1,822,347	1,822,347
Total current liabilities	<u>150</u>	<u>-</u>	<u>1,822,347</u>	<u>1,822,497</u>
Noncurrent liabilities				
Deferred revenue	7,860,000	97,283	5,460,000	13,417,283
Total liabilities	<u>7,860,150</u>	<u>97,283</u>	<u>7,282,347</u>	<u>15,239,780</u>
Fund balances - reserved for debt service	589	214,809	53,899	269,297
Total liabilities and fund balances	<u>\$ 7,860,739</u>	<u>\$ 312,092</u>	<u>\$ 7,336,246</u>	<u>\$ 15,509,077</u>

County of Oakland
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Non-Major Debt Service Funds
Year Ended September 30, 2010

	Building Authority Debt Refunding	Lake Level Debt Act 146	Water and Sewer Debt Refunding	Totals September 30, 2010
Revenue				
Special assessments	\$ 389,098	\$ 39,254	\$ 3,363,560	\$ 3,791,912
Charges for services	275	6,487	1,025	7,787
Investment income	44,059	3,349	17,426	64,834
Other	-	-	3,324	3,324
Total revenue	433,432	49,090	3,385,335	3,867,857
Expenditures				
Principal payments	1,485,000	60,000	3,100,000	4,645,000
Interest	664,823	10,513	263,560	938,896
Paying agent fees	575	-	950	1,525
Intergovernmental	-	-	50,422	50,422
Total expenditures	2,150,398	70,513	3,414,932	5,635,843
Deficiency of revenue under expenditures	(1,716,966)	(21,423)	(29,597)	(1,767,986)
Other financing sources (uses)				
Transfers in	1,716,736	-	-	1,716,736
Net change in fund balances	(230)	(21,423)	(29,597)	(51,250)
Fund balances				
October 1, 2009	819	236,232	83,496	320,547
September 30, 2010	\$ 589	\$ 214,809	\$ 53,899	\$ 269,297

County of Oakland Non-Major Capital Projects Funds

Capital Projects Funds

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

The Building Improvement Fund - was established as a holding account for monies transferred from the County's General Fund for future 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. Construction was completed in fiscal year 2010.

The Oakland County International Airport (OCIA) Office Terminal Building Fund –was established to account for the costs of construction of a new Administrative Office and Terminal Building for the Oakland County International Airport.

The North Oakland Health Center Renovation/Children's Village Building A Security Fund – was established to account for renovations to the North Oakland Health Center (NOHC), relocation of the Clinic from Old North Health to the NOHC, and security upgrades to Children's Village, Building A.

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, 2010**

	Building Improvement	Project Work Orders	Work Release/ Jail Mgt/Video Conferencing	Office Building Renovation	OClA Office Terminal Building	NOHC Renov CV Bldg A Security
Assets						
Current assets						
Pooled cash and investments	\$ 11,903,984	\$ 2,945,551	\$ 1,020,923	\$ -	\$ 5,014,969	\$ 505,007
Accrued interest receivable	-	-	84,154	-	-	253
Contracts receivable	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-
Due from other funds	-	-	600,000	-	-	-
Total current assets	<u>11,903,984</u>	<u>2,945,551</u>	<u>1,705,077</u>	<u>-</u>	<u>5,014,969</u>	<u>505,260</u>
Noncurrent assets						
Advances	-	-	-	-	-	-
Contracts receivable	-	-	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,903,984</u>	<u>\$ 2,945,551</u>	<u>\$ 1,705,077</u>	<u>\$ -</u>	<u>\$ 5,014,969</u>	<u>\$ 505,260</u>
Liabilities and Fund Balances						
Current liabilities						
Vouchers payable	\$ -	\$ 184,513	\$ -	\$ -	\$ 211,326	\$ 3,247
Due to other funds	-	-	-	-	4,155	-
Other accrued liabilities	-	140,611	-	-	660,218	607
Total current liabilities	<u>-</u>	<u>325,124</u>	<u>-</u>	<u>-</u>	<u>875,699</u>	<u>3,854</u>
Noncurrent liabilities						
Advances	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>325,124</u>	<u>-</u>	<u>-</u>	<u>875,699</u>	<u>3,854</u>
Fund balances						
Reserved						
Long-term receivables	-	-	-	-	-	-
Work projects	-	-	1,705,077	-	4,139,270	501,406
Total reserved	<u>-</u>	<u>-</u>	<u>1,705,077</u>	<u>-</u>	<u>4,139,270</u>	<u>501,406</u>
Unreserved						
Designated for work projects	-	2,620,427	-	-	-	-
Undesignated	11,903,984	-	-	-	-	-
Total unreserved	<u>11,903,984</u>	<u>2,620,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>11,903,984</u>	<u>2,620,427</u>	<u>1,705,077</u>	<u>-</u>	<u>4,139,270</u>	<u>501,406</u>
Total liabilities and fund balances	<u>\$ 11,903,984</u>	<u>\$ 2,945,551</u>	<u>\$ 1,705,077</u>	<u>\$ -</u>	<u>\$ 5,014,969</u>	<u>\$ 505,260</u>

(continued)

**County of Oakland
Combining Balance Sheet (Continued)
Non-Major Capital Project Funds
September 30, 2010**

	Major Dept. Support Projects	Lake Levels Act 146	Lake Improvements Act 345	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2010
Assets						
Current assets						
Pooled cash and investments	\$ 3,587,532	\$ 203,077	\$ 9,236	\$ 857,455	\$ 1,110,457	\$ 27,158,191
Accrued interest receivable	-	18	72	-	-	84,497
Contracts receivable	-	-	-	-	16,667	16,667
Due from component units	-	-	-	607,766	-	607,766
Due from other funds	-	-	-	375,996	-	975,996
Total current assets	<u>3,587,532</u>	<u>203,095</u>	<u>9,308</u>	<u>1,841,217</u>	<u>1,127,124</u>	<u>28,843,117</u>
Noncurrent assets						
Advances	-	-	-	-	330,543	330,543
Contracts receivable	-	-	-	-	33,333	33,333
Total noncurrents assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,876</u>	<u>363,876</u>
Total assets	<u>\$ 3,587,532</u>	<u>\$ 203,095</u>	<u>\$ 9,308</u>	<u>\$ 1,841,217</u>	<u>\$ 1,491,000</u>	<u>\$ 29,206,993</u>
Liabilities and Fund Balances						
Current liabilities						
Vouchers payable	\$ -	\$ -	\$ -	\$ 16,217	\$ -	\$ 415,303
Due to other funds	-	38,034	289	-	-	42,478
Other accrued liabilities	32,949	12,178	-	-	-	846,563
Total current liabilities	<u>32,949</u>	<u>50,212</u>	<u>289</u>	<u>16,217</u>	<u>-</u>	<u>1,304,344</u>
Noncurrent liabilities						
Advances	-	300,000	-	-	-	300,000
Total liabilities	<u>32,949</u>	<u>350,212</u>	<u>289</u>	<u>16,217</u>	<u>-</u>	<u>1,604,344</u>
Fund balances						
Reserved						
Long-term receivables	-	-	-	-	363,876	363,876
Work projects	-	-	9,019	1,825,000	1,127,124	9,306,896
Total reserved	<u>-</u>	<u>-</u>	<u>9,019</u>	<u>1,825,000</u>	<u>1,491,000</u>	<u>9,670,772</u>
Unreserved						
Designated for work projects	3,554,583	-	-	-	-	6,175,010
Undesignated	-	(147,117)	-	-	-	11,756,867
Total unreserved	<u>3,554,583</u>	<u>(147,117)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,931,877</u>
Total fund balances (deficit)	<u>3,554,583</u>	<u>(147,117)</u>	<u>9,019</u>	<u>1,825,000</u>	<u>1,491,000</u>	<u>27,602,649</u>
Total liabilities and fund balances	<u>\$ 3,587,532</u>	<u>\$ 203,095</u>	<u>\$ 9,308</u>	<u>\$ 1,841,217</u>	<u>\$ 1,491,000</u>	<u>\$ 29,206,993</u>

County of Oakland
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Non-Major Capital Project Funds
Year Ended September 30, 2010

	Building Improvement	Project Work Orders	Work Release/ Jail Mgt/Video Conferencing	Office Building Renovation	O CIA Office Terminal Building	NOHC Renov CV Bldg A Security
Revenue						
Charges for services	\$ -	\$ 99,063	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	16,857	758	31,542	6,300
Total revenue	-	99,063	16,857	758	31,542	6,300
Expenditures						
Capital outlay	-	2,234,892	324,582	69,371	1,648,772	51,142
Total expenditures	-	2,234,892	324,582	69,371	1,648,772	51,142
Excess (deficiency) of revenue over (under) expenditures	-	(2,135,829)	(307,725)	(68,613)	(1,617,230)	(44,842)
Other financing sources (uses)						
Transfers in	54,275	2,506,547	-	-	-	546,248
Transfers out	(777,362)	(82,822)	-	(479,857)	-	-
Issuance of bonds	-	-	-	-	5,800,000	-
Discounts on bonds sold	-	-	-	-	(43,500)	-
Total other financing sources (uses)	(723,087)	2,423,725	-	(479,857)	5,756,500	546,248
Net change in fund balances	(723,087)	287,896	(307,725)	(548,470)	4,139,270	501,406
Fund balances (deficit)						
October 1, 2009	12,627,071	2,332,531	2,012,802	548,470	-	-
September 30, 2010	\$ 11,903,984	\$ 2,620,427	\$ 1,705,077	\$ -	\$ 4,139,270	\$ 501,406

(continued)

County of Oakland
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Capital Project Funds
Year Ended September 30, 2010

	Major Dept. Support Projects	Lake Levels Act 146	Lake Improvements Act 345	Drain Commissioner Revolving	Long-term Revolving	Totals September 30, 2010
Revenue						
Charges for services	\$ -	\$ 870	\$ -	\$ -	\$ -	\$ 99,933
Investment income	-	(1,234)	127	-	-	54,350
Total revenue	-	(364)	127	-	-	154,283
Expenditures						
Capital outlay	2,062,399	37,735	-	-	-	6,428,893
Total expenditures	2,062,399	37,735	-	-	-	6,428,893
Excess (deficiency) of revenue over (under) expenditures	(2,062,399)	(38,099)	127	-	-	(6,274,610)
Other financing sources (uses)						
Transfers in	885,699	-	-	-	-	3,992,769
Transfers out	-	-	-	-	-	(1,340,041)
Issuance of bonds	-	-	-	-	-	5,800,000
Discounts on bonds sold	-	-	-	-	-	(43,500)
Total other financing sources (uses)	885,699	-	-	-	-	8,409,228
Net change in fund balances	(1,176,700)	(38,099)	127	-	-	2,134,618
Fund balances (deficit)						
October 1, 2009	4,731,283	(109,018)	8,892	1,825,000	1,491,000	25,468,031
September 30, 2010	\$ 3,554,583	\$ (147,117)	\$ 9,019	\$ 1,825,000	\$ 1,491,000	\$ 27,602,649

County of Oakland

Internal Service Funds

Internal Service Funds

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

**County of Oakland
Combining Statement of Net Assets
Internal Service Funds
September 30, 2010**

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool	Office Equipment
Assets					
Current assets					
Pooled cash and investments	\$ 11,216,084	\$ 14,125,661	\$ 295,380	\$ 3,337,011	\$ 1,694,187
Due from other governmental units	16,330	8,869	59,719	2,937	-
Due from component units	-	10,803	21,462	-	-
Accrued interest receivable	54,061	55,798	7,027	9,410	12,627
Accounts receivable (net of allowance for uncollectibles where applicable)	192,188	56,594	182,050	-	-
Due from other funds	-	-	120	-	-
Inventories and supplies	101,526	25,503	-	235,266	-
Prepayments and other assets	-	1,900,382	-	29,359	-
Total current assets	<u>11,580,189</u>	<u>16,183,610</u>	<u>565,758</u>	<u>3,613,983</u>	<u>1,706,814</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	48,977,198	6,170,322	12,714,084	6,056,606
Infrastructure	3,169,683	-	-	-	-
Construction in progress	-	2,650,473	-	-	-
	<u>5,615,707</u>	<u>51,627,671</u>	<u>7,842,296</u>	<u>13,138,944</u>	<u>6,056,606</u>
Less: Accumulated depreciation	<u>5,279,648</u>	<u>42,766,858</u>	<u>3,180,465</u>	<u>8,547,540</u>	<u>4,719,594</u>
Capital assets, net	<u>336,059</u>	<u>8,860,813</u>	<u>4,661,831</u>	<u>4,591,404</u>	<u>1,337,012</u>
Total assets	<u>\$ 11,916,248</u>	<u>\$ 25,044,423</u>	<u>\$ 5,227,589</u>	<u>\$ 8,205,387</u>	<u>\$ 3,043,826</u>

(continued)

County of Oakland
Combining Statement of Net Assets (Continued)
Internal Service Funds
September 30, 2010

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2010
Assets					
Current assets					
Pooled cash and investments	\$ 84,282	\$ 3,854,921	\$ 22,266,756	\$ 42,909,012	\$ 99,783,294
Due from other governmental units	51,457	2,094	-	225	141,631
Due from component units	-	-	-	-	32,265
Accrued interest receivable	-	9,413	161,284	389,183	698,803
Accounts receivable (net of allowance for uncollectibles where applicable)	2,804	2,096	-	435	436,167
Due from other funds	-	-	-	120	240
Inventories and supplies	148,367	-	-	-	510,662
Prepayments and other assets	504	66,551	228,021	2,425,024	4,649,841
Total current assets	<u>287,414</u>	<u>3,935,075</u>	<u>22,656,061</u>	<u>45,723,999</u>	<u>106,252,903</u>
Noncurrent assets					
Capital assets, at cost					
Land	-	-	-	-	130,000
Buildings and improvements	-	-	-	-	2,492,117
Equipment and vehicles	527,599	4,833,705	-	-	81,200,255
Infrastructure	-	-	-	-	3,169,683
Construction in progress	-	-	-	-	2,650,473
	<u>527,599</u>	<u>4,833,705</u>	<u>-</u>	<u>-</u>	<u>89,642,528</u>
Less: Accumulated depreciation	450,253	3,909,955	-	-	68,854,313
Capital assets, net	<u>77,346</u>	<u>923,750</u>	<u>-</u>	<u>-</u>	<u>20,788,215</u>
Total assets	<u>\$ 364,760</u>	<u>\$ 4,858,825</u>	<u>\$ 22,656,061</u>	<u>\$ 45,723,999</u>	<u>\$ 127,041,118</u>

(continued)

County of Oakland
Combining Statement of Net Assets (Continued)
Internal Service Funds
September 30, 2010

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool	Office Equipment
Liabilities					
Current liabilities					
Vouchers payable	\$ 576,261	\$ 453,667	\$ 32,063	\$ 38,049	\$ 28,258
Due to other governmental units	-	-	-	-	-
Due to other funds	200	294,937	-	-	-
Current portion of compensated absences	-	-	-	-	-
Current portion of claims and judgments	-	-	-	-	-
Current portion of advances payable	-	-	189,811	-	-
Other accrued liabilities	140,676	1,746,285	263,662	87,374	13,893
Total current liabilities	<u>717,137</u>	<u>2,494,889</u>	<u>485,536</u>	<u>125,423</u>	<u>42,151</u>
Noncurrent liabilities					
Accrued compensated absences	-	-	-	-	-
Claims and judgments	-	-	-	-	-
Advances payable	-	-	802,145	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>802,145</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>717,137</u>	<u>2,494,889</u>	<u>1,287,681</u>	<u>125,423</u>	<u>42,151</u>
Net Assets					
Invested in capital assets	336,059	8,860,813	4,661,831	4,591,404	1,337,012
Unrestricted	10,863,052	13,688,721	(721,923)	3,488,560	1,664,663
Total net assets	<u>\$ 11,199,111</u>	<u>\$ 22,549,534</u>	<u>\$ 3,939,908</u>	<u>\$ 8,079,964</u>	<u>\$ 3,001,675</u>

(continued)

**County of Oakland
Combining Statement of Net Assets (Continued)
Internal Service Funds
September 30, 2010**

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2010
Liabilities					
Current liabilities					
Vouchers payable	\$ 39,471	\$ 87,643	\$ 51,160	\$ 713,858	\$ 2,020,430
Due to other governmental units	-	-	-	520,844	520,844
Due to other funds	1,981	31	-	-	297,149
Current portion of compensated absences	-	-	-	1,304,883	1,304,883
Current portion of claims and judgments	-	-	1,213,223	2,014,000	3,227,223
Current portion of advances payable	-	-	-	-	189,811
Other accrued liabilities	116,731	112,923	247	4,493,511	6,975,302
Total current liabilities	<u>158,183</u>	<u>200,597</u>	<u>1,264,630</u>	<u>9,047,096</u>	<u>14,535,642</u>
Noncurrent liabilities					
Accrued compensated absences	-	-	-	11,743,946	11,743,946
Claims and judgments	-	-	5,469,095	12,189,450	17,658,545
Advances payable	-	-	-	-	802,145
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>5,469,095</u>	<u>23,933,396</u>	<u>30,204,636</u>
Total liabilities	<u>158,183</u>	<u>200,597</u>	<u>6,733,725</u>	<u>32,980,492</u>	<u>44,740,278</u>
Net Assets					
Invested in capital assets	77,346	923,750	-	-	20,788,215
Unrestricted	129,231	3,734,478	15,922,336	12,743,507	61,512,625
Total net assets	<u>\$ 206,577</u>	<u>\$ 4,658,228</u>	<u>\$ 15,922,336</u>	<u>\$ 12,743,507</u>	<u>\$ 82,300,840</u>

County of Oakland
Combining Statement of Revenue, Expenses, and Changes in Fund Net Assets
Internal Service Funds
Year Ended September 30, 2010

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool	Office Equipment
Operating revenue					
Charges for services	\$ 24,139,871	\$ 22,024,452	\$ 4,473,267	\$ 6,987,805	\$ 764,414
Other	2,115	17,943	209	1,474	-
Total operating revenue	<u>24,141,986</u>	<u>22,042,395</u>	<u>4,473,476</u>	<u>6,989,279</u>	<u>764,414</u>
Operating expenses					
Salaries	7,365,894	8,566,574	484,817	680,999	-
Fringe benefits	4,656,051	4,924,738	244,815	466,592	-
Contractual services	9,822,465	10,869,206	375,375	1,241,554	486,418
Commodities	992,411	1,022,762	159,378	2,460,990	-
Depreciation	71,254	1,714,060	524,775	1,712,521	383,558
Internal services	933,443	1,197,026	1,908,254	326,660	699
Total operating expenses	<u>23,841,518</u>	<u>28,294,366</u>	<u>3,697,414</u>	<u>6,889,316</u>	<u>870,675</u>
Operating income (loss)	<u>300,468</u>	<u>(6,251,971)</u>	<u>776,062</u>	<u>99,963</u>	<u>(106,261)</u>
Nonoperating revenue (expenses)					
Interest revenue	188,040	292,806	(3,751)	34,308	23,924
Interest expense	-	-	(6,540)	-	-
Bonds maturing	-	-	-	-	-
Gain on sale of property and equipment	-	4,167	(14,968)	112,710	-
Net nonoperating revenue (expenses)	<u>188,040</u>	<u>296,973</u>	<u>(25,259)</u>	<u>147,018</u>	<u>23,924</u>
Income (loss) before transfers and contributions	<u>488,508</u>	<u>(5,954,998)</u>	<u>750,803</u>	<u>246,981</u>	<u>(82,337)</u>
Capital contributions	-	26,532	-	-	-
Transfers in	22,533	1,219,568	-	177,707	-
Transfers out	(1,714,140)	-	(177,707)	-	-
Change in net assets	<u>(1,203,099)</u>	<u>(4,708,898)</u>	<u>573,096</u>	<u>424,688</u>	<u>(82,337)</u>
Net assets					
October 1, 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>
September 30, 2010	<u>\$ 11,199,111</u>	<u>\$ 22,549,534</u>	<u>\$ 3,939,908</u>	<u>\$ 8,079,964</u>	<u>\$ 3,001,675</u>

(continued)

County of Oakland
Combining Statement of Revenue, Expenses, and Changes in Fund Net Assets (Continued)
Internal Service Funds
Year Ended September 30, 2010

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2010
Operating revenue					
Charges for services	\$ 3,008,898	\$ 2,995,028	\$ 2,120,526	\$ 135,609,868	\$ 202,124,129
Other	-	932	-	-	22,673
Total operating revenue	<u>3,008,898</u>	<u>2,995,960</u>	<u>2,120,526</u>	<u>135,609,868</u>	<u>202,146,802</u>
Operating expenses					
Salaries	313,768	290,915	465,317	1,228,668	19,396,952
Fringe benefits	220,745	202,098	252,098	689,030	11,656,167
Contractual services	1,583,590	1,886,075	1,714,386	84,491,296	112,470,365
Commodities	963,062	80,456	22,946	9,563	5,711,568
Depreciation	18,324	342,181	-	-	4,766,673
Internal services	69,823	538,125	88,450	301,619	5,364,099
Total operating expenses	<u>3,169,312</u>	<u>3,339,850</u>	<u>2,543,197</u>	<u>86,720,176</u>	<u>159,365,824</u>
Operating income (loss)	<u>(160,414)</u>	<u>(343,890)</u>	<u>(422,671)</u>	<u>48,889,692</u>	<u>42,780,978</u>
Nonoperating revenue (expenses)					
Interest revenue	226	52,665	450,443	759,341	1,798,002
Interest expense	-	-	-	(31,456,887)	(31,463,427)
Bonds maturing	-	-	-	(17,590,000)	(17,590,000)
Gain on sale of property and equipment	-	-	-	-	101,909
Net nonoperating revenue (expenses)	<u>226</u>	<u>52,665</u>	<u>450,443</u>	<u>(48,287,546)</u>	<u>(47,153,516)</u>
Income (loss) before transfers and contributions	<u>(160,188)</u>	<u>(291,225)</u>	<u>27,772</u>	<u>602,146</u>	<u>(4,372,538)</u>
Capital contributions	-	-	-	-	26,532
Transfers in	-	-	22,000	-	1,441,808
Transfers out	-	-	-	-	(1,891,847)
Change in net assets	<u>(160,188)</u>	<u>(291,225)</u>	<u>49,772</u>	<u>602,146</u>	<u>(4,796,045)</u>
Net assets					
October 1, 2009	<u>366,765</u>	<u>4,949,453</u>	<u>15,872,564</u>	<u>12,141,361</u>	<u>87,096,885</u>
September 30, 2010	<u>\$ 206,577</u>	<u>\$ 4,658,228</u>	<u>\$ 15,922,336</u>	<u>\$ 12,743,507</u>	<u>\$ 82,300,840</u>

County of Oakland
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2010

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool	Office Equipment
Cash flows from operating activities					
Cash received from users	\$ 24,038,483	\$ 22,065,068	\$ 4,415,227	\$ 6,991,362	\$ 764,414
Cash paid to suppliers	(16,126,987)	(18,136,544)	(3,415,611)	(4,548,581)	(450,631)
Cash paid to employees	(7,365,894)	(8,566,574)	(484,817)	(680,999)	-
Net cash provided by (used in) operating activities	<u>545,602</u>	<u>(4,638,050)</u>	<u>514,799</u>	<u>1,761,782</u>	<u>313,783</u>
Cash flows from noncapital financing activities					
Transfers from other funds	22,533	1,219,568	-	-	-
Transfers to other funds	(1,714,140)	-	(177,707)	-	-
Amounts received on contracts	-	-	-	-	-
Interest received on contracts	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(1,691,607)</u>	<u>1,219,568</u>	<u>(177,707)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities					
Advances received	-	-	884,639	-	-
Transfers from other funds	-	-	-	177,707	-
Proceeds from sale of capital assets	-	4,167	41,740	602,522	-
Acquisition of capital assets	-	(282,633)	(910,556)	(1,507,124)	(593,404)
Amount paid on advances	-	-	(47,279)	-	-
Interest paid on advances	-	-	(6,540)	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>(278,466)</u>	<u>(37,996)</u>	<u>(726,895)</u>	<u>(593,404)</u>
Cash flows from investing activities					
Interest on investments	187,832	298,869	(3,716)	33,641	23,935
Net cash provided by (used in) investing activities	<u>187,832</u>	<u>298,869</u>	<u>(3,716)</u>	<u>33,641</u>	<u>23,935</u>
Net increase (decrease) in cash and cash equivalents	(958,173)	(3,398,079)	295,380	1,068,528	(255,686)
Pooled cash and investments					
October 1, 2009	12,174,257	17,523,740	-	2,268,483	1,949,873
September 30, 2010	<u>\$ 11,216,084</u>	<u>\$ 14,125,661</u>	<u>\$ 295,380</u>	<u>\$ 3,337,011</u>	<u>\$ 1,694,187</u>

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2010

	Mailing, Copier and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2010
Cash flows from operating activities					
Cash received from users	\$ 2,986,238	\$ 2,997,767	\$ 2,124,036	\$ 140,047,176	206,429,771
Cash paid to suppliers	(2,766,275)	(2,701,047)	(2,393,570)	(106,323,606)	(156,862,852)
Cash paid to employees	(313,768)	(290,915)	(465,317)	(1,228,668)	(19,396,952)
Net cash provided by (used in) operating activities	<u>(93,805)</u>	<u>5,805</u>	<u>(734,851)</u>	<u>32,494,902</u>	<u>30,169,967</u>
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	22,000	-	1,264,101
Transfers to other funds	-	-	-	-	(1,891,847)
Principal paid on debt	-	-	-	(17,590,000)	(17,590,000)
Interest paid on debt	-	-	-	(31,456,887)	(31,456,887)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>22,000</u>	<u>(49,046,887)</u>	<u>(49,674,633)</u>
Cash flows from capital and related financing activities					
Advances received	-	-	-	-	884,639
Transfers from other funds	-	-	-	-	177,707
Proceeds from sale of capital assets	-	-	-	-	648,429
Acquisition of capital assets	-	-	-	-	(3,293,717)
Amount paid on advances	-	-	-	-	(47,279)
Interest paid on advances	-	-	-	-	(6,540)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,636,761)</u>
Cash flows from investing activities					
Interest on investments	226	52,762	452,171	743,820	1,789,540
Net cash provided by (used in) investing activities	<u>226</u>	<u>52,762</u>	<u>452,171</u>	<u>743,820</u>	<u>1,789,540</u>
Net increase (decrease) in cash and cash equivalents	(93,579)	58,567	(260,680)	(15,808,165)	(19,351,887)
Pooled cash and investments					
October 1, 2009	177,861	3,796,354	22,527,436	58,717,177	119,135,181
September 30, 2010	<u>\$ 84,282</u>	<u>\$ 3,854,921</u>	<u>\$ 22,266,756</u>	<u>\$ 42,909,012</u>	<u>\$ 99,783,294</u>

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2010

	Facilities Maintenance and Operations	Information Technology	Drain Equipment	Motor Pool	Office Equipment
Operating income (loss)	\$ 300,468	\$ (6,251,971)	\$ 776,062	\$ 99,963	\$ (106,261)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	71,254	1,714,060	524,775	1,712,521	383,558
(Increase) decrease in due from other governmental units	-	3,659	(29,369)	2,083	-
(Increase) decrease in due from component units	8,071	546	(16,503)	-	-
(Increase) decrease in accounts receivable	(111,574)	(6,233)	(12,257)	-	-
(Increase) decrease in due from other funds	-	26,076	(120)	-	-
(Increase) decrease in inventories and supplies	4,278	21,627	-	(36,173)	-
(Increase) decrease in prepayments and other assets	-	(858,118)	-	(27,057)	-
Increase (decrease) in vouchers payable	410,393	(512,977)	(17,536)	8,599	22,593
Increase (decrease) in due to other governmental units	-	-	-	-	-
Increase (decrease) in due to other funds	(77,093)	(84,927)	(714,372)	-	-
Increase (decrease) in deferred revenue	-	(1,375)	-	-	-
Increase (decrease) in current portion of compensated absences	-	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-	-
Increase (decrease) increase in other accrued liabilities	(60,195)	1,311,583	4,119	1,846	13,893
Increase (decrease) in accrued compensated absences	-	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 545,602</u>	<u>\$ (4,638,050)</u>	<u>\$ 514,799</u>	<u>\$ 1,761,782</u>	<u>\$ 313,783</u>

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Internal Service Funds
Year Ended September 30, 2010

	Mailing, Copier, and Printing	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2010
Operating (loss) income	\$ (160,414)	\$ (343,890)	\$ (422,671)	\$ 48,889,692	\$ 42,780,978
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	18,324	342,181	-	-	4,766,673
(Increase) decrease in due from other governmental units	(39,374)	(2,030)	-	(160)	(65,191)
(Increase) decrease in due from component units	-	-	-	-	(7,886)
(Increase) decrease in accounts receivable	13,464	(227)	-	6,183	(110,644)
(Increase) decrease in due from other funds	3,250	4,064	3,510	4,431,285	4,468,065
(Increase) decrease in inventories and supplies	15,993	-	-	-	5,725
(Increase) decrease in prepayments and other assets	21,696	2,928	218,013	508,069	(134,469)
Increase (decrease) in vouchers payable	(79,151)	(47,637)	2,497	(15,975,352)	(16,188,571)
Increase (decrease) in due to other governmental units	-	-	-	(19,498)	(19,498)
Increase (decrease) in due to other funds	150	31	(140)	(2,982)	(879,333)
Increase (decrease) in deferred revenue	-	-	-	-	(1,375)
Increase (decrease) in current portion of compensated absences	-	-	-	8,367	8,367
Increase (decrease) in current portion of claims and judgments	-	-	(1,516,649)	(590,000)	(2,106,649)
Increase (decrease) in other accrued liabilities	112,257	50,385	(19,827)	(5,049,212)	(3,635,151)
Increase (decrease) in accrued compensated absences	-	-	-	75,301	75,301
Increase (decrease) in claims and judgments	-	-	1,000,416	213,209	1,213,625
Net cash provided by (used in) operating activities	<u>\$ (93,805)</u>	<u>\$ 5,805</u>	<u>\$ (734,851)</u>	<u>\$ 32,494,902</u>	<u>\$ 30,169,967</u>

Noncash transactions

Non-cash capital and related financing activities included write-off of \$2,581,415 of fully depreciated capital assets and \$26,532 of capital assets contributed in the Information Technology fund.

County of Oakland

Non-Major Enterprise Funds

Enterprise Funds

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

The Fire Records Management Fund - was established to accumulate revenue 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 revenue 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 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.

**County of Oakland
Combining Statement of Net Assets
Non-Major Enterprise Funds
September 30, 2010**

	Fire Records Management	CLEMIS	Radio Communications
Assets			
Current assets			
Pooled cash and investments	\$ 370,138	\$ 1,993,808	\$ 28,767,689
Due from other governmental units	51,118	947,008	24,198
Due from component units	-	-	-
Accrued interest receivable	1,678	28,197	109,113
Accounts receivable (net of allowances for uncollectibles where applicable)	2,780	132,437	992,001
Due from other funds	-	1	-
Inventories and supplies	-	-	626,328
Prepayments and other assets	19,390	326,688	279,489
Total current assets	<u>445,104</u>	<u>3,428,139</u>	<u>30,798,818</u>
Noncurrent assets			
Capital assets, at cost			
Land	-	-	-
Buildings and improvements	-	-	-
Equipment and vehicles	533,989	37,138,715	41,923,857
Infrastructure	-	-	8,585,770
Construction in progress	-	1,470,625	-
	<u>533,989</u>	<u>38,609,340</u>	<u>50,509,627</u>
Less: Accumulated depreciation	<u>533,989</u>	<u>30,019,024</u>	<u>12,019,079</u>
Capital assets, net	<u>-</u>	<u>8,590,316</u>	<u>38,490,548</u>
Total assets	<u>445,104</u>	<u>12,018,455</u>	<u>69,289,366</u>
Liabilities			
Current liabilities			
Vouchers payable	-	22,533	2,061,576
Due to other governmental units	-	172,152	-
Due to component units	-	-	-
Due to other funds	-	2,615	-
Deferred revenue	-	139,176	-
Other accrued liabilities	-	92,909	9,991,173
Total liabilities	<u>-</u>	<u>429,385</u>	<u>12,052,749</u>
Net Assets			
Invested in capital assets	-	8,590,316	38,490,548
Restricted for programs	-	-	-
Unrestricted	445,104	2,998,754	18,746,069
Total net assets	<u>\$ 445,104</u>	<u>\$ 11,589,070</u>	<u>\$ 57,236,617</u>

(continued)

**County of Oakland
Combining Statement of Net Assets (Continued)
Non-Major Enterprise Funds
September 30, 2010**

	Evergreen- Farmington S.D.S.	Clinton- Oakland S.D.S.	Huron- Rouge S.D.S.	Totals September 30, 2010
Assets				
Current assets				
Pooled cash and investments	\$ 17,912,380	\$ 27,244,731	\$ 4,716,512	\$ 81,005,258
Due from other governmental units	6,015,860	6,166,139	1,796,108	15,000,431
Due from component units	117,830	-	-	117,830
Accrued interest receivable	136,976	161,472	19,015	456,451
Accounts receivable (net of allowances for uncollectibles where applicable)	-	-	-	1,127,218
Due from other funds	959,594	-	-	959,595
Inventories and supplies	-	-	-	626,328
Prepayments and other assets	-	-	-	625,567
Total current assets	<u>25,142,640</u>	<u>33,572,342</u>	<u>6,531,635</u>	<u>99,918,678</u>
Noncurrent assets				
Capital assets, at cost				
Land	27,681	25,725	19,749	73,155
Buildings and improvements	13,851,751	734,721	348,504	14,934,976
Equipment and vehicles	19,996	7,047	-	79,623,604
Infrastructure	25,784,033	36,799,208	2,962,297	74,131,308
Construction in progress	-	-	-	1,470,625
	<u>39,683,461</u>	<u>37,566,701</u>	<u>3,330,550</u>	<u>170,233,668</u>
Less: Accumulated depreciation	<u>23,386,628</u>	<u>23,324,001</u>	<u>2,448,589</u>	<u>91,731,310</u>
Capital assets, net	<u>16,296,833</u>	<u>14,242,700</u>	<u>881,961</u>	<u>78,502,358</u>
Total assets	<u>41,439,473</u>	<u>47,815,042</u>	<u>7,413,596</u>	<u>178,421,036</u>
Liabilities				
Current liabilities				
Vouchers payable	142,899	29,589	280	2,256,877
Due to other governmental units	5,354,664	194,162	1,195,743	6,916,721
Due to component units	-	3,216,350	-	3,216,350
Due to other funds	-	-	-	2,615
Deferred revenue	-	-	-	139,176
Other accrued liabilities	752,608	36,035	-	10,872,725
Total liabilities	<u>6,250,171</u>	<u>3,476,136</u>	<u>1,196,023</u>	<u>23,404,464</u>
Net Assets				
Invested in capital assets	16,296,833	14,242,700	881,961	78,502,358
Restricted for programs	-	185,995	-	185,995
Unrestricted	18,892,469	29,910,211	5,335,612	76,328,219
Total net assets	<u>\$ 35,189,302</u>	<u>\$ 44,338,906</u>	<u>\$ 6,217,573</u>	<u>\$ 155,016,572</u>

County of Oakland
Combining Statement of Revenue, Expenses, and Changes in Fund Net Assets
Non-Major Enterprise Funds
Year Ended September 30, 2010

	Fire Records Management	CLEMIS	Radio Communications
Operating revenue			
Charges for services	\$ 220,214	\$ 4,873,694	\$ 6,328,956
Other	-	63,775	-
Total operating revenue	<u>220,214</u>	<u>4,937,469</u>	<u>6,328,956</u>
Operating expenses			
Salaries	216,816	1,406,299	536,215
Fringe benefits	146,027	794,619	304,412
Contractual services	159,487	2,297,117	1,650,226
Commodities	-	32,933	1,711,956
Depreciation	2,240	2,971,706	1,005,388
Internal services	59,307	488,634	685,654
Total operating expenses	<u>583,877</u>	<u>7,991,308</u>	<u>5,893,851</u>
Operating income (loss)	<u>(363,663)</u>	<u>(3,053,839)</u>	<u>435,105</u>
Nonoperating revenue (expenses)			
Interest revenue	4,051	10,352	604,685
Income (loss) before contributions and transfers	(359,612)	(3,043,487)	1,039,790
Capital contributions	-	1,076,608	-
Transfers in	440,689	1,652,186	-
Transfers out	-	-	(271,500)
Change in net assets	<u>81,077</u>	<u>(314,693)</u>	<u>768,290</u>
Net assets			
October 1, 2009	<u>364,027</u>	<u>11,903,763</u>	<u>56,468,327</u>
September 30, 2010	<u>\$ 445,104</u>	<u>\$ 11,589,070</u>	<u>\$ 57,236,617</u>

(continued)

County of Oakland
Combining Statement of Revenue, Expenses, and Changes in Fund Net Assets (Continued)
Non-Major Enterprise Funds
Year Ended September 30, 2010

	Evergreen- Farmington S.D.S.	Clinton- Oakland S.D.S.	Huron- Rouge S.D.S.	Totals September 30, 2010
Operating revenue				
Charges for services	\$ 28,132,516	\$ 28,753,876	\$ 4,023,710	\$ 72,332,966
Other	5,737,792	409,152	-	6,210,719
Total operating revenue	<u>33,870,308</u>	<u>29,163,028</u>	<u>4,023,710</u>	<u>78,543,685</u>
Operating expenses				
Salaries	470,182	405,695	17,486	3,052,693
Fringe benefits	244,680	205,582	9,069	1,704,389
Contractual services	27,591,661	23,178,044	3,829,887	58,706,422
Commodities	79,839	94,473	3,463	1,922,664
Depreciation	852,876	750,679	66,216	5,649,105
Internal services	309,742	224,240	9,246	1,776,823
Total operating expenses	<u>29,548,980</u>	<u>24,858,713</u>	<u>3,935,367</u>	<u>72,812,096</u>
Operating income (loss)	<u>4,321,328</u>	<u>4,304,315</u>	<u>88,343</u>	<u>5,731,589</u>
Nonoperating revenue (expenses)				
Interest revenue	<u>275,102</u>	<u>517,050</u>	<u>65,724</u>	<u>1,476,964</u>
Income (loss) before contributions and transfers	4,596,430	4,821,365	154,067	7,208,553
Capital contributions	-	-	-	1,076,608
Transfers in	-	-	-	2,092,875
Transfers out	<u>(2,800,000)</u>	<u>(1,800,000)</u>	<u>-</u>	<u>(4,871,500)</u>
Change in net assets	1,796,430	3,021,365	154,067	5,506,536
Net assets				
October 1, 2009	<u>33,392,872</u>	<u>41,317,541</u>	<u>6,063,506</u>	<u>149,510,036</u>
September 30, 2010	<u>\$ 35,189,302</u>	<u>\$ 44,338,906</u>	<u>\$ 6,217,573</u>	<u>\$ 155,016,572</u>

**County of Oakland
Combining Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended September 30, 2010**

	Fire Records Management	CLEMIS	Radio Communications
Cash flows from operating activities			
Cash received from users	\$ 216,464	\$ 4,972,465	\$ 6,214,931
Cash paid to suppliers	(367,093)	(3,636,641)	(2,329,258)
Cash paid to employees	(216,816)	(1,406,299)	(536,215)
Net cash provided by (used in) operating activities	<u>(367,445)</u>	<u>(70,475)</u>	<u>3,349,458</u>
Cash flows from noncapital financing activities			
Transfers from other funds	440,689	1,652,186	-
Transfers to other funds	-	-	(271,500)
Net cash provided by (used in) noncapital financing activities	<u>440,689</u>	<u>1,652,186</u>	<u>(271,500)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	-	-	(4,312,404)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(4,312,404)</u>
Cash flows from investing activities			
Interest on investments	4,009	10,796	606,157
Net cash provided by investing activities	<u>4,009</u>	<u>10,796</u>	<u>606,157</u>
Net increase (decrease) in cash and cash equivalents	77,253	1,592,507	(628,289)
Pooled cash and investments			
October 1, 2009	292,885	401,301	29,395,978
September 30, 2010	<u>\$ 370,138</u>	<u>\$ 1,993,808</u>	<u>\$ 28,767,689</u>

(continued)

**County of Oakland
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
Year Ended September 30, 2010**

	Evergreen- Farmington S.D.S.	Clinton- Oakland S.D.S.	Huron- Rouge S.D.S.	Totals September 30, 2010
Cash flows from operating activities				
Cash received from users	\$ 33,819,055	\$ 28,249,164	\$ 3,708,164	\$ 77,180,243
Cash paid to suppliers	(27,003,753)	(23,872,927)	(3,678,204)	(60,887,876)
Cash paid to employees	(470,182)	(405,695)	(17,486)	(3,052,693)
Net cash provided by (used in) operating activities	<u>6,345,120</u>	<u>3,970,542</u>	<u>12,474</u>	<u>13,239,674</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	-	-	2,092,875
Transfers to other funds	(2,800,000)	(1,800,000)	-	(4,871,500)
Net cash provided by (used in) noncapital financing activities	<u>(2,800,000)</u>	<u>(1,800,000)</u>	<u>-</u>	<u>(2,778,625)</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	-	-	-	(4,312,404)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,312,404)</u>
Cash flows from investing activities				
Interest on investments	276,851	515,479	66,117	1,479,409
Net cash provided by investing activities	<u>276,851</u>	<u>515,479</u>	<u>66,117</u>	<u>1,479,409</u>
Net increase (decrease) in cash and cash equivalents	3,821,971	2,686,021	78,591	7,628,054
Pooled cash and investments				
October 1, 2009	<u>14,090,409</u>	<u>24,558,710</u>	<u>4,637,921</u>	<u>73,377,204</u>
September 30, 2010	<u>\$ 17,912,380</u>	<u>\$ 27,244,731</u>	<u>\$ 4,716,512</u>	<u>\$ 81,005,258</u>

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
Year Ended September 30, 2010

	Fire Records Management	CLEMIS	Radio Communications
Operating income (loss)	\$ (363,663)	\$ (3,053,839)	\$ 435,105
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	2,240	2,971,706	1,005,388
(Increase) decrease in due from other governmental units	(4,946)	(4,031)	54,860
(Increase) decrease in due from component units	-	-	-
(Increase) decrease in accounts receivable	1,196	(92,271)	(168,885)
(Increase) decrease in due from other funds	-	100,811	-
(Increase) decrease in inventories and supplies	-	-	(40,554)
(Increase) decrease in prepayments and other assets	(2,272)	231,070	(168,791)
Increase (decrease) in vouchers payable	-	(224,868)	2,008,750
Increase (decrease) in due to other governmental units	-	157,399	-
Increase (decrease) in due to component units	-	-	-
Increase (decrease) in deferred revenue	-	30,487	-
Increase (decrease) in other accrued liabilities	-	(186,939)	223,585
Net cash provided by (used in) operating activities	<u>\$ (367,445)</u>	<u>\$ (70,475)</u>	<u>\$ 3,349,458</u>

(continued)

County of Oakland
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
Year Ended September 30, 2010

	Evergreen- Farmington S.D.S.	Clinton- Oakland S.D.S.	Huron- Rouge S.D.S.	Totals September 30, 2010
Operating income (loss)	\$ 4,321,328	\$ 4,304,315	\$ 88,343	\$ 5,731,589
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	852,876	750,679	66,216	5,649,105
(Increase) decrease in due from other governmental units	868,728	(913,864)	(315,546)	(314,799)
(Increase) decrease in due from component units	39,613	-	-	39,613
(Increase) decrease in accounts receivable	-	-	-	(259,960)
(Increase) decrease in due from other funds	(959,594)	-	-	(858,783)
(Increase) decrease in inventories and supplies	-	-	-	(40,554)
(Increase) decrease in prepayments and other assets	-	-	-	60,007
Increase (decrease) in vouchers payable	101,706	(114,736)	280	1,771,132
Increase (decrease) in due to other governmental units	505,896	(2,885,381)	173,182	(2,048,904)
Increase (decrease) in due to component units	-	3,216,350	-	3,216,350
Increase (decrease) in deferred revenue	-	-	-	30,487
Increase (decrease) in other accrued liabilities	614,567	(386,821)	(1)	264,391
Net cash provided by (used in) operating activities	<u>\$ 6,345,120</u>	<u>\$ 3,970,542</u>	<u>\$ 12,474</u>	<u>\$ 13,239,674</u>

Noncash transactions

Noncash and capital related financing activities included \$1,076,680 of capital assets contributed in the CLEMIS fund; purchase of capital assets in the amount of \$9,599,751 included in Other accrued liabilities account in the Radio Communications fund, and write-off of fully depreciated assets in the amount of \$17,600 in the Evergreen-Farmington SDS fund.

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

Pension Trust Funds

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

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

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

County of Oakland
Combining Statement of Fiduciary Net Assets
Pension (and Other Postemployment Benefits) Trust Funds
September 30, 2010

	Oakland County Employees' Retirement	VEBA Trust	Totals September 30, 2010
Assets			
Pooled cash and investments	\$ 349,882	\$ 5,327,643	\$ 5,677,525
Investments, at fair value:			
Common stock	207,591,178	182,215,171	389,806,349
Government securities	59,054,150	35,656,132	94,710,282
Corporate bonds	82,699,367	50,838,195	133,537,562
Municipal bonds	20,006	14,951	34,957
Commingled	74,384,925	68,363,833	142,748,758
Limited partnerships	15,254,284	10,633,336	25,887,620
Asset-backed fixed income	3,006,914	1,337,585	4,344,499
CMO/REMIC investments	1,843,121	1,136,606	2,979,727
Mortgage-backed securities	7,207,071	5,805,929	13,013,000
Commercial mortgage-backed securities	6,899,407	4,033,957	10,933,364
Money market funds	104,641,871	47,066,331	151,708,202
International common stock	99,240,514	82,741,112	181,981,626
Equity REIT	4,363,531	3,601,343	7,964,874
Other	18,527,298	19,011,900	37,539,198
Total investments	<u>684,733,637</u>	<u>512,456,381</u>	<u>1,197,190,018</u>
Receivables - interest and dividends	2,307,993	1,348,667	3,656,660
Prepaid expenses	15,830	144,592	160,422
Total assets	<u>687,407,342</u>	<u>519,277,283</u>	<u>1,206,684,625</u>
Liabilities			
Vouchers payable	2,706	547,841	550,547
Other accrued liabilities	506,901	618,921	1,125,822
Total liabilities	<u>509,607</u>	<u>1,166,762</u>	<u>1,676,369</u>
Net assets			
Held in trust for employees' pension and other postemployment healthcare benefits	<u>\$ 686,897,735</u>	<u>\$ 518,110,521</u>	<u>\$ 1,205,008,256</u>

County of Oakland
Combining Statement of Changes in Fiduciary Net Assets
Pension (and Other Postemployment Benefits) Trust Funds
Year Ended September 30, 2010

	Oakland County Employees' Retirement	VEBA Trust	Totals September 30, 2010
Additions			
Contributions			
Employer	\$ -	\$ 57,631,411	\$ 57,631,411
Plan members	974,449	94,816	1,069,265
Total contributions	<u>974,449</u>	<u>57,726,227</u>	<u>58,700,676</u>
Investment income	65,498,685	49,749,511	115,248,196
Other revenue	414,949	1,539,094	1,954,043
Total additions	<u>66,888,083</u>	<u>109,014,832</u>	<u>175,902,915</u>
Deductions			
Benefits	39,250,214	23,732,149	62,982,363
Administrative expenses	2,663,597	-	2,663,597
Total deductions	<u>41,913,811</u>	<u>23,732,149</u>	<u>65,645,960</u>
Net increase	24,974,272	85,282,683	110,256,955
Net assets held in trust for employees' pension and other postemployment healthcare benefits			
October 1, 2009	661,923,463	432,827,838	1,094,751,301
September 30, 2010	<u>\$ 686,897,735</u>	<u>\$ 518,110,521</u>	<u>\$ 1,205,008,256</u>

County of Oakland Investment Trust Funds

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, 2010

	Local Government Investment Pool
Assets	
Pooled cash and investments	\$ 179,775,927
Receivables - interest and dividends	164,993
Total assets	<u>179,940,920</u>
 Net assets	
Held in trust for investment pool participants	 <u>\$ 179,940,920</u>

County of Oakland
Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
Year Ended September 30, 2010

	Local Government Investment Pool
Additions	
Contributions from pool participants	\$ 668,142,176
Investment income	2,379,825
Total additions	<u>670,522,001</u>
Deductions	
Distribution to pool participants	<u>562,369,314</u>
Net increase	108,152,687
Net assets held in trust for pool participants	
October 1, 2009	<u>71,788,233</u>
September 30, 2010	<u>\$ 179,940,920</u>

County of Oakland

Agency Funds

Agency Funds

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

The 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, 2010

	District Court Investments	Undistributed Taxes	Register of Deeds Trust	Sheriff NET Forfeiture	Circuit Court Trust	Escheats Trust	Legatee Trust
Assets							
Pooled cash and investments	\$ 170,000	\$ 222,458,785	\$ 30,161	\$ 1,557,861	\$ 9,171,092	\$ 177,113	\$ 353,382
Cash and cash equivalents	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	26,631	120,349	-	2,037
Total assets	<u>170,000</u>	<u>222,458,785</u>	<u>30,161</u>	<u>1,584,492</u>	<u>9,291,441</u>	<u>177,113</u>	<u>355,419</u>
Liabilities							
Vouchers payable	-	-	-	-	111,771	121	4,974
Due to other governmental units	-	222,458,785	-	-	-	176,992	-
Other accrued liabilities	170,000	-	30,161	1,584,492	9,179,670	-	350,445
Total liabilities	<u>170,000</u>	<u>222,458,785</u>	<u>30,161</u>	<u>1,584,492</u>	<u>9,291,441</u>	<u>177,113</u>	<u>355,419</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, 2010

	Special Trust	Contractor's Retainage	Public Library Trust	District Court Trust Accounts	Jail Inmate Trust Account	Totals September 30, 2010
Assets						
Pooled cash and investments	\$ 1,034,286	\$ 1,170,662	\$ 423,875	\$ -	\$ -	\$ 236,547,217
Cash and cash equivalents	-	-	-	372,672	219,148	591,820
Accrued interest receivable	10,668	24,833	7,445	-	-	191,963
Total assets	<u>1,044,954</u>	<u>1,195,495</u>	<u>431,320</u>	<u>372,672</u>	<u>219,148</u>	<u>237,331,000</u>
Liabilities						
Vouchers payable	5,000	17,500	-	-	-	139,366
Due to other governmental units	-	-	-	-	-	222,635,777
Other accrued liabilities	1,039,954	1,177,995	431,320	372,672	219,148	14,555,857
Total liabilities	<u>1,044,954</u>	<u>1,195,495</u>	<u>431,320</u>	<u>372,672</u>	<u>219,148</u>	<u>237,331,000</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, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
District Court Investments				
Assets				
Pooled cash and investments	\$ 170,000	\$ 2,376	\$ 2,376	\$ 170,000
Accrued interest receivable	-	2,760	2,760	-
Total	<u>\$ 170,000</u>	<u>\$ 5,136</u>	<u>\$ 5,136</u>	<u>\$ 170,000</u>
Liabilities				
Other accrued liabilities	<u>\$ 170,000</u>	<u>\$ 4,916</u>	<u>\$ 4,916</u>	<u>\$ 170,000</u>
Undistributed Taxes				
Assets				
Pooled cash and investments	<u>\$ 268,984,831</u>	<u>\$ 865,879,822</u>	<u>\$ 912,405,868</u>	<u>\$ 222,458,785</u>
Liabilities				
Vouchers payable	\$ 325	\$ 648,473,254	\$ 648,473,579	\$ -
Due to other governmental units	268,984,506	882,455,054	928,980,775	222,458,785
Due to other funds	-	63,939,907	63,939,907	-
Total	<u>\$ 268,984,831</u>	<u>\$ 1,594,868,215</u>	<u>\$ 1,641,394,261</u>	<u>\$ 222,458,785</u>
Register of Deeds Trust				
Assets				
Pooled cash and investments	<u>\$ 30,365</u>	<u>\$ 508,626</u>	<u>\$ 508,830</u>	<u>\$ 30,161</u>
Liabilities				
Vouchers payable	\$ -	\$ 508,830	\$ 508,830	\$ -
Other accrued liabilities	<u>30,365</u>	<u>508,626</u>	<u>508,830</u>	<u>30,161</u>
Total	<u>\$ 30,365</u>	<u>\$ 1,017,456</u>	<u>\$ 1,017,660</u>	<u>\$ 30,161</u>
Sheriff NET Forfeiture				
Assets				
Pooled cash and investments	\$ 2,180,361	\$ 1,508,667	\$ 2,131,167	\$ 1,557,861
Accrued interest receivable	11,082	18,939	3,390	26,631
Total	<u>\$ 2,191,443</u>	<u>\$ 1,527,606</u>	<u>\$ 2,134,557</u>	<u>\$ 1,584,492</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,226,617	\$ 1,226,617	\$ -
Other accrued liabilities	<u>2,191,443</u>	<u>1,527,531</u>	<u>2,134,482</u>	<u>1,584,492</u>
Total	<u>\$ 2,191,443</u>	<u>\$ 2,754,148</u>	<u>\$ 3,361,099</u>	<u>\$ 1,584,492</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
Circuit Court Trust				
Assets				
Pooled cash and investments	\$ 6,820,916	\$ 9,375,123	\$ 7,024,947	\$ 9,171,092
Accrued interest receivable	166,667	14,753	61,071	120,349
Total	<u>\$ 6,987,583</u>	<u>\$ 9,389,876</u>	<u>\$ 7,086,018</u>	<u>\$ 9,291,441</u>
Liabilities				
Vouchers payable	\$ 119,084	\$ 6,681,844	\$ 6,689,157	\$ 111,771
Other accrued liabilities	6,868,499	9,399,911	7,088,740	9,179,670
Total	<u>\$ 6,987,583</u>	<u>\$ 16,081,755</u>	<u>\$ 13,777,897</u>	<u>\$ 9,291,441</u>
Escheats Trust				
Assets				
Pooled cash and investments	\$ 168,506	\$ 191,813	\$ 183,206	\$ 177,113
Liabilities				
Vouchers payable	\$ 200	\$ 181,902	\$ 181,981	\$ 121
Due to other governmental units	168,306	191,813	183,127	176,992
Total	<u>\$ 168,506</u>	<u>\$ 373,715</u>	<u>\$ 365,108</u>	<u>\$ 177,113</u>
Legatee Trust				
Assets				
Pooled cash and investments	\$ 336,123	\$ 159,035	\$ 141,776	\$ 353,382
Accrued interest receivable	2,089	889	941	2,037
Total	<u>\$ 338,212</u>	<u>\$ 159,924</u>	<u>\$ 142,717</u>	<u>\$ 355,419</u>
Liabilities				
Vouchers payable	\$ -	\$ 41,832	\$ 36,858	\$ 4,974
Other accrued liabilities	338,212	160,775	148,542	350,445
Total	<u>\$ 338,212</u>	<u>\$ 202,607</u>	<u>\$ 185,400</u>	<u>\$ 355,419</u>
Special Trust				
Assets				
Pooled cash and investments	\$ 526,415	\$ 2,338,336	\$ 1,830,465	\$ 1,034,286
Accrued interest receivable	9,929	2,623	1,884	10,668
Total	<u>\$ 536,344</u>	<u>\$ 2,340,959</u>	<u>\$ 1,832,349</u>	<u>\$ 1,044,954</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,437,130	\$ 1,432,130	\$ 5,000
Other accrued liabilities	536,344	2,332,091	1,828,481	1,039,954
Total	<u>\$ 536,344</u>	<u>\$ 3,769,221</u>	<u>\$ 3,260,611</u>	<u>\$ 1,044,954</u>

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
Contractor's Retainage				
Assets				
Pooled cash and investments	\$ 692,975	\$ 1,145,117	\$ 667,430	\$ 1,170,662
Accrued interest receivable	24,559	1,350	1,076	24,833
Total	<u>\$ 717,534</u>	<u>\$ 1,146,467</u>	<u>\$ 668,506</u>	<u>\$ 1,195,495</u>
Liabilities				
Vouchers payable	\$ 21,100	\$ 640,993	\$ 644,593	\$ 17,500
Other accrued liabilities	696,434	1,146,467	664,906	1,177,995
Total	<u>\$ 717,534</u>	<u>\$ 1,787,460</u>	<u>\$ 1,309,499</u>	<u>\$ 1,195,495</u>
Public Library Trust				
Assets				
Pooled cash and investments	\$ 443,339	\$ 1,512,631	\$ 1,532,095	\$ 423,875
Accrued interest receivable	6,258	3,524	2,337	7,445
Total	<u>\$ 449,597</u>	<u>\$ 1,516,155</u>	<u>\$ 1,534,432</u>	<u>\$ 431,320</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,525,212	\$ 1,525,212	\$ -
Other accrued liabilities	449,597	1,525,405	1,543,682	431,320
Total	<u>\$ 449,597</u>	<u>\$ 3,050,617</u>	<u>\$ 3,068,894</u>	<u>\$ 431,320</u>
District Court Trust Accounts				
Assets				
Cash and cash equivalents	\$ 642,181	\$ 3,291,368	\$ 3,560,877	\$ 372,672
Liabilities				
Other accrued liabilities	\$ 642,181	\$ 3,291,368	\$ 3,560,877	\$ 372,672
Jail Inmate Trust Account				
Assets				
Cash and cash equivalents	\$ 597,301	\$ 4,381,538	\$ 4,759,691	\$ 219,148
Liabilities				
Other accrued liabilities	\$ 597,301	\$ 4,381,538	\$ 4,759,691	\$ 219,148

(continued)

County of Oakland
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
Total All Agency Funds				
Assets				
Pooled cash and investments	\$ 280,353,831	\$ 882,621,546	\$ 926,428,160	\$ 236,547,217
Cash and cash equivalents	1,239,482	7,672,906	8,320,568	591,820
Accrued interest receivable	220,584	44,838	73,459	191,963
Total	<u>\$ 281,813,897</u>	<u>\$ 890,339,290</u>	<u>\$ 934,822,187</u>	<u>\$ 237,331,000</u>
Liabilities				
Vouchers payable	\$ 140,709	\$ 660,717,614	\$ 660,718,957	\$ 139,366
Due to other governmental units	269,152,812	882,646,867	929,163,902	222,635,777
Due to other funds	-	63,939,907	63,939,907	-
Other accrued liabilities	12,520,376	24,278,628	22,243,147	14,555,857
Total	<u>\$ 281,813,897</u>	<u>\$ 1,631,583,016</u>	<u>\$ 1,676,065,913</u>	<u>\$ 237,331,000</u>

County of Oakland

Governmental Funds – Component Unit – Drainage Districts

Drainage Districts

This component unit consists of many individual districts (currently 183) 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 46 debt issues) of the individual drainage districts.

**County of Oakland
Combining Balance Sheet
Governmental Funds – Component Unit – Drainage Districts
September 30, 2010**

	Drainage Districts			Total
	Special Revenue	Debt Service	Capital Projects	
Assets				
Current assets				
Pooled cash and investments	\$ 6,712,971	\$ 7,246,618	\$ 6,984,681	\$ 20,944,270
Receivables (net of allowance for uncollectibles where applicable)				
Accounts receivable	-	-	8,265	8,265
Due from other governmental units	5,421,853	234,047	201,810	5,857,710
Accrued interest receivable	69,029	3,533	2,145	74,707
Due from primary government	3,216,350	-	-	3,216,350
Total current assets	<u>15,420,203</u>	<u>7,484,198</u>	<u>7,196,901</u>	<u>30,101,302</u>
Noncurrent assets				
Contracts receivable	159,290	-	-	159,290
Special assessments receivable	-	170,512,822	-	170,512,822
Total assets	<u>\$ 15,579,493</u>	<u>\$ 177,997,020</u>	<u>\$ 7,196,901</u>	<u>\$ 200,773,414</u>
Liabilities				
Current liabilities				
Vouchers payable	\$ 85,564	\$ 3,258,738	\$ 747,349	\$ 4,091,651
Due to other governmental units	9,964,995	3,311,884	103,374	13,380,253
Due to primary government	349,250	-	407,384	756,634
Accrued interest payable		5,139	6,850	11,989
Other accrued liabilities	263,874	432,246	1,494,298	2,190,418
Total current liabilities	<u>10,663,683</u>	<u>7,008,007</u>	<u>2,759,255</u>	<u>20,430,945</u>
Noncurrent liabilities				
Deferred revenue	-	170,512,822	-	170,512,822
Total liabilities	<u>10,663,683</u>	<u>177,520,829</u>	<u>2,759,255</u>	<u>190,943,767</u>
Fund balances				
Reserved	4,915,810	476,191	4,437,646	9,829,647
Total fund balances	<u>4,915,810</u>	<u>476,191</u>	<u>4,437,646</u>	<u>9,829,647</u>
Total liabilities and fund balances	<u>\$ 15,579,493</u>	<u>\$ 177,997,020</u>	<u>\$ 7,196,901</u>	<u>\$ 200,773,414</u>

County of Oakland
Reconciliation of the Balance Sheet – Governmental Funds to the
Statement of Net Assets
Component Unit – Drainage Districts
September 30, 2010

Total fund balances of governmental funds		\$ 9,829,647
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	\$ 18,255,240	
Infrastructure	478,025,875	
Accumulated depreciation	<u>(74,644,427)</u>	
		421,636,688
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.		145,612,955
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>(145,612,955)</u>
Net assets of governmental activities		<u>\$ 431,466,335</u>

County of Oakland
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds – Component Unit – Drainage Districts
Year Ended September 30, 2010

	Drainage Districts			Total
	Special Revenue	Debt Service	Capital Projects	
Revenue				
Special assessments	\$ 4,075,713	\$ 17,355,934	\$ 774,790	\$ 22,206,437
Federal grants	163,085	58,290	15,984,000	16,205,375
Charges for services	12,134,495	8,812	172,966	12,316,273
Investment income	95,919	46,897	49,664	192,480
Other	13,117	11,296	2,879	27,292
Total revenue	<u>16,482,329</u>	<u>17,481,229</u>	<u>16,984,299</u>	<u>50,947,857</u>
Expenditures				
Salaries	727,327	-	512,038	1,239,365
Fringe benefits	386,772	-	158,301	545,073
Contractual services	14,472,331	149,231	26,272,106	40,893,668
Commodities	93,204	-	112	93,316
Principal payments	-	12,840,000	-	12,840,000
Interest	-	4,527,014	-	4,527,014
Paying agent fees	-	10,650	-	10,650
Intergovernmental	-	446,175	6,352,051	6,798,226
Internal services	228,284	-	50,830	279,114
Total expenditures	<u>15,907,918</u>	<u>17,973,070</u>	<u>33,345,438</u>	<u>67,226,426</u>
Excess (deficiency) of revenue over (under) expenditures	<u>574,411</u>	<u>(491,841)</u>	<u>(16,361,139)</u>	<u>(16,278,569)</u>
Other financing sources (uses)				
Transfers in	-	-	6,812,079	6,812,079
Transfers out	-	-	(6,812,079)	(6,812,079)
Issuance of bonds	-	-	10,971,875	10,971,875
Discounts on bonds sold	-	-	(64,195)	(64,195)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,907,680</u>	<u>10,907,680</u>
Net change in fund balances	574,411	(491,841)	(5,453,459)	(5,370,889)
Fund balances				
October 1, 2009	<u>4,341,399</u>	<u>968,032</u>	<u>9,891,105</u>	<u>15,200,536</u>
September 30, 2010	<u>\$ 4,915,810</u>	<u>\$ 476,191</u>	<u>\$ 4,437,646</u>	<u>\$ 9,829,647</u>

County of Oakland
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund
Balances – Governmental Funds to the Statement of Activities
Component Unit – Drainage Districts
Year Ended September 30, 2010

Net change in fund balance - total governmental funds		\$ (5,370,889)
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	\$ (130,001,163)	
Infrastructure	131,570,582	
Depreciation expense	<u>(3,950,238)</u>	
		(2,380,819)
Revenue from special assessments reported in the Statement of Activities in previous years did not provide current financial resources in the governmental funds.		(12,840,000)
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.		10,971,875
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets. This is the amount proceeds exceed repayments.		
Bond proceeds	(10,971,875)	
Repayment of debt	<u>12,840,000</u>	
		<u>1,868,125</u>
Change in net assets of governmental activities		<u>\$ (7,751,708)</u>

III. STATISTICAL SECTION – UNAUDITED

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 Nine Fiscal Years
- Changes in Net Assets - Last Nine 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 Nine Fiscal Years

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:									
Invested in capital assets, net of related debt	\$ 151,764,265	\$ 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	6,480,807	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>230,165,706</u>	<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>\$ 388,410,778</u>	<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	\$ 246,550,290	\$ 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	15,802,201	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>380,611,469</u>	<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>\$ 642,963,960</u>	<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	\$ 398,314,555	\$ 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	22,283,008	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>610,777,175</u>	<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>\$ 1,031,374,738</u>	<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 Nine Fiscal Years

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses									
Governmental activities:									
General government, administrative	\$ 64,661,974	\$ 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	173,410,126	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	85,663,267	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	84,616,509	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	21,638,989	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	1,717,720	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	67,785,938	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	1,990,978	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	35,876,728	40,013,064	48,251,563	8,077,576	6,624,240	5,652,842	5,551,625	6,726,688	6,570,446
Total governmental activities expenses	537,362,229	553,030,902	569,150,876	519,104,136	486,908,648	466,659,074	435,885,904	427,793,399	421,292,069
Business-type activities:									
Airports	5,819,585	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	14,469,036	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	1,446,745	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	41,891,865	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	21,635,614	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	93,373,475	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
Total business-type activities expenses	178,636,320	186,936,018	185,387,759	187,892,684	180,748,997	168,756,181	161,730,163	151,217,460	152,359,139
Total primary government expenses	\$ 715,998,549	\$ 739,966,920	\$ 754,538,635	\$ 706,996,820	\$ 667,657,645	\$ 635,415,255	\$ 597,616,067	\$ 579,010,859	\$ 573,651,208
Program Revenue									
Governmental activities:									
Charges for services:									
General government, administrative	\$ 26,766,446	\$ 17,820,281	\$ (52,389,036)	\$ 42,194,952	\$ 14,285,484	\$ 13,225,549	\$ 12,467,420	\$ 11,548,896	\$ 14,682,954
Public safety	64,847,767	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	38,414,451	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	12,948,266	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	13,972,441	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	178,753	703,665	118,119	92,490	98,935	99,049	117,393	88,279	117,826
Commerce and community development	15,254,871	13,744,979	15,163,579	17,685,622	20,009,846	22,975,212	28,894,323	25,548,227	19,525,047
Operating grants and contributions:									
General government, administrative	1,785,795	911,378	854,210	721,109	1,121,105	1,658,934	1,521,884	72,460	244,630
Public safety	22,185,332	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	629,776	344,724	674,877	694,496	1,634,191	780,681	862,643	338,254	2,140,019
Citizen services	22,734,748	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	1,483,907	68,125	313,462	207,259	86,254	5,854	158,119	436,520	44,378
Recreation and leisure	11,500	3,700	1,300	20,400	31,700	-	8,750	84,519	114,509
Commerce and community development	46,056,662	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	259,795	3,061,210	2,179,783	794,290	3,529,427	1,590,024	1,245,668	959,459	1,514,359
Public works	493,320	1,905,878	3,294,672	678,109	7,404,889	6,904,972	298,282	369,031	133,128
Total governmental activities program revenue	268,023,830	212,307,857	137,945,040	236,857,515	218,410,240	195,005,681	185,963,968	197,435,434	189,899,478

(Continued)

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

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Program Revenue (Continued)									
Business-type activities:									
Charges for services:									
Airports	\$ 3,747,657	\$ 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	11,486,639	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	26,195,224	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	48,741,135	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	7,931,012	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	107,752,414	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	59,892	-	-	-	-	40	8,636	6,078	-
Community safety support	-	-	-	-	-	-	-	-	1,514,359
Recreation and leisure	42,723	52,752	282,469	7,819	24,411	13,627	11,448	9,043	-
Sewage disposal systems	22,389	16,208	-	-	-	-	-	-	-
Skilled nursing care	-	-	-	5,795	18,055	31,061	29,368	15,090	-
Capital grants and contributions:									
Airports	1,988,314	1,217,057	95,525	4,022,511	3,390,266	817,888	3,198,595	265,152	146,991
Community safety support	1,076,608	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	78,531	-	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 revenue	<u>209,122,538</u>	<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 revenue	<u>\$ 477,146,368</u>	<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>
Net (Expense)/Revenue									
Governmental activities	\$ (269,338,399)	\$ (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	30,486,218	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>\$ (238,852,181)</u>	<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>
General Revenue and Other Changes in Net Assets									
Governmental activities:									
Property taxes	\$ 217,789,968	\$ 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 revenue (unrestricted)	9,104,897	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	7,243,074	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	4,045,007	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)	34,473,232	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>272,656,178</u>	<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 Nine Fiscal Years

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Revenue and Other Changes in Net Assets (Continued)									
Business-type activities:									
Property taxes	\$ 14,506,403	\$ 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	6,854,390	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)	(34,473,232)	(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>(13,112,439)</u>	<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>\$ 259,543,739</u>	<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>
Change in Net Assets									
Governmental activities	\$ 3,317,779	\$ (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>17,373,779</u>	<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>\$ 20,691,558</u>	<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									
	2010	2009	2008	2007	2006	2005 (3)	2004	2003	2002	2001
General Fund (1):										
Reserved	\$ 379,793	\$ 384,218	\$ 401,491	\$ 399,108	\$ 1,221,581	\$ 598,097	\$ 2,577,664	\$ 2,736,083	\$ 4,249,521	\$ 43,081,080
Unreserved:										
Designated	148,109,832	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
Undesignated	516,356	351,088	2,713,991	797,382	766,450	1,197,376	450,397	482,968	82,370	207,313
Total General Fund	\$ 149,005,981	\$ 106,266,653	\$ 84,327,362	\$ 78,796,940	\$ 74,080,474	\$ 65,444,673	\$ 67,440,221	\$ 112,510,127	\$ 94,650,190	\$ 97,141,193
All Other Governmental Funds (2):										
Reserved	\$ 347,622,280	\$ 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
Unreserved:										
Designated:										
Special Revenue Funds	147,349,425	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
Capital Projects Funds	6,175,010	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
Undesignated										
Special Revenue Funds	(91,342)	(96,051)	(286,530)	(83,268)	(221,269)	-	-	-	-	(551,614)
Capital Projects Funds	11,756,867	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
	\$ 512,812,240	\$ 564,393,696	\$ 652,006,462	\$ 795,668,553	\$ 173,835,247	\$ 131,334,335	\$ 69,378,825	\$ 67,992,079	\$ 97,579,049	\$ 58,652,883

- (1) 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.
- (2) Fund Balances have been restated to reflect the following change during the time period reported: Year 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.
- (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									
	2010	2009	2008	2007	2006	2005 (2)	2004	2003	2002	2001
Revenue										
Property taxes	\$ 221,271,719	\$ 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
Special assessments	10,420,745	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
Federal grants	64,410,483	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
State grants	30,803,568	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
Other intergovernmental revenue	12,857,979	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
Charges for services	108,984,759	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
Contributions	400,252	257,986	154,072	164,776	102,666	75,080	96,823	138,092	345,489	766,913
Investment income	42,828,295	(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
Indirect cost recovery	9,141,312	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
Other	4,045,007	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
Total revenue	505,164,119	476,731,406	427,227,557	591,787,743	540,541,708	522,859,708	456,874,552	452,784,927	432,303,250	456,737,636
Expenditures										
County Executive	188,031,969	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
Clerk/Register of Deeds	11,423,907	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
Treasurer	8,480,363	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
Justice administration	81,915,294	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
Law enforcement	148,473,341	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
Legislative	4,549,812	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
Water resource commissioner	11,131,024	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
Non-departmental	74,017,143	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
Capital outlay	9,440,401	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
Intergovernmental	1,598,530	134,838	465,075	81,815	11,994,158	1,020,567	2,249,932	14,333,573	7,001,272	5,989,146
Debt service:										
Principal payments	11,655,000	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
Interest and fiscal charges	5,194,504	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
Total expenditures	555,911,288	563,234,620	580,239,219	527,624,047	517,386,729	484,547,725	463,319,334	476,607,574	439,880,139	412,798,611
Excess of revenue over (under) expenditures	(50,747,169)	(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

(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									
	2010	2009	2008	2007	2006	2005 (2)	2004	2003	2002	2001
Other Financing Sources (Uses)										
Transfers in	\$ 128,102,839	\$ 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
Transfers out	(93,179,568)	(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)
Payment to bond escrow agent	(12,488,453)	(2,699,858)	-	-	(9,009,368)	(1,099,561)	(4,832,368)	(2,605,000)	-	(2,414,514)
Issuance of bonds	6,942,148	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	10,990,000	2,710,000	-	-	-	-	-	-	-	-
Premiums on bonds sold	1,592,775	38,144	-	-	-	-	37,774	-	-	-
Discount on bonds sold	(54,700)	-	-	(2,085,301)	(360,882)	(96,435)	(55,957)	(75,537)	(412,391)	(22,752)
Total other financing sources (uses)	41,905,041	20,829,739	14,879,993	562,386,076	27,981,734	21,647,979	13,651,846	12,095,614	44,012,052	5,007,788
Special items										
Contribution to VEBA Trust (OPEB)	-	-	-	-	-	-	(50,890,224)	-	-	-
Net change in fund balances	\$ (8,842,128)	\$ (65,673,475)	\$ (138,131,669)	\$ 626,549,772	\$ 51,136,713	\$ 59,959,962	\$ (43,683,160)	\$ (11,727,033)	\$ 36,435,163	\$ 48,946,813
Debt service as a percentage of noncapital expenditures (3)	3.06%	3.11%	3.45%	3.78%	3.44%	3.33%	5.14%	6.88%	6.23%	6.46%

- (1) Revenues, Expenditures and Other Financing Sources (Uses) have been restated to reflect the following change during the time period reported: Year 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) 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.
- (3) Noncapital expenditures are total governmental expenditures less capital expenditures. Capital expenditures for fiscal year 2001 are derived from information contained in the General Fixed Asset Account Group, thereafter from the Reconciliation of Changes in Revenue, 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
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
2010	39,060,923,207	37,857,819,565	11,340,401,927	10,147,353,481	3,478,234,330	3,262,351,447	99,957,560	50,773,520
Fiscal Year (4)	Personal Property		Total Property		Total		Direct Tax Rate (3)	
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	4.4315			
2009	3,949,566,334	3,945,257,660	67,858,986,149	62,416,676,895	4.4315			
2010	3,765,559,483	3,763,409,573	57,745,076,507	55,081,707,586	4.4315			

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 Oakland County 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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
County direct rates										
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	0.2415	0.2422	0.2436	0.2453	0.2352	0.2376
Total rate	4.4315	4.4315	4.4315	4.4315	4.4315	4.4322	4.4336	4.4353	4.4252	4.4276
Overlapping rates										
Huron-Clinton Metro Authority (a)	0.2146	0.2146	0.2146	0.2146	0.2146	0.2154	0.2161	0.2170	0.2186	0.2202
Intermediate school districts (5)										
Median rate	3.3690	3.3690	3.3690	3.3690	3.3690	3.3789	3.3991	3.4224	3.0773	2.0752
Low range	2.9295	2.9295	2.9295	2.9295	2.9430	2.9615	2.9729	2.9863	1.9753	1.9789
High range	3.5341	3.5341	3.5341	3.5341	3.5361	3.5361	3.5469	3.5673	3.5835	3.5894
Community colleges (3)										
Median rate	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.8024	1.8043	1.8193	1.8310
Low range	1.5844	1.5844	1.5844	1.5844	1.5844	1.5889	1.5983	1.6090	1.5952	1.6109
High range	2.6796	2.6796	2.6796	2.6796	2.6807	2.6807	2.7466	2.8280	2.8672	1.8694
Cities (31)										
Median rate	15.5898	14.8121	14.8179	15.1084	15.1084	15.2367	14.4680	14.7619	14.8009	15.1415
Low range	9.0500	8.3000	8.3000	8.3000	8.3000	8.3000	7.5500	7.5500	7.5500	7.6400
High range	25.3589	25.2763	25.2604	24.4050	24.8349	25.5163	25.4554	26.1031	26.3122	27.1553
Villages (10)										
Median rate	14.1182	14.1182	14.1036	14.1036	14.1290	14.1870	14.0552	14.0752	15.2989	15.3971
Low range	7.9900	7.3525	7.2249	7.3670	7.7443	7.9462	7.9474	7.9500	7.7207	7.7236
High range	18.1386	17.8196	18.1020	18.1120	19.7520	17.9480	18.3524	18.7615	19.0911	19.1639
Townships (21)										
Median rate	6.7444	6.5876	6.5876	6.2652	6.0380	6.0937	6.1765	6.2628	6.2266	6.0678
Low range	0.6000	0.5000	0.5000	0.5500	0.5500	0.5500	0.5500	0.5500	0.6000	0.6000
High range	13.1777	11.7112	11.7112	11.2223	11.6081	11.5495	11.8007	10.7166	13.4073	9.9092
School districts (35) (b)										
Homestead:										
Median rate	13.6410	13.4161	13.5105	13.2455	13.4910	13.6373	12.6015	13.8641	13.9538	13.7500
Low range	8.1800	7.8500	7.7400	7.3500	7.7200	6.7000	5.0000	8.7872	8.7923	8.8000
High range	25.8868	25.8868	23.5993	27.8925	27.8925	27.8945	27.8945	28.8945	28.9094	28.7971
Non-Homestead:										
Median rate	30.4000	29.5200	29.6931	29.6061	29.6000	29.3455	28.8508	29.8627	30.1332	29.4666
Low range	14.4500	25.8000	24.9243	25.3500	25.7200	23.9010	23.0000	24.6700	24.6700	24.6700
High range	34.5000	33.3410	33.2310	32.8410	33.2110	32.6884	31.6925	34.2910	34.2910	34.2894
DDAs (9) (c)										
Median rate	1.7470	1.7470	1.7470	1.8768	1.8856	1.9290	1.9339	1.9128	1.9558	1.9810
Low range	1.3000	1.3000	1.3000	1.3794	1.4010	1.4393	1.4869	1.4869	1.4869	1.5224
High range	1.9734	1.9734	1.9734	1.9734	1.9860	1.9860	2.0000	1.9705	1.9924	2.0000
Public Transportation Authority (d)	0.5900	0.5900	0.5900	0.5900	0.5950	0.5962	0.5974	0.6000	0.3207	0.3236
Zoological Authority (e)	0.1000	0.1000	0.1000	-	-	-	-	-	-	-

Notes

The County's maximum allowable operating millage levy for 2010 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 9 districts as of tax year 2008.
- (d) Special voted tax, levied in 17 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
 yearly "Apportionment of Local Tax Rates" document.

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

Taxpayer	Fiscal Year 2010			Fiscal Year 2001		
	Taxable Valuation*	Rank	Percentage County Taxable Valuation	Taxable Valuation*	Rank	Percentage County Taxable Valuation
General Motors Corporation	\$ 605,213,620	1	1.10% %	\$ 482,176,230	1	1.01 %
Cerberus (Chrysler)	359,978,230	2	0.65% %	153,110,555	4	0.32 %
Detroit Edison Company/DTE	342,542,379	3	0.62% %	318,798,965	2	0.67 %
Consumers Energy	167,137,760	4	0.30% %	141,007,045	5	0.30 %
Taubman/12 Oaks/Great Lakes Crossing	142,758,420	5	0.26% %	190,907,026	3	0.40 %
Frankel/Forbes/Cohn	128,519,190	6	0.23% %	80,763,510	11	0.17 %
Holtzman & Silverman	120,332,070	7	0.22% %	-	-	- %
Ramco - Gershenson	108,118,420	8	0.20% %	89,001,240	9	0.19 %
Bre Southfield (formerly Town Centre Delaware, Inc.)	99,513,160	9	0.18% %	97,363,612	8	0.20 %
International Transmission	91,518,170	10	0.17% %	-	-	- %
Comcast	79,201,000	11	0.14% %	-	-	- %
Wal-Mart/Sam's Club	72,949,320	12	0.13% %	-	-	- %
Meijer	65,788,370	13	0.12% %	-	-	- %
Comerica Bank	58,921,310	14	0.11% %	47,568,231	17	0.10 %
AT&T	57,430,170	15	0.10% %	-	-	- %
Novi Campus LLC	53,133,970	16	0.10% %	-	-	- %
Kroger	49,611,070	17	0.09% %	-	-	- %
Urbanca Oakland	49,162,940	18	0.09% %	-	-	- %
Palace Sports and Entertainment	45,665,830	19	0.08% %	-	-	- %
JFK Investments	45,606,890	20	0.08% %	-	-	- %
Total	\$ 2,743,102,289		4.98% %	\$ 1,600,696,414		3.36 %

* 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
2000	2001	\$ 179,455,454	\$ 175,467,354	97.78 %	\$ 3,985,827	\$ 179,453,181	100.00 %
2001	2002	192,549,695	187,779,963	97.52 %	4,767,184	192,547,147	100.00 %
2002	2003	206,294,411	201,567,944	97.71 %	4,722,713	206,290,657	100.00 %
2003	2004	216,173,657	211,292,953	97.74 %	4,873,675	216,166,628	100.00 %
2004	W 2005	227,583,190	222,651,567	97.83 %	4,909,222	227,560,789	99.99 %
2005	S 2005	79,281,336	65,809,623	83.01 %	13,421,614	79,231,237	99.94 %
2005	W 2006	159,403,731	156,102,121	97.93 %	3,200,881	159,303,002	99.94 %
2006	S 2006	166,634,796	142,992,690	85.81 %	23,440,830	166,433,520	99.88 %
2006	W 2007	85,765,677	83,915,557	97.84 %	1,746,524	85,662,081	99.88 %
2007	S 2007	262,814,606	225,336,018	85.74 %	36,783,186	262,119,204	99.74 %
2008	2008	262,899,380	228,260,470	86.82 %	32,449,892	260,710,362	99.17 %
2009	2009	253,987,318	219,099,614	86.26 %	28,185,520	247,285,134	97.36 %
2010	2010	222,897,104	198,172,603	88.91 %	-	198,172,603	88.91 %

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			
2001	\$ 20,215,000	0.05 %	\$ 16.83	\$ 96,130,000	\$ 6,876,394	\$ 12,000,000	\$ 135,221,394	2.40 %	\$ 112.59
2002	64,100,000	0.13 %	53.43	78,820,000	6,904,807	25,000,000	174,824,807	3.06 %	145.73
2003	66,850,000	0.13 %	55.62	60,205,000	6,915,207	25,000,000	158,970,207	2.70 %	132.26
2004	70,130,000	0.13 %	58.12	46,245,000	6,864,854	25,000,000	148,239,854	2.47 %	123.08
2005	85,850,000	0.15 %	71.32	41,085,000	7,244,056	25,000,000	159,179,056	2.59 %	132.24
2006	76,685,000	0.12 %	63.74	72,400,000	7,957,730	25,000,000	182,042,730	2.89 %	151.31
2007	627,990,000	0.97 %	522.58	70,580,000	7,504,834	25,000,000	731,074,834	11.38 %	608.36
2008	601,400,000	0.93 %	500.19	64,424,371	6,269,408	25,000,000	697,093,779	10.81 %	579.78
2009	579,780,000	0.93 %	480.94	57,663,579	3,860,661	50,000,000	691,304,240	10.72 %	573.45
2010	562,030,000	1.02 %	466.22	52,350,727	4,485,830	50,000,000	668,866,557	10.37 %	554.84

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, 2010

	Gross Amount Outstanding	Self-supporting or Paid by Benefiting Entity	Net Amount Outstanding
Direct debt			
Building authority bonds	\$ 86,670,000	\$ 26,660,000	\$ 60,010,000
Certificates of Participation	502,020,000	-	502,020,000
Water and sewer debt (Special assessment)	25,420,727	25,420,727	-
Lake Levels (Special assessment)	270,000	270,000	-
General obligation tax notes	50,000,000	-	50,000,000
Drainage Districts bonds and notes	145,615,955	141,127,125	4,488,830
Road Commission debt (no County credit)	19,711,660	19,711,660	-
	<u>\$ 829,708,342</u>	<u>\$ 213,189,512</u>	<u>616,518,830</u>
Net direct debt			
	<u>\$ 829,708,342</u>	<u>\$ 213,189,512</u>	<u>616,518,830</u>
Overlapping debt			
Cities			575,734,546
Townships			335,466,211
Villages			25,969,699
School districts			2,481,088,346
Intermediate school districts			63,673,552
Community colleges			6,372,737
Library			4,303,382
County-issued debt paid by local municipalities			213,189,512
			<u>3,705,797,985</u>
Net overlapping debt			
			<u>3,705,797,985</u>
Net direct and overlapping debt			<u>\$ 4,322,316,815</u>

Source: Oakland County Treasurer and Municipal Advisory Council of Michigan

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

Year	State Equalized Valuation	Debt Limit 10% of SEV	Amount of Debt Applicable to Limit	Legal Debt Margin	Debt Applicable to Limit as a Percentage of Debt Limit
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%
2010	57,745,076,507	5,774,507,651	809,993,682	4,964,513,969	14.03%

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2001	1,201,013	\$ 56,431,255	\$ 46,986	4.40 %
2002	1,199,653	57,198,599	47,679	5.20 %
2003	1,201,965	58,820,838	48,937	5.50 %
2004	1,204,375	59,947,383	49,775	5.60 %
2005	1,203,750	61,483,288	51,076	5.70 %
2006	1,203,118	62,933,201	52,308	5.80 %
2007	1,201,712	64,260,769	53,474	6.20 %
2008	1,202,352	64,506,257	53,650	7.10 %
2009	1,205,508	64,506,257 (a)	53,510 (a)	12.90 %
2010	1,205,508 (a)	64,506,257 (a)	53,510 (a)	12.80 %

(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 2010			Fiscal Year 2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
William Beaumont Hospital	13,083	1	2.48%	12,000	2	1.89%
General Motors Corporation	8,843	2	1.68%	11,700	3	1.84%
Chrysler Group	6,170	3	1.17%	14,000	1	2.20%
Trinity Health (formerly St. Joseph Mercy)	4,998	4	0.95%	n/a	n/a	n/a
St. John Health Services (formerly Providence Hospital)	4,345	5	0.82%	n/a	n/a	n/a
Blue Cross Blue Shield of Michigan	3,588	6	0.68%	n/a	n/a	n/a
U.S. Postal Service	3,499	7	0.66%	n/a	n/a	n/a
Botsford Health Care	3,477	8	0.66%	n/a	n/a	n/a
Oakland County Government	3,416	9	0.65%	4,400	7	0.69%
Henry Ford Health System	2,822	10	0.54%	n/a	na/	n/a
Amstaff Human Resources	n/a	n/a	n/a	8,700	4	1.37%
Guardian Automotive Products	n/a	n/a	n/a	6,600	5	1.04%
Ameritech	n/a	n/a	n/a	5,000	6	0.79%
Compuware	n/a	n/a	n/a	3,800	8	0.60%
Kmart	n/a	n/a	n/a	3,500	9	0.55%
Ford Motor Company	n/a	n/a	n/a	3,000	10	0.47%
	<u>54,241</u>		<u>10.29%</u>	<u>72,700</u>		<u>11.42%</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 (1)									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
County Executive Administration	50	52	66	66	63	65	65	71	62	62
Management & Budget	205	203	203	207	205	204	204	221	222	244
Central Services	68	68	66	66	65	61	61	63	69	72
Human Resources	50	50	50	51	51	51	50	51	51	49
Board of Commissioners	34	34	34	34	34	34	34	34	34	34
Clerk/Register of Deeds	118	121	128	128	133	154	151	153	152	146
County Treasurer	44	48	48	48	48	48	48	49	49	49
Public Safety										
Sheriff	1,054	1,117	1,129	1,135	1,130	1,092	1,042	1,040	1,011	987
Community Corrections	60	60	65	67	66	68	67	71	71	62
Animal Control	26	26	24	24	24	24	23	24	24	24
Justice Administration										
Circuit Court	442	471	469	469	473	455	456	465	458	419
District Court	186	197	200	201	201	194	188	183	177	167
Probate Court	57	59	61	61	61	59	59	61	63	64
Prosecuting Attorney	177	185	189	189	189	188	189	198	197	191
Medical Examiner	26	26	28	34	34	34	26	28	27	28
Citizens Services										
Administration	5	5	5	5	5	5	5	5	5	7
Health	378	387	404	404	403	413	441	472	477	475
Homeland Security	13	13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medical Care Facility (2)	n/a	n/a	n/a	104	104	110	112	112	112	112
Children's Village	185	178	161	161	161	161	161	166	166	151
Veterans' Services	16	16	18	18	18	16	16	18	18	18
MSU Extension-Oakland County	15	15	14	13	13	13	13	14	14	15
Public Works										
Water Resources Commissioner	264	266	270	271	269	269	263	251	240	227
Facilities Management	193	196	204	204	201	201	201	200	202	204
Information Technology	164	167	167	169	165	159	157	165	172	165
Recreation and Leisure										
Library Board	12	17	17	18	18	23	23	24	24	24
Parks and Recreation	376	376	341	341	317	313	313	289	288	288
Commerce and Community Development										
Administration	12	12	12	12	13	14	9	8	6	5
Planning and Economic Development Services	48	49	44	43	42	41	40	43	43	41
Community and Home Improvement	22	22	21	21	21	21	21	21	21	21
Workforce Development	9	9	9	9	9	9	9	9	9	9
Totals	<u>4,309</u>	<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>

(1) Employee count reflects authorized, budgeted positions

(2) Privatized at end of fiscal year 2007.

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Law Enforcement										
Dispatched Calls	145,090	125,987	133,402	179,563	180,472	180,940	171,858	174,861	167,220	172,233
Arrests	8,906	8,513	8,466	8,900	9,286	8,569	7,288	7,888	7,459	7,421
Inmate bookings	19,608	21,866	24,053	25,809	27,003	25,734	26,066	24,573	24,805	24,295
Judicial										
Circuit Court civil/criminal cases disposed	15,752	15,927	15,849	16,108	16,132	16,414	16,244	16,375	16,782	16,212
District Court cases filed	134,077	145,465	144,933	152,710	159,380	157,920	158,882	162,650	173,278	169,929
Citizen Services										
Veteran benefits claims filed	7,220	6,870	7,546	7,071	7,182	6,784	6,337	6,604	6,258	5,510
Deeds/Mortgages	84,048	85,478	84,866	110,600	141,157	176,787	223,553	295,114	237,153	181,559
Jobs retained and created	14,522	4,187	10,311	10,842	1,640	4,422	3,417	2,826	8,991	5,851
Immunizations	143,839	102,893	94,038	82,347	95,202	117,679	125,660	103,787	116,173	120,030
Community Development										
BFC/EDC Loans	21	16	28	33	26	20	22	15	14	15
Applications for home improvement	276	601	609	457	373	369	369	389	378	400
Single family homes rehabilitated	183	276	218	198	253	229	300	269	208	239
Parks and Recreation										
Participants-Park	843,600	775,683	815,097	778,616	789,867	793,215	752,662	660,597	575,847	751,052
Participants-Golf Course	126,727	148,747	172,783	178,444	198,477	200,521	215,551	177,716	181,168	166,178
Participants-Recreation, Facilities	370,355	291,917	365,310	373,214	374,853	381,025	365,954	391,353	595,336	534,634
Participants-Nature Interpretive Service	28,242	29,860	29,865	35,226	46,428	47,062	44,967	41,253	46,028	46,050
Participants-Banquet Facilities	125,592	147,365	154,594	161,678	170,524	182,100	158,091	161,471	94,153	86,842
Airports										
Takeoffs and landings	119,581	144,678	162,283	202,345	202,973	207,757	243,395	276,153	277,616	283,369
Public Works										
Water and sewer customers	76,435	76,413	76,050	75,613	74,926	73,129	71,228	68,666	66,876	65,155
Water main breaks	90	104	94	115	114	119	146	256	212	115
Water permits issued	220	164	232	370	811	1,016	1,188	1,038	1,045	1,026

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Justice and Law Enforcement										
Correction facilities capacities	1,594	1,750	1,768	1,984	1,981	1,981	1,956	1,868	1,856	1,856
Substations	12	12	12	12	12	12	12	12	12	12
Parks and Recreation										
Number of county parks	13	13	13	13	11	11	11	11	11	11
Park acreage	6,456	6,398	6,378	6,378	6,089	5,742	5,715	5,715	5,715	5,715
Airport										
Number of runways	5	5	5	5	5	5	5	5	6	6
Number of T-Hangars	738	738	738	738	711	619	619	619	619	619
Facilities										
Buildings	40	40	40	41	42	42	42	41	39	39
County facilities square footage	1,881,125	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
Public Works										
Combined Sewer Overflow Retention										
Treatment Facilities	4	4	3	3	3	3	3	3	3	3
Water mains (miles)	132.99	123.60	161.51	165.83	162.57	148.67	173.99	164.80	158.41	139.60
Water storage capacity (millions of gallons)	3.07	3.07	3.07	2.068	2.068	2.068	2.068	2.068	2.068	2.068
Sewers (miles)	137.22	137.22	135.08	131.81	131.84	131.84	131.84	131.84	131.84	131.59
Sewer treatment capacity (millions of gallons)	151.80	151.80	151.80	151.80	151.80	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, 2010

	Lyon Oaks Park	Work Release Facility	Office Bldg. Renovation	Oakland Int'l Airport T-Hangars	CMHA Housing Project	Sheriff Substation Rochester Hills	52/3 District Court Bldg.	Oakland Int'l Airport Terminal Bldg
Cash	\$ 141	\$ 280	\$ 505	\$ 88	\$ 319	\$ 418	\$ 280	\$ 155,281
Lease receivable	-	16,075,000	21,175,000	5,185,000	4,925,000	2,755,000	825,000	5,800,000
Other assets	109	-	-	1,005	756	1,399	-	-
Bonds payable	-	16,075,000	21,175,000	5,185,000	4,925,000	2,755,000	825,000	5,800,000
Other liabilities	-	275	275	-	-	275	275	155,292
Current year activity:								
Transfers in	-	1,862,900	2,097,576	-	-	-	1,112,188	-
Leases and other income	561,531	-	-	488,486	415,119	349,566	-	155,765
Debt service:								
Principal	550,000	1,025,000	1,150,000	265,000	200,000	225,000	775,000	-
Interest	11,275	837,625	946,851	223,503	214,931	124,319	336,912	155,276
Fiscal charges	150	275	500	-	-	275	275	500
Principal and interest requirements:								
2011	\$ -	\$ 1,842,525	\$ 2,082,633	\$ 489,890	\$ 431,431	\$ 340,994	\$ 858,000	\$ 491,188
2012	-	1,845,800	2,091,101	495,265	422,431	357,556	-	488,937
2013	-	1,845,200	2,095,164	495,115	413,431	347,556	-	509,438
2014	-	1,816,150	2,096,476	493,115	428,931	362,556	-	503,187
2015	-	1,834,750	2,095,376	495,715	418,931	351,556	-	496,313
Thereafter	-	12,541,156	18,233,991	4,541,388	4,831,067	1,673,138	-	6,770,087
	<u>\$ -</u>	<u>\$ 21,725,581</u>	<u>\$ 28,694,741</u>	<u>\$ 7,010,488</u>	<u>\$ 6,946,222</u>	<u>\$ 3,433,356</u>	<u>\$ 858,000</u>	<u>\$ 9,259,150</u>

(continued)

County of Oakland
Building Authority Data – Unaudited Table 17 (Continued)
September 30, 2010

	Pontiac Phoenix Center	City of Keego Harbor Debt	Phoenix Plaza Amphitheatre Refunding	Refunding Series 1998	52/3 District Court Bldg. Refunding	Totals
Cash	\$ 818	\$ 5,522	\$ 348	\$ 155	\$ 5	\$ 164,160
Lease receivable	10,000,000	1,120,000	7,860,000	-	10,950,000	86,670,000
Other assets	26	4	231	-	-	3,530
Bonds payable	10,000,000	1,120,000	7,860,000	-	10,950,000	86,670,000
Other liabilities	-	-	-	150	-	156,542
Current year activity:						
Transfers in	-	-	-	1,458,773	257,963	6,789,400
Leases and other income	945,684	130	389,840	-	43,592	3,349,713
Debt service:						
Principal	400,000	-	50,000	1,395,000	40,000	6,075,000
Interest	545,863	-	339,800	63,473	261,550	4,061,378
Fiscal charges	275	-	275	300	-	2,825
Principal and interest requirements:						
2011	950,863	58,809	388,050	-	542,300	8,476,683
2012	929,612	66,938	386,300	-	1,341,900	8,425,840
2013	933,363	66,437	719,488	-	1,305,500	8,730,692
2014	935,300	65,938	725,242	-	1,315,500	8,742,395
2015	935,956	65,437	724,853	-	1,323,000	8,741,887
Thereafter	10,428,556	1,620,888	8,614,467	-	9,140,000	78,394,738
	<u>\$ 15,113,650</u>	<u>\$ 1,944,447</u>	<u>\$ 11,558,400</u>	<u>\$ -</u>	<u>\$ 14,968,200</u>	<u>\$ 121,512,235</u>