



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ending September 30, 2016

PREPARED BY: Department of Management & Budget • Laurie Van Pelt, Director



**OAKLAND COUNTY, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended September 30, 2016  
(With Independent Auditor's Report Thereon)**

**Prepared by:**

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

**Project Manager  
Carol Morin**

**Illustrated cover by  
Pamela Tremble, 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 24, 2017

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

State law requires all general purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of Oakland County, Michigan for the fiscal year ended September 30, 2016.

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, 2016 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 unmodified opinion that Oakland County's financial statements for the fiscal year ended September 30, 2016 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. Those reports are available in Oakland County's separately issued Single Audit Report.



## **County of Oakland**

### **Letter of Transmittal**

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The Fiscal Year 2016 CAFR 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 2016 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 in southeast Michigan, immediately north of the City of Detroit and Wayne County. With a population of 1,242,304 (2015 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 good quality of life for any lifestyle. Measuring per capita income, the County ranks as the ninth (9<sup>th</sup>) wealthiest county in the nation among counties with populations between 900,000 and 1,600,000 as cited in a May 2016 report by University of Michigan economists. 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 Optional 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. 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

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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 ten (10) 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 twenty-one (21) 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 more than 2,700 miles of roads. Its budget of more than \$104.8 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 CAFR, as required by the Governmental Accounting Standards Board (GASB) Statement Number 14, *The Financial Reporting Entity*, as amended by Statement Number 39, *Determining Whether Certain Organizations are Component Units*, and Statement Number 61, *The Financial Reporting Entity: Omnibus*.

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 Commissioners' 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 and develops County parks. Currently, Parks and Recreation 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, subject to annual tax limitation adjustments pursuant to the Michigan constitution. Parks and Recreation's activity is blended into the County's CAFR due to the specific agency relationship established by State statute, as required by GASB Statements Number 14, Number 39, and Number 61.

## County of Oakland Letter of Transmittal

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### *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 timely management action in response to major budgetary fluctuations.

Under the provisions of the State of Michigan's Uniform Budget Act for Local Units of Government (P.A. 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 GAA 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 GAA 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 information technology, 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**

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### **Economic Condition of Oakland County**

Oakland County is traditionally one of the most prosperous local economies in the United States. Oakland County's economy is continuing to improve since the days of the "Great Recession." Oakland County is now in its seventh year of economic recovery since the recession's low point at the end of 2009. Over the period of 2009 to 2015, the County's job growth rate of 15.2% greatly outpaced both the nation's growth rate of 8.0% and the state's growth rate of 9.6%. Calendar year 2011 was the turning point in the County's economic recovery with the creation of 24,412 jobs, the second best year for job growth since 1994. Job growth continued in calendar years 2012, 2013 and 2014 with the creation of an additional 24,865 jobs in 2012, 18,146 jobs in 2013, and 12,808 jobs in 2014. In their May 2016 report, University of Michigan economists estimated an additional 14,218 jobs were created in 2015. Further, it is projected that an additional 44,153 jobs will be created in the County over the three-year period of 2016-2018, a pace averaging 2.0% per year. Almost three-quarters of the new jobs forecasted are expected to be in high-wage and middle-wage industries.

Due to its educated work force, Oakland County is well positioned to continue its transformation to a knowledge-based economy. Nearly half of all County residents hold a degree (bachelor, graduate/professional and doctorate) from an institute of higher education. Oakland County has been investing for years in many of the industries that are prominent in the New Economy. Innovative programs such as Automation Alley and Emerging Sectors continue to identify industries and businesses that are projected to have increasing employment opportunities, particularly those associated with professional and business services, health services, and the technological evolution of the vehicle industry.

Oakland County's unemployment rate has fallen (improved) steadily from the 2009 high rate of 12.9%. The December 2016 Oakland County unemployment rate was 3.7%. This rate is lower than the State of Michigan rate of 5.0% and the national rate of 4.7%.

Enhanced by the County's investment in dynamic economic development programs, Oakland County remains an ideal location for business. Since its creation in 2004, the Emerging Sectors program has had 424 business successes and has attracted about \$3.8 billion in investment, creating approximately 40,500 jobs and retaining 25,500 jobs. The most successful sectors in terms of total investment are health care/life science at \$1.1 billion, IT/Communications at \$668.0 million, alternative energy at \$631.0 million, and advanced electronics at \$625.0 million. In 2016, Oakland County recognized \$371.0 million of foreign direct investment which accounts for about 46% of the County's total private business investment of nearly \$810.0 million.

Oakland County's 2015 per capita personal income (PCPI) of \$63,454 is the highest among Michigan's 83 counties according to the U.S. Bureau of Economic Analysis (BEA) most recent published data on November 17, 2016. The 2015 PCPI reflects an increase of 4.4 percent from 2014. The Oakland County's per capita income also compares favorably to the national average (\$48,112) and the state average (\$42,812).

## County of Oakland Letter of Transmittal

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The 2016 market value of property in Oakland County is approximately \$130.2 billion, an increase of approximately \$8.6 billion from 2015 to 2016 (7.04%). The State Taxable Value (STV), which is the calculation on which property tax revenue is based, increased 1.72%. This is the fourth year of increase in property value following five (5) consecutive years of decline and is further evidence that Oakland County's economy is on the rebound. Current budget assumptions include a 4.0% increase in taxable value as of December 31, 2016 (FY 2017 revenue); a 5.0% increase in taxable value as of December 31, 2017 (FY 2018 revenue); and an additional 4.0% increase in taxable value as of December 31, 2018 (FY 2019 revenue).

Oakland County's collective property values remain the highest of all 83 counties in Michigan, and represents 16.4% of the state's total value (even though Oakland County's population represents approximately 12.5% of Michigan's total). The majority of Oakland County's taxable value is within the residential class of property, which is approximately 73.9% of the total property tax base. The average residential sale price of a home in Oakland County increased from \$222,670 in 2015 to \$232,835 in 2016, a 4.6% increase.

The average 2016 property tax rate is \$41.85 per thousand dollars of taxable value, a decrease from the 2015 average of \$42.17 per thousand dollars of taxable value. The average property tax rate is distributed to the following taxing authorities:

Local School Districts	32.48%
Cities, Villages, Townships	30.08%
State Education Tax	14.34%
County Operating	9.65%
Intermediate School District	7.94%
Community College	3.72%
Parks & Recreation/Zoo/Art/Huron Clinton	<u>1.79%</u>
	<u>100.00%</u>

The County continues to exercise a prudent and conservative approach to tax revenues by controlling the millage rate levied on the tax base. In fact, the County millage rate for the July 1, 2015 property tax levy was reduced from 4.19 mills to 4.09 mills (out of an authorized levy of 4.2168 mills) for operations, one of the lowest county tax rates in the state of Michigan. Further, the millage rate effective with the July 1, 2016 tax levy was reduced from 4.09 mills to 4.04 mills (out of an authorized levy of 4.1868 mills). The millage rate effective with the July 1, 2017 tax levy is expected to remain at 4.04 mills.

### **Fiscal Policies**

Oakland County has established a number of financial policies to ensure that the business of the County is conducted in an effective and efficient manner. Some of these policies, such as those related to Debt Administration and Cash Management, affect the daily financial operations and thus the financial statements. The impact of these policies is demonstrated in the financial statements themselves as well as the notes accompanying the financial statements; particularly Note #3 (Cash Management) and Note #8 (Debt Administration).

## County of Oakland Letter of Transmittal

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Other policies and practices are not as fully explained in other parts of the ensuing document yet they equally impact the County's financial position in FY 2016 and beyond and, therefore, some discussion of these policies is appropriate. Among these policies and practices meriting fuller discussion are the Budgeting and Forecasting activities; the capital improvement activities particularly associated with the Delinquent Tax Revolving Fund; and the innovative Pension and Other Post-Employment Benefit practices.

### *Budgeting and Forecasting*

A primary reason for Oakland County's solid financial position is the fact that County elected officials and administration continuously 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 financial position in years to come. The County Executive, based on recommendations from his Budget Task Force and finance team, keep constant 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 always reflects the impact for both the remainder of the current fiscal year and the impact on the entire next two fiscal years. The mantra adopted by the County Administration is "thoughtful management" not "crisis management."

The development and use of the triennial budget allows the County to maintain financial stability. Oakland County understands, however, that sound financial management actually begins with maintaining 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 long-term goal of a solid financial position and "work backwards" to develop a budget which will achieve that goal.

Oakland County's sustainable long-term goal is to maintain a General Fund balance equating to approximately 20% of annual General Fund / General Purpose expenditures. 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 expenditures (approximately 17%) in fund balance. In fact, the County adopted Miscellaneous Resolution #15175 on July 16, 2015 to formally codify the fund balance policy for the General Fund. This has been a highly recognized and proven best practice that has been instrumental to Oakland County's long-term financial sustainability. Such practice provides a cushion against unexpected crises, allowing the County to meet emergency demands without severely disrupting ongoing operations and services.

The second criterion is the need for additional cash flow reserves arising from Michigan Public Act 357 of 2004 that 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. Because of the prudent management of the General Fund balance, the County has been able to maintain its

## County of Oakland Letter of Transmittal

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cash flow needs, despite the shift to a later levy date. However, the County will continue to monitor its cash flow needs and will take appropriate actions if short-term borrowing is needed to augment General Fund cash balances.

In accordance with P.A. 139 of 1973, the County Executive is required to report the current financial position 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 position 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 quarterly forecast documents as well as monthly budget-to-actual reports are posted on the County's website.

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.

The result of these practices is a balanced line item County budget (adopted by the Board of Commissioners in September 2016) for fiscal years 2017, 2018, and 2019. The County also prepares a high-level five-year forecast and fiscal plan document in its on-going effort of "thoughtful management" practices. Considering the status of the County's finances as of September 30, 2016, as well as its longer-term focus, the County anticipates a balanced budget through FY 2022 without additional budget tasks or reductions.

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

The Delinquent Tax Revolving Fund (DTRF) was established in 1974 to help stabilize local revenues by paying the local taxing units 100% of their respective shares of delinquent ad valorem real property taxes in anticipation of the collection of those taxes by the County Treasurer. The County funds the DTRF by borrowing money and issuing revolving fund notes. Payment of the notes is made from the proceeds of delinquent tax collections. State law provides that 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 Fiscal Responsibility Plan, contained in the annual GAA, provides clear guidance regarding the conditions and functions for which surplus DTRF funds may be used.

## County of Oakland

### Letter of Transmittal

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The law demands the purpose of the DTRF not be jeopardized, which purpose 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 policy, therefore, is to maintain a sufficient corpus in the DTRF to meet this primary purpose and only then to prudently utilize any surplus in excess of this baseline amount.

Oakland County's Fiscal Responsibility Plan directs that any appropriations from unrestricted DTRF funds, except penalties and investment interest, be 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 County'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 position in the DTRF as of September 30, 2016, was approximately \$200.2 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. The County has leveraged available unrestricted assets by using the DTRF to cover debt service on certain major Board-approved capital projects that house essential public services. There are three major building projects that were initiated in the early 2000s where debt service of approximately \$4.7 million annually is being covered by the DTRF. The debt on two of these projects will be paid in full by the end of FY 2022 with the third project to be paid in full by the end of FY 2024, thus freeing up approximately \$2.8 million to support new debt beginning in FY 2023 and another \$1.9 million starting in FY 2025. Additionally, in November 2015, the County issued debt of approximately \$15.5 million to construct a new animal shelter. The debt service is being covered by the General Fund for the first seven years, with a transfer of \$7.0 million from the General Fund to a separate debt service fund, and subsequent years to be covered by the Delinquent Tax Revolving Fund.

Even using the DTRF to support these capital initiatives, the fund's net position is still more than sufficient 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. Historically, prudent stewardship of the Fund has enabled the County to draw \$10.8 million annually from the DTRF to support General Fund / General Purpose operations. The five-year forecast anticipates the continuation of annual transfers from the DTRF to support General Fund / General Purpose operations; \$9.0 million in FY 2017, \$9.0 million for FY 2018, \$8.0 million for FY 2019, \$8.0 million for FY 2020, and \$8.0 million for FY 2021.



## County of Oakland Letter of Transmittal

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### *Pension and Other Postemployment Benefits*

Realizing that employees are both its most valuable resource and that employee compensation and benefits are one of the largest expenses, 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 choice to belong either to the PERS or the OPRS. All eligible individuals employed since July 1, 1994 were enrolled in the OPRS.

Due to the voluntary shifting of 1,126 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 over \$130 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 healthcare insurance once they leave County service. Rather than receiving a specific level of healthcare 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, for non-represented employees and most represented employees, the County contributes \$1,950 annually (\$75 per pay) to each employee's retirement health savings account (\$3,250 annually for those bargaining units bound by state law to binding arbitration). Upon leaving County service, the employee is entitled to the vested funds the County contributed based upon their length of service. In 2014, the Board of Commissioners approved Miscellaneous Resolution #14005 that provided a one-time window which allowed certain eligible employees to voluntarily and irrevocably convert from the defined benefit VEBA Plan to the defined contribution RHS Plan. The "buy out" provided a lump-sum deposit equivalent to \$2,000 per year for each year of eligible service. The result was that 83 employees opted out of the VEBA Plan with approximately \$2.1 million being set aside in individual RHS Plan accounts for these employees. It is estimated that the ratio of savings is approximately 5:1; meaning for every \$1 provided for the one-time voluntarily conversion, \$5 in savings is anticipated in present value liabilities. The resolution also lowered the longevity requirements for the graduated vesting schedule with the RHS Plan. The previous vesting schedule allowed for a partial benefit (60%) provided after 15 years of service with full benefit provided after 25 years of service. The revised vesting schedule allows for partial vesting after 6 years of employment with employees becoming fully vested in the RHS Plan after 10 years of County service. Once the employee separates employment and receives the vested cash benefit, the County's financial obligations ends.

## County of Oakland Letter of Transmittal

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Employees hired prior to January 1, 2006, 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 healthcare 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 OPEB obligation.

In July 2007, the County issued \$557.0 million in Trust Certificates of Participation (COPs). COPs are taxable debt, which were issued over a period of 20 years at a 6.23% interest rate. Subsequent to the issuance of the 2007 COPs, new legislation was adopted by the State of Michigan (Public Act 329 effective October 9, 2012) that allowed local units of government to issue limited taxable general obligation bonds to fund OPEB obligations. On September 27, 2013, Oakland County issued private placement debt of \$350.0 million in securities and used \$72.1 million from available assets in the Interim Retiree Medical Care Benefits Trust (IRMBT) and VEBA in order to refinance the outstanding \$422.1 million 2007 COPs debt. The \$350.0 million in securities were sold in two series; \$316.0 million was placed with Bank of America/Merrill Lynch, which was chosen as the Senior Underwriter in a competitive bid process, and \$34.0 million was placed with the County Treasurer as part of the County's investment portfolio which previously held a portion of the COPs. The refinancing reduced the annual debt interest rate from 6.23% to an all-inclusive interest rate of 3.80% over the remaining life of the debt with the obligation to be paid in full by April 2027. As a result, the annual debt service payment is reduced by an average of \$13.2 million per year and provides gross cumulative savings of \$171.1 million. This refinancing not only saved the County taxpayers money, but also established a superseding plan to secure health care for all eligible County retirees and employees, and their covered dependents, to the end of their eligibility. As of September 30, 2015, the last actuary report issued as of this writing, the VEBA fund assets were 124% of the fund's actuarially determined liabilities.

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 governments have 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 policies, 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.

## County of Oakland Letter of Transmittal

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### Major Initiatives

Even through the most fiscally challenging years spanning the recent Great Recession, Oakland County government continued to provide the services expected by its citizens, supported its local cities, villages and townships, and worked with the private sector to revitalize the local economy – all while still balancing a multi-year budget and maintaining a healthy fund balance. This was accomplished through the combined efforts of Oakland County’s elected officials, administrators, and employees who realize that their job is to keep providing necessary services in perpetuity, not just for a short period of time. Oakland County’s focus has always been on long-term sustainability.

Oakland County’s operational model is based upon “thoughtful management” not “crisis management.” By recognizing problems in advance and making necessary adjustments BEFORE the problems fully manifest themselves, the County Government was able to survive the “Great Recession” without layoffs or massive reductions in services. Even though the fiscal condition has improved, County elected officials and administrators continue to be mindful of potential problem areas and stand ready to implement any necessary changes so that services can be maintained at optimum levels.

In order to maintain quality citizen services, Oakland County officials realize that they must maintain an effective, professional workforce. After salary reductions of 2.5% in FY 2010, 1.5% in FY 2011, and no salary changes in FY 2012 and FY 2013, the County provided a 2% general salary increase in FY 2014, a 3% general salary increase in FY 2015, a 3% general salary increase in FY 2016, and a 2% general salary increase in FY 2017. However, over the past 10 years, Oakland County employee general salary increases have been conservative and lagged behind the private sector. As the economy continues to improve, the County faces challenges of not only recruiting new talent, but retaining existing employees.

To recruit and retain quality staff requires a number of items including a safe work environment, effective and efficient tools to perform duties, advancement opportunities, and an appropriate compensation package, both in terms of salaries and benefits. That said, the funding for compensation comes from the taxpayers and a balance must be established between finding the resources to attract quality staff and meeting the expectation of the taxpayers. The County continues to engage in this balancing act, to the benefit of all parties.

To partially address recruitment and retention concerns, there was a 2% salary increase effective FY 2017 as previously mentioned, with budgetary placeholders for a 2% salary increase in FY 2018 and another 1% salary increase for FY 2019. In addition to salary increases, the County increased tuition reimbursement in FY 2015 from \$2,400 per year to \$4,200 per year as a way for employees to further their education and be ready to take advantage of promotional opportunities as they arise. Effective in FY 2016, the County increased the RHS Plan contribution from \$1,300 per year to \$1,950 per year. Further, the County reinstated the \$300 employer match for the 457(b) Deferred Compensation plan in FY 2016 and increased the employer match from \$300 to \$500 in FY 2017.

## County of Oakland Letter of Transmittal

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With over a third of the County workforce eligible to retire, the County continues to look for ways to further build and sustain the County workforce. In 2016, the County implemented a paid parental leave program. This is in addition to the standard maternity leave already provided through the short-term disability benefit. The program authorized under Miscellaneous Resolution #16137 provides six consecutive weeks of paid leave at 100% of current salary for new parents following a birth or adoption. The program is geared to compete with the private sector in order to attract and retain the next generation of employees while providing a fair balance between work and family life.

The County also made some other changes in the Fall of 2016 that aided in the overall compensation/benefit plan for employees. One of those was a change in the employee holiday schedule. Miscellaneous Resolution #16282 authorized a change to include Christmas Eve and New Year's Eve Day as holidays, regardless of the day of the week on which they fall. The other change was related to employee annual leave. Miscellaneous Resolution #16311 authorized a voluntary once-a-year buy-back of annual leave for a minimum of 20 hours to a maximum of 40 hours for full-time employees that meet the program requirements. These changes were favorably viewed by both management and employees and did not require any additional funding.

Healthcare benefits are another important factor in this balancing act. The County has been able to constrain its overall healthcare costs, including the cost of retiree health care. Much of the success in managing costs is due to the County's employee wellness program, OakFit. The mission of the OakFit program is to assist employees, retirees and dependents in taking ownership of their health and wellness in order to improve quality of life, enhance productivity, and stabilize long-term employee/employer healthcare costs. OakFit offers a multitude of programs such as health screenings, lunch 'n' learn opportunities, vaccination/immunization programs, and discounted rates at a local high school's pool and fitness center. OakFit continues to be an effective program to manage healthcare costs and enhance employee quality of life. The OakFit program has also garnered awards and recognition for its focus to improve overall health of the employees while saving taxpayers more than \$24.0 million in healthcare costs.

County Departments are actively engaging in succession planning efforts in order to identify future leaders and retain institutional knowledge. Primarily, efforts have been initiated within individual departments to identify the future leaders, as well as identify training needs and other actions which can assist these individuals' development. In addition, the County Human Resources Department is embarking on a compensation study and update to the Salary Administration Plan, the creation of a Talent Management Advisory Team, and on-going efforts to develop County-wide programs to identify and train future leaders.

## County of Oakland

### Letter of Transmittal

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With the improving economic conditions and restoration of revenue-sharing payments from the State of Michigan in FY 2015, the County is moving from a maintenance mode toward a reinvesting and rebuilding mode for continued long-term sustainability. During the “Great Recession,” the County’s Capital Improvement Plan projects were limited to critical repairs and the most essential maintenance projects. In fiscal year 2015, the General Fund transfer to the Building Improvement Fund was increased from \$300,000 to \$1.5 million and increased to \$5.5 million annually thereafter effective FY 2016. Also, as previously noted, the County has issued debt of approximately \$15.5 million to construct a new animal shelter facility on the main County campus. Once constructed, the old facility property will be able to be sold, returning the property to the tax rolls and allowing the sales proceeds to be used for one-time capital improvement projects or toward related debt service obligations.

The County has also taken measures to address on-going security initiatives, major technology replacement and improvement projects, and infrastructure projects. This includes the replacement of the legacy 911 copper network with a regional Emergency Services Internet-protocol Network (ESINet) to prepare for the Next Generation 911. This will enable 911 calls to be routed using geographic information system coordinates and will allow callers to use wireless devices to transmit photographs, videos, in-car crash system data, and text messages. Other technology initiatives include the replacement of the County’s imaging system, replacement of the Human Capital Management and Financial Management systems, and the replacement of the analog telephone system to a universal communication system that will transform the way employees communicate and collaborate with each other as well as with the public.

Infrastructure initiatives include an increased fund balance assignment from \$1.0 million to \$2.0 million for the longstanding Tri-Party Road Project program. The Tri-Party Road Project program leverages County dollars (1/3) with an equal match from the Road Commission (1/3) as well as the participating local community (1/3) for roads that are maintained by the Road Commission for Oakland County. Projects are brought before the Board of Commissioners for appropriation from the fund balance assignment. This discretionary program leverages a total of \$6.0 million for local road improvement projects.

More recently, the Board of Commissioners approved Miscellaneous Resolution #16103 for a new Local Road Improvement Matching Fund program to assist local cities and villages for road improvements that are not under the Road Commission’s jurisdiction. This program is for local residential and commercial roads in an effort to attract, retain and grow business, and retain jobs. The County assigned \$1.0 million of General Fund equity for this program with the local communities providing an amount equal to a minimum of 50% of the cost of the total project. Continuation of this program is dependent on equity being available in excess of the minimum target level in accordance with the County’s Fund Balance Policy for the General Fund.

## County of Oakland

### Letter of Transmittal

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The County continues to be a leader in efforts to share government resources through intergovernmental cooperative programs. The County's Courts and Law Enforcement Management Information System (CLEMIS) program is a premiere example of regional collaboration with over 200 public safety agencies across Southeast Michigan. Also, many local communities contract with Oakland County for services such as road patrol, real property assessing and personal property appraisals, animal control, information technology services, water and sewer services, and collection of delinquent taxes.

The County's Department of Information Technology and Corporation Counsel more recently developed the G2G ("government to government") Marketplace. The G2G Marketplace offers participating jurisdictions a way to evaluate and procure enterprise technology solutions and professional services. Participants can access pre-negotiated contracts with guaranteed best pricing and terms for tested, successful solutions, a best practice library, and other resources that help reduce overall costs. This is just another example of how Oakland County is leading the way in helping governments of all sizes. There are over 500 registered city, county, and state government users in 49 states and the G2G Marketplace continues to grow. For more information about the G2G Marketplace, please go to [www.G2GMarket.com](http://www.G2GMarket.com).

As noted in the accompanying financial statements, Oakland County's General Fund balance totaled \$255.2 million as of September 30, 2016. This level of fund balance equates to 57.5% of budgeted fiscal year 2017 General Fund/General Purpose expenditures. However, of that amount; \$32.5 million is assigned to balance the fiscal year 2017 budget, \$28.5 million is assigned to balance the fiscal year 2018 budgets; and \$23.9 million is assigned to balance the fiscal year 2019 budget. When the above assignments are removed, the General Fund balance still stands at \$170.3 million or 38.3% of General Fund/General Purpose expenditures.

The County leadership takes great pride in being good stewards of the financial resources available to the County. As a result of the County's ability to maintain financial stability while providing key services to its constituents, the County was able to reduce the County's tax rate by .10 mills from 4.19 mills to 4.09 mills for the July 2015 tax levy and was able to further reduce the millage rate by .05 mills for the July 2016 tax levy to bring the millage rate to 4.04 mills. The County has a longstanding tradition of maintaining a millage rate that is *below* the maximum authorized rate. The 4.04 millage rate is below the current maximum authorized rate of 4.1868 as allowed by the State Constitution. Until 2015, the maximum authorized millage rate had not changed for 10 years, primarily as a result of suppressed property values. With the recent rebound in property values, a roll-back to the maximum authorized millage rate has been required for the past two years. The County will continue to monitor the impacts of the Headlee Constitutional Tax Limitation Amendment of 1978 and the Proposal A Property Tax Limitation Amendment of 1994 in order to foresee potential constraints on future millage rates. The County's diligent long-term financial planning efforts are key to the continued success of providing quality services to the citizens.

## County of Oakland

### Letter of Transmittal

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#### 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 & Poor's and Moody's Investor Services, Incorporated. In the most recent rating report dated February 8, 2016, Moody's reaffirmed Oakland County's AAA status and stated:

“Oakland County has demonstrated very strong management characteristics for a number of years. Despite the onset and lingering effects of the 2007-09 recession and the corresponding loss of operating revenue, the county posted annual operating surpluses and continued to strengthen its financial position. The county annually adopts a three-year operating budget within a rolling five-year forecast. The county recently adopted a formal fund balance policy that targets maintenance of no less than 20% of expenditures in reserves. We anticipate continuation of these prudent practices will support stability of the high credit rating.”

Oakland County has retained a AAA bond rating since 1998. Oakland County's AAA bond rating, affirmed by two rating agencies, 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 CAFR for the fiscal year ended September 30, 2015; this was the 25th consecutive year Oakland County received this prestigious award. In order to be awarded the Certificate of Achievement, Oakland County is required to publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, Oakland County also received the GFOA's Distinguished Budget Presentation Award for its triennial budget document dated October 1, 2015. This latest award is the 15th 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 2015 PAFR award was the County's 19th consecutive citation. Currently, Oakland County is one of two counties in the state of Michigan that holds all three of the GFOA awards simultaneously.

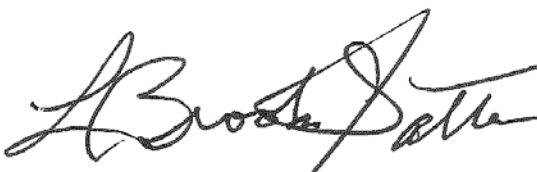
**County of Oakland**  
**Letter of Transmittal**

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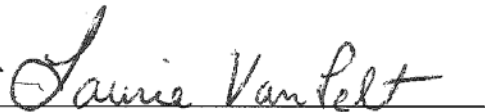
Acknowledgements:

The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Fiscal Services Division of the Department of Management and Budget. We would like to express our appreciation to all members of the division who assisted and contributed to the preparation of this report. Credit must also be given to all Countywide elected officials, including the Sheriff, Prosecuting Attorney, Clerk/Register of Deeds, Treasurer, and Water Resources Commissioner, as well as the County Board of Commissioners and the members of the Circuit, Probate, and 52<sup>nd</sup> District Courts, for their unfailing support in maintaining the highest standards of professionalism in the management of Oakland County's governmental finances.

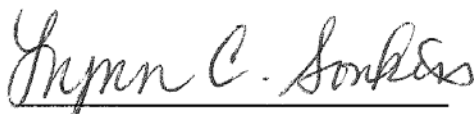
Respectfully submitted,



L. Brooks Patterson  
Oakland County Executive



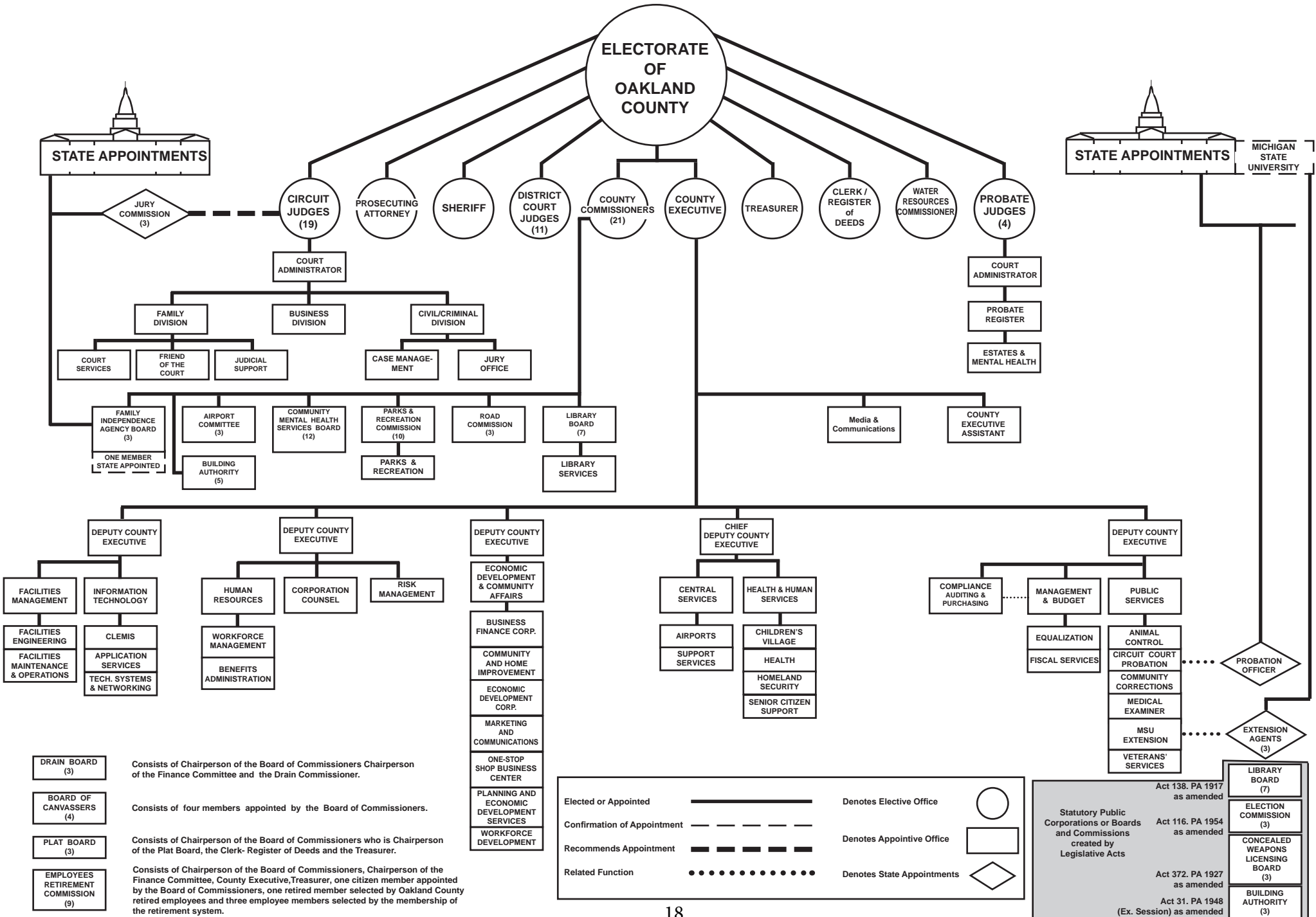
Laurie Van Pelt, CPFO  
Chief Fiscal Officer and Director,  
Department of Management and Budget



Lynn C. Sonkiss  
Manager, Fiscal Services Division



# OAKLAND COUNTY GOVERNMENT ORGANIZATIONAL CHART



**COUNTY EXECUTIVE**

L. Brooks Patterson

**BOARD OF COMMISSIONERS**

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Michael Spisz, Vice-Chairperson

David E.S. Bowman  
Hugh D. Crawford  
William Dwyer  
Wade Fleming  
Marcia Gershenson  
Robert Gosselin

Robert Hoffman  
Janet Jackson  
Adam Kochenderfer  
Eileen Kowall  
Christine A. Long  
Gary R. McGillivray  
Thomas Middleton

Nancy Quarles  
John A. Scott  
Shelley Goodman Taub  
Philip J. Weipert  
Dave Woodward  
Helaine Zack

**OTHER ELECTED OFFICIALS**

Clerk/Register of Deeds  
Lisa Brown

Treasurer  
Andy Meisner

Water Resources Commissioner  
Jim Nash

Prosecuting Attorney  
Jessica R. Cooper

Sheriff  
Michael J. Bouchard

Chief Circuit Judge  
Nanci J. Grant

Chief Probate Judge  
Linda S. Hallmark

Chief District Judge  
Julie A. Nicholson

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Eileen Kowall, Vice-Chairperson  
Christine A. Long, Secretary  
Dave Woodward  
J. David VanderVeen

**BUILDING AUTHORITY**

Jay Shah, Chairperson  
Andy Meisner, Vice-Chairperson  
Dennis King, Secretary  
Jamele Hage  
Douglas Williams

**PARKS AND RECREATION**

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J. David VanderVeen, Vice-Chairperson  
John A. Scott, Secretary  
Dan J. Stencil, Executive Officer

A. David Baumhart III  
Ron Fowkes

Robert E. Kostin  
Christine A. Long  
Gary R. McGillivray

Jim Nash  
David W. Potts

**ROAD COMMISSION**

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Eric Wilson, Vice-Chairperson  
Gregory C. Jamian, Commissioner

**DRAIN BOARD**

Jim Nash, Water Resources Commissioner  
Michael Gingell, Board of Commissioners Chairperson  
Thomas F. Middleton, Finance Committee Chairperson



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**Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

Executive Director/CEO

## **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

### **Report on the Financial Statements**

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, Michigan (the "County") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Commissioners  
Oakland County, Michigan

### ***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, 2016 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules and introductory section 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 combining and individual fund statements and schedules, as identified in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, as identified in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Commissioners  
Oakland County, Michigan

The introductory section and statistical section, as identified in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

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 an opinion 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* in considering Oakland County's internal control over financial reporting and compliance.

*Plante & Morse, PLLC*

March 24, 2017

# County of Oakland

## Management's Discussion and Analysis

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Oakland County's (the "County") financial performance, providing an overview of the activities for the fiscal year ended September 30, 2016. 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 increased by \$60.1 million or 5.3 percent during fiscal year 2016, increasing from \$1,132.7 million to \$1,192.8 million (excluding component units).
- Governmental activities net position increased by approximately \$25.6 million, increasing from \$424.5 million to \$450.1 million.
- Business-type activity net position increased \$34.5 million from \$708.2 million to \$742.7 million.

#### Fund Level:

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balance of \$330.5 million, an increase of \$26.1 million from the fiscal year 2015 governmental funds combined ending fund balance, primarily reflecting an increase of bond issuance proceeds compared to fiscal year 2015 activity.
- The General Fund balance decreased by \$5.0 million from \$260.2 million at the end of fiscal year 2015 to \$255.2 million at the end of fiscal year 2016. The decrease is primarily attributed to an increase of one-time transfers out for capital related projects.
- At the close of the fiscal year, the County's proprietary funds reported a combined ending net position of \$878.1 million, consisting of \$742.7 million for the Enterprise Funds (a \$34.5 million increase from fiscal year 2015) and \$135.4 million for the Internal Service Funds (a \$2.5 million decrease from fiscal year 2015). This overall increase is primarily due to capital contributions recognized in the Evergreen Farmington Sewage Disposal System Fund.

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

- The County's capital assets experienced a net increase of \$21.3 million during fiscal year 2016, primarily for increases in construction in progress activities.
- The County reported \$47.5 million in new general government debt and business-type debt during fiscal year 2016, which supported Building Authority debt to construct a new animal control/pet adoption facility and Michigan Bond Authority debt for multiple water and sewer projects.
- The County's general government bond and note obligations decreased by \$32.3 million during fiscal year 2016, which reflects \$7.3 million in payments related to Building Authority debt, \$22.2 million in payments related to Retirees Health Care bonds, and \$2.8 million in payments related to Water and Sewer Debt.
- The County is \$5.8 *billion* below its authorized debt limit.



# County of Oakland

## Management's Discussion and Analysis

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### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The set of *basic financial statements* includes the Statement of Net Position 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 Position presents the entire County's assets and liabilities, recording the difference between the two as "net position." Over time, increases or decreases in net position measure whether the County's financial position is improving or declining.

The Statement of Activities presents information showing how the County's net position changed during fiscal year 2016. All changes in net position are reported based on the period for which the underlying events occur, 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 revenues 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, Water and Sewer services, and the Parks and Recreation Fund operations 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.

## County of Oakland Management's Discussion and Analysis

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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, a reconciliation between the two statement types is presented in the financial section. The following summarizes the impact of transitioning from modified accrual to full 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.
- 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.

### **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 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 GASB and the Michigan 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.

## County of Oakland Management's Discussion and Analysis

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Governmental funds include the *General Fund*, as well as *Special Revenue Funds* (use of fund balance is restricted), *Capital Projects Funds* (used to report major capital acquisitions and construction), and *Debt Service Funds* (accounts for resources used to pay long-term debt principal and interest).

- *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. An example is the Oakland County International Airport. *Internal Service Funds* report activities that provide supplies and a service primarily 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 Position and Changes in Fiduciary Net Position. 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 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.

### Special Note:

#### Implementation of GASB Statement Number 72

The fiscal year 2016 Comprehensive Annual Financial Report reflects the implementation of Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*.

# County of Oakland

## Management's Discussion and Analysis

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### FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As previously stated, Oakland County's overall financial position improved during fiscal year 2016. As reflected in the table below, the County's combined net position increased by \$60.1 million over the course of fiscal year 2016 operations. In particular, the net position of the governmental activities increased by approximately \$25.6 million (6.0 percent) primarily reflecting the second year of implementation for GASB No. 68. The business-type activities increased \$34.5 million in net position (4.9 percent) which reflects an increase of capital asset contributions primarily related to the Evergreen Farmington Sewage Disposal System (EFSDS) projects.

#### Oakland County's Net Position

(in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current Assets	\$ 546.2	\$ 494.5	\$ 496.3	\$ 478.2	\$ 1,042.5	\$ 972.7
Capital Assets	204.8	203.5	326.0	306.0	530.8	509.5
Other Long-term Assets	217.2	238.8	-	-	217.2	238.8
<b>Total Assets</b>	<b>968.2</b>	<b>936.8</b>	<b>822.3</b>	<b>784.2</b>	<b>1,790.5</b>	<b>1,721.0</b>
<b>Deferred Outflows of Resources</b>	<b>19.3</b>	<b>40.3</b>	<b>-</b>	<b>-</b>	<b>19.3</b>	<b>40.3</b>
Current Liabilities	115.8	127.5	54.3	56.2	170.1	183.7
Other Liabilities	421.6	425.1	25.3	19.8	446.9	444.9
<b>Total Liabilities</b>	<b>537.4</b>	<b>552.6</b>	<b>79.6</b>	<b>76.0</b>	<b>617.0</b>	<b>628.6</b>
Net Position:						
Net Investment in Capital Assets	147.7	156.5	299.3	284.7	447.0	441.2
Restricted	36.0	39.6	98.3	89.7	134.3	129.3
Unrestricted	266.4	228.4	345.1	333.8	611.5	562.2
<b>Total Net Position</b>	<b>\$ 450.1</b>	<b>\$ 424.5</b>	<b>\$ 742.7</b>	<b>\$ 708.2</b>	<b>\$ 1,192.8</b>	<b>\$ 1,132.7</b>

# County of Oakland Management's Discussion and Analysis

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

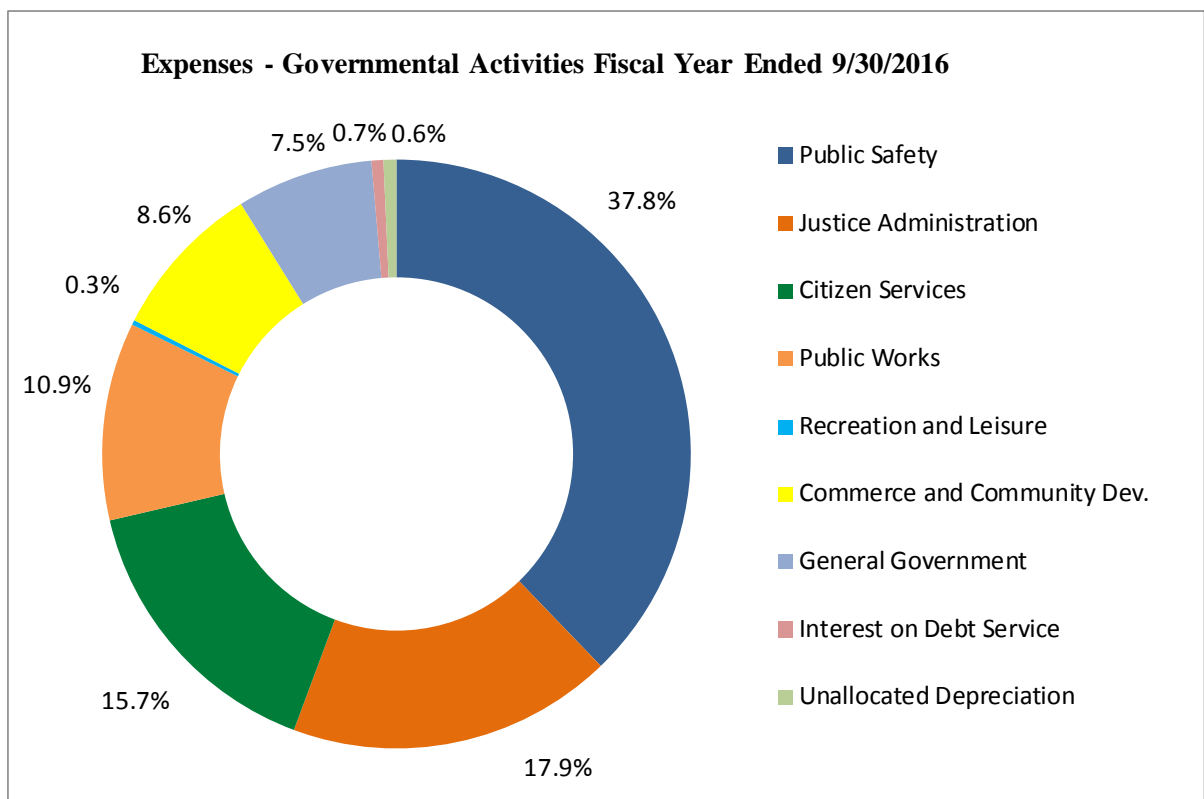
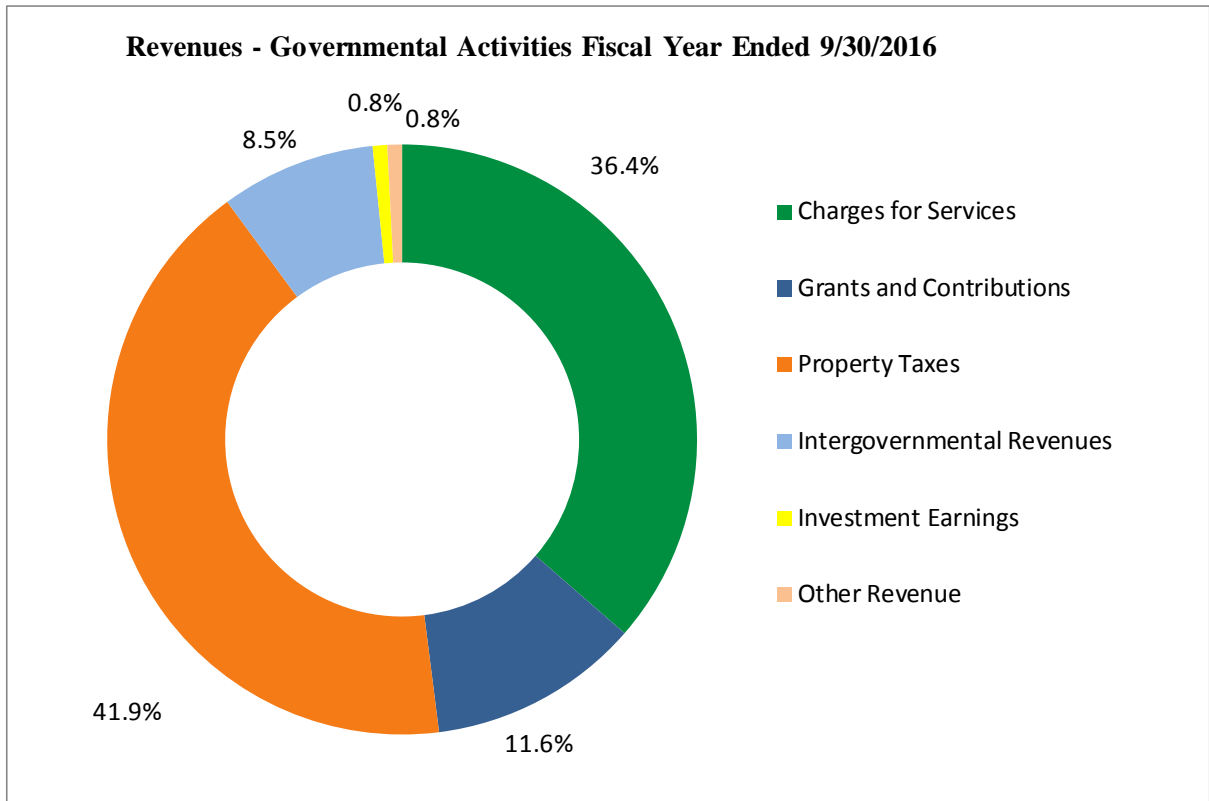
## Changes in Oakland County's Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 181.9	\$ 159.6	\$ 271.0	\$ 261.4	\$ 452.9	\$ 421.0
Grants and Contributions						
Operating	56.6	60.0	2.4	1.7	59.0	61.7
Capital	1.5	5.9	29.4	11.1	30.9	17.0
General Revenues						
Property Taxes	210.2	204.2	12.2	11.8	222.4	216.0
Intergovernmental Revenue	42.8	39.2	-	-	42.8	39.2
Investment Earnings	3.9	3.6	3.6	2.9	7.5	6.5
Other Revenue	3.8	5.6	-	-	3.8	5.6
Gain on Sale of Assets	0.4	0.2	-	-	0.4	0.2
<b>Total Revenues</b>	<u>501.1</u>	<u>478.3</u>	<u>318.6</u>	<u>288.9</u>	<u>819.7</u>	<u>767.2</u>
<b>Expenses</b>						
Public Safety	186.4	186.1	20.8	21.3	207.2	207.4
Justice Administration	88.2	86.2	-	-	88.2	86.2
Citizen Services	77.5	83.7	6.6	7.0	84.1	90.7
Public Works	53.6	38.3	214.5	211.6	268.1	249.9
Recreation and Leisure	1.3	1.3	23.5	23.7	24.8	25.0
Commerce and Community Dev.	42.6	44.4	-	-	42.6	44.4
General Government	37.0	69.5	0.9	1.2	37.9	70.7
Interest on Debt Service	3.2	3.3	-	-	3.2	3.3
Unallocated Depreciation	3.5	3.2	-	-	3.5	3.2
<b>Total Expenses</b>	<u>493.3</u>	<u>516.0</u>	<u>266.3</u>	<u>264.8</u>	<u>759.6</u>	<u>780.8</u>
Revenues Over (Under)						
Expenditures	7.8	(37.7)	52.3	24.1	60.1	(13.6)
Transfers - On-going	17.8	18.0	(17.8)	(18.0)	-	-
<b>Increase(Decrease) in Net Position</b>	<u>25.6</u>	<u>(19.7)</u>	<u>34.5</u>	<u>6.1</u>	<u>60.1</u>	<u>(13.6)</u>
Net Position - Beginning	424.5	444.2	708.2	702.1	1,132.7	1,146.3
Net Position - Ending	<u>450.1</u>	<u>424.5</u>	<u>742.7</u>	<u>\$ 708.2</u>	<u>1,192.8</u>	<u>1,132.7</u>

# County of Oakland Management's Discussion and Analysis

## Governmental Activities:

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



## County of Oakland Management's Discussion and Analysis

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In total, fiscal year 2016 governmental activity revenue collections increased by \$22.8 million (4.8 percent) from fiscal year 2015. Of this amount, charges for services increased by \$22.3 million, property tax revenue increased by \$6.0 million, intergovernmental revenue increased by \$3.6 million, investment earnings \$300,000, and gain on sale of assets of \$200,000. These increases were offset by declines of \$7.8 million in grants and contributions and \$1.8 million in other revenue from the fiscal year 2015 amounts.

Property taxes generated \$210.2 million in revenue, remaining the largest source of support for governmental activities, comprising 41.9 percent of all governmental activity revenue. Governmental activities have decreased their dependency on property taxes; the fiscal year 2016 percentage is far below fiscal year 2008, when property taxes represented 60.6 percent of governmental activity revenue. However, this reduced reliance on property tax revenue is due to reduced property values when compared to 2008 rather than substantial increases from other revenue sources.

Property tax revenue increased by approximately \$6.0 million from the amount realized during fiscal year 2015. This overall increase is primarily due to increasing property taxable values over the past year as well as timing of tax collections and was partially offset by a reduction of the County's millage rate from 4.09 mills levied in July 2015 to 4.04 mills levied in July 2016. The County's operating millage rate of 4.04 mills is one of the lowest county general operating millage rates in the State. For more details regarding actual property tax collections, please see the statistical section appearing in the last section of this document.

Charges for services, which reflects revenue generated by county operations charging specific benefiting parties for services performed, as well as recognition of other revenues generated by specific programs, is the second largest source of governmental activity revenue, generating \$181.9 million or 36.3 percent of the total. There are a wide variety of activities charged 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 contracted law enforcement and dispatch services, and the housing of state wards in the County's juvenile facility.

The \$181.9 million collected in fiscal year 2016 represents a \$22.3 million increase (14.0 percent) from the previous fiscal year. The primary reason for the increase is due to debt service special assessments associated with Act 342 water and sewer projects which accounted for \$21.7 million.

The third largest source of support for governmental activities is the \$58.1 million received in operating and capital grants and contributions during fiscal year 2016, which is 11.6 percent of the total revenue for governmental activities. This amount represents a \$7.8 million net decrease (11.8 percent) from fiscal year 2015. Included in this total change is \$3.4 million for decreased operating grants. This reduction reflects the completion of the \$3.8 million State of Michigan Competitive Grant Assistance Program (CGAP) grant in 2015 that assisted with the research, creation and implementation of the Great Lake Water Authority (GLWA). The capital contributions and grants decreased by \$4.4 million in comparison to the \$5.9 million reported in fiscal year 2015 and is due to less activity for capital contributions from a Building Authority project for various information technology and facility improvement initiatives.

## County of Oakland Management's Discussion and Analysis

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Oakland County governmental activities also recorded \$42.8 million in intergovernmental revenue during fiscal year 2016, a \$3.6 million increase over the \$39.2 million received in fiscal year 2015. The change consists of an increase of Revenue Sharing distribution payments from the State of Michigan of \$1.3 million, \$1.8 million that was accrued for the first payment anticipated from the State for personal property tax loss reimbursements, and an increase of convention facility liquor tax distributions of approximately \$600,000. Intergovernmental revenue is “shared” revenue by the state and federal government, and is not tied to contractual obligations such as grant agreements. However, in the case of the convention facility liquor tax revenue, one-half of the revenues distributed by the State under the authority of the State Convention Facility Development Act, P.A. 106 of 1985, must be earmarked for substance abuse prevention and treatment programs.

Governmental activities generated \$3.9 million in investment earnings during fiscal year 2016; this amount reflects an increase of \$300,000 (8.3 percent) from the amount earned in fiscal year 2015. The County's investment pool rates continue to outperform U.S. Treasury rates.

Governmental activity fiscal year expenses decreased \$22.7 million from the fiscal year 2015 expense level, a 4.4 percent decrease from the previous fiscal year.

Public Safety continued to be the largest governmental activity, expensing \$186.4 million of the \$493.3 million total governmental activities amount (37.8 percent). Public Safety, which encompasses law enforcement, crime prevention, incarceration, emergency management, and technical support, had no significant change from the previous fiscal year.

Closely linked to Public Safety, Justice Administration is the second largest expense category accounting for \$88.2 million, or 17.9 percent, of the total governmental activity expenses. The Justice Administration activity, which centers on the operations of the 6<sup>th</sup> Judicial Circuit Court, 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 \$2.0 million increase (2.3 percent) from the previous fiscal year which primarily reflects increased Friend of the Court activity and a general salary increase.

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 \$77.5 million in expenses, or 15.7 percent, of the total governmental activities. Expenses decreased by \$6.2 million from the fiscal year 2015 level (7.4 percent). The majority of the decrease is due to the \$7.4 million payment of restricted monies to Oakland County Community Mental Health Authority (OCCMHA) that occurred in 2015 as the substance abuse coordinating agency changed from the Oakland County Health Department to OCCMHA in fiscal year 2015.

The Public Works activity, which includes the operating systems that form the infrastructure of basic county functions, expensed \$53.6 million in fiscal year 2016, or 10.9 percent of the total governmental activities expenses. This level of expense is a net increase of \$15.3 million or 39.9 percent from fiscal year 2015. This reflects increased activity for Act 342 water and sewer projects.

Commerce and Community Development, which reflects all efforts to promote and sustain a strong economic business climate and vibrant communities, experienced \$42.6 million in expenses, or 8.6 percent, of the total governmental activities. The decrease of approximately \$1.8 million (4.1 percent) from fiscal year 2015 is associated with reduced activity for workforce development grant programs.



## County of Oakland Management's Discussion and Analysis

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The General Government activity, which is comprised of the administration and financial management of County business, expensed \$37.0 million in fiscal year 2016, or 7.5 percent of the total governmental activities expenses. The level of expenses in fiscal year 2016 decreased by approximately \$32.5 million from the fiscal year 2015 level. This is largely due to a \$22.7 million decrease for pension expense recognized as a result of being in the second year for GASB No. 68 implementation; \$4.6 million decrease due to timing of claims processed through the Building and Liability Fund; and \$3.8 million decrease for expenses related to the CGAP grant completion previously referenced.

As stated previously, the result of fiscal year 2016 governmental activity was an overall increase of \$25.6 million in net position, to \$450.1 million. Of the total \$450.1 million in governmental activities' net position, \$147.7 million is invested in capital assets; \$36.0 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 \$266.4 million is reported as unrestricted.

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

Net position in business-type activities is reported at \$742.7 million for fiscal year 2016, an increase of \$34.5 million (4.9 percent) over the amount reported at the end of fiscal year 2015. Of the total net position, \$299.3 million is for the net investment in capital assets, \$98.3 million is restricted, and \$345.1 million is reported as unrestricted. 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 2016, business-type activities generated \$318.6 million in revenue; this is an increase of \$29.7 million (10.3 percent) from the previous fiscal year. The overall change reflects a net \$18.3 million increase of capital asset contributions primarily related to the Evergreen Farmington Sewage Disposal System (EFSDS), and \$9.6 million increase for Charges for Services revenue recognized in water and sewer funds for rate and usage fluctuations as well as emergency 911 surcharge revenue.

Business-type activity recorded expenses of \$266.3 million, an increase of \$1.5 million from fiscal year 2015 (0.6 percent). This overall increase is primarily for Public Works activity due to general operating expense fluctuations for the various sewage disposal systems and water and sewer retail systems; this is more than offset by the revenue increases for these systems that are noted above.

The remaining activities experienced insignificant changes.

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

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

# County of Oakland

## Management's Discussion and Analysis

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### Governmental Funds

Three (3) governmental funds are designated as major funds of the County; the *General Fund*, the *Building Authority Debt Act 31 Fund*, and the *Water and Sewer Debt Act 342 Fund*. As the County completed fiscal year 2016, the governmental funds reported *combined* fund balances of \$330.5 million with the fund balances of the General Fund, the Building Authority Debt Act 31 and the Water and Sewer Debt Act 342, representing 79.6 percent of the combined governmental funds balance.

The fiscal year ending combined fund balances of \$330.5 million represents an increase of \$26.1 million from the combined fund balances reported at the end of fiscal year 2015. The overall increase in the combined governmental fund balances reflects a \$5.0 million reduction to the General Fund balance, reflecting additional one-time transfers for capital related projects and a \$7.0 million transfer to cover the initial seven (7) years of debt service for the Animal Control and Pet Adoption Center. The Building Authority Debt Act 31 increased by \$6.9 million which reflects a transfer from the General Fund for the Animal Control and Pet Adoption Center debt previously noted. The Water and Sewer Debt Act 342 remained relatively unchanged. The non-major governmental funds increased by \$43.4 million and largely represents new debt issuances for the Animal Control and Pet Adoption of \$15.5 million as well as \$25.0 million in bond proceeds and State Revolving Fund loan proceeds for Evergreen Farmington Sewage Disposal System projects.

### **General Fund**

The General Fund is the principal operating fund of the County. Unless otherwise required by statute, contractual agreement or policy, all County revenues and expenditures are recorded in the General Fund. As of September 30, 2016, the General Fund reported a fund balance of \$255.2 million. This amount reflects a decrease of \$5.0 million (1.9 percent) from the fund balance of \$260.2 million reported as of September 30, 2015.

The overall \$5.0 million decrease in the General Fund balance is a result of General Fund revenues exceeding General Fund expenditures by \$40.5 million. In addition, the General Fund received \$14.6 million transfers from other funds, while transferring \$60.0 million to other funds; rendering a net "transfer-out" of \$45.4 million.

General Fund revenues were recorded at \$387.1 million for fiscal year 2016. This amount is an increase of \$15.0 million (4.0 percent) from the \$372.1 million received in fiscal year 2015. The majority of the increase reflects increased property tax revenue due to improved taxable values and tax collections, intergovernmental revenue increase due to additional revenue-sharing distributions from the State as well as Local Community Stabilization Share revenue from the State for reimbursement of personal property tax losses, and higher Charges for Services revenue resulting from additional law enforcement contract activity.

General Fund expenditures were \$346.6 million, an increase of \$1.3 million from the fiscal year 2015 level. The overall change also includes a 2.0 percent general salary increase and is partially offset by fluctuations in various operating expenditures.

## County of Oakland Management's Discussion and Analysis

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The General Fund received \$14.6 million in transfers from other funds; this is a decrease of \$9.4 million (39.2 percent) from the amounts transferred during fiscal year 2015. This decrease primarily reflects a reduction of \$8.4 million from the Revenue Sharing Reserve Fund as the final balance transfer occurred in fiscal year 2015. Also, the decrease relates to activity fluctuations from the Delinquent Tax Revolving Fund of \$500,000 based on a reduction to the number of delinquent parcels.

The General Fund transferred \$60.0 million to other funds during fiscal year 2016. This amount is \$15.2 million more (33.9 percent) than the fiscal year 2015 transfers. The net increase reflects a one-time transfer of \$7.0 million for the Animal Control and Pet Adoption Center facility debt previously noted, \$7.2 million to the Project Work Order Fund for various security and maintenance projects, an additional \$4.0 million to the Building Improvement Fund for capital project support, and \$3.5 million to the Major Department Support Projects Fund for the Imaging System Replacement Project. This is partially offset by a reduction for one-time transfers of \$4.6 million to the Fringe Benefit Fund and \$1.2 million to the Long-Term Revolving Fund that did not reoccur in fiscal year 2016, as well as operational requirements related to internal services funds and various grants.

Of the total \$255.2 million General Fund balance, all but \$3.0 million is Non-Spendable, Restricted, or Assigned for specific purposes. The total fiscal year 2016 General Fund balance represents 62.8 percent of the fiscal year 2016 General Fund operations. However, it should be noted that \$117.5 million from General Fund balance has been assigned for "Budget Transition" to support future operations. This assignment was developed through the acceleration of budget reductions planned for use in future fiscal years. When this assignment is removed, the remaining fund balance represents 33.9 percent of the fiscal year 2016 General Fund operations. The General Fund balance of \$255.2 million represents 77.2 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 17, 2015 (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 \$7.2 million (2.0 percent) during fiscal year 2016 from \$366.9 million to \$374.1 million. The revenue budget was amended in a number of areas. Most significant was the additional revenue from the State of Michigan for Convention Facility Liquor Tax of \$4.2 million. Other material amendments included over \$1.0 million for Sheriff Law Enforcement and Dispatch Services contracts and Commission Public Telephone monies of \$867,000. Also, there were revenue amendments for various departments including the Water Resources Commissioner, Economic Development, Health, Public Services and Probate Court to reflect operational activity.

Actual General Fund revenue totaled \$387.1 million, \$13.0 million more than the amended budget. Although variances naturally occur in every revenue line item, the most significant reason for this variance is reflected in the Charges for Services category which was favorable by \$8.4 million primarily related to the sale of foreclosed property, favorable Mortgage and Land Transfer Tax revenue and Court Fines and Costs revenue. Tax revenue was favorable by \$2.7 million due to the timing of tax collections. Other Intergovernmental revenue favorability of \$1.4 million is largely due to the Local Community Stabilization Share revenue from the State of Michigan for personal property tax loss reimbursements. There was also Investment Income favorability of \$464,086, in comparison to the budgeted amount, due to the investment base and market rate adjustments.

## County of Oakland Management's Discussion and Analysis

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The General Fund expenditure budget increased \$1.8 million (0.5 percent) from \$365.4 million to \$367.2 million during fiscal year 2016. Changes included \$2.3 million in operating appropriations from fiscal year 2015 that were carried forward for specific projects which were not yet completed. Most notably, the funds carried forward included \$966,035 for Tri-Party Road Improvement Program projects, which is a collaborative effort between Oakland County, the Road Commission of Oakland County (RCOC), 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; \$935,793 in the Sheriff's Office primarily for a helicopter radio equipment project; \$223,938 to continue Circuit Court's State Judicial Technology Improvement and Online Judges project, and the use of mediation funds for equipment and furniture; \$139,682 for various Economic Development activities; and \$49,200 for Treasurer's Office debt management software.

There were additional appropriations made during fiscal year 2016 including \$2.5 million in Salaries and Overtime primarily in the Sheriff's Office related to Law Enforcement and Dispatch Service contracts; \$2.1 million for distribution to the County's designated Substance Abuse Coordinating Agency, Oakland County Community Mental Health Authority (OCCMHA), and \$600,000 for Juvenile Resentencing related to a mandated reexamine of juvenile life sentence cases. These increases were partially offset by reductions of \$5.5 million for a one-time rate adjustment from the Fringe Benefit Fund and \$530,000 in the Sheriff's Office Contracted Services line item for operational fluctuations.

Finally, the General Appropriations Act requires that appropriations accumulate at the following three summary levels of expenditures: Personnel Expenditures, Operating Expenditures, and Internal Support Expenditures. Due to unfavorable variances related to overtime, operating costs including defense attorney fees, guardian ad litem fees, extradition expense, library continuations, professional services, transportation service, laboratory fees, medical supplies, and internal service fund charges, the end of fiscal year 2016 resulted in several departments reflecting actual expenses in excess of total budgeted appropriations at the category level. Therefore, amendments totaling \$1.3 million were made to cover the shortage in Personnel Expenditures, Operating Expenditures and Internal Support Expenditures and were fully offset by revenue amendments and expenditure reductions within other departmental categories.

The General Fund expenditures for fiscal year 2016 were \$20.6 million below budget. This favorable variance from the budget reflects continued conscious efforts on behalf of the County's elected officials to limit expenditures wherever and whenever possible.

Of the total variance, \$9.3 million is attributed to salary and fringe benefits savings as all authorized employee positions are budgeted. The favorability is the result of vacancies, employee turnover, and filling some authorized positions with part-time non-benefit employees or filling those positions at a lower classification than budgeted.

In addition, \$3.6 million savings in the Non-Departmental budget mainly reflects fewer adjustments were necessary to transfer funds to operating departments due to the conscious efforts of the departments to work within the constraints of their original budgets. Total savings also include unspent funds for Tri-Party Road Improvement Projects, which were carried forward into the fiscal year 2017 budget to complete the projects.

## County of Oakland Management's Discussion and Analysis

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Further, there is \$1.8 million in savings for the Circuit Court related to favorable Defense Attorney Fees, Attorney Fees Mediators, and Juror Fees and Mileage due to less activity; the Sheriff's Office reflects favorable variances of \$1.6 million including favorability of \$809,000 primarily due to savings achieved from the jail inmate food and jail clinic service contracts and over \$195,600 in favorable Fees Civil Service expense due to the continuing decline in the number of home foreclosures (this line item is offset by corresponding unfavorable Civil Action Service Fee revenue). The remaining Sheriff favorability is in Prisoner Housing Outside of County, Equipment Maintenance, Deputy Supplies, Laundry and Cleaning, Transportation of Prisoners and Uniforms. Almost \$595,000 favorability in the Treasurer's Office relates to Title Search and Fees Civil Service due to less than anticipated use; nearly \$565,900 in the Department of Human Services for Professional Services, Medical Services Physicians, West Nile Virus, Drugs and Tornado Siren Equipment; approximately \$502,000 favorability in Economic Development and Community Affairs related to Professional Services, Printing, Workshops and Meetings, Travel and Supplies; \$248,100 favorability in the Clerk / Register of Deeds office due to lower use of Court Transcripts and Professional Services, Election supplies, Office Supplies, Material and Supplies and Metered Postage; almost \$239,600 favorability in Water Resources Commissioner related to Contracted Services, Professional Services, Legal Services, Education Programs and Workshops and Meetings; \$232,400 in Management and Budget for Professional Services, Personal Mileage, Printing, Office Supplies and Metered Postage; \$218,000 in Human Resources reflecting Legal Services, Professional Services, Recruitment Expense and Psychological Testing; \$180,100 for the Board of Commissioners related to Special Projects, Workshops and Meetings, Personal Mileage, Travel and Conference, Printing and Legal Services; and \$143,800 in the District Courts for Defense Attorney Fees and Juror Fees and Mileage.

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 (or transferred to) other funds. The adopted budget assumed that the General Fund would transfer \$30.9 million more in resources to other funds (financing uses) than it would take in from these funds (financing sources). The financing uses budget was increased during fiscal year 2016 by \$22.6 million from \$45.2 million to \$67.8 million. Major amendments included \$9.6 million to the Project Work Order Fund primarily for building security enhancement projects and maintenance projects; \$7.0 million for the Animal Control and Pet Adoption Center Building Authority Debt previously referenced; \$3.5 million for an Information Technology Imaging System Replacement project; approximately \$716,000 to the Fire Records Management Fund to further the software replacement development of the Fire Records Management System; \$437,000 for various technology projects including a staff scheduling system for the Sheriff's Office and shelter management system for the Animal Control and Pet Adoption Center; nearly \$312,000 to the Motor Pool Fund for vehicle acquisitions related to Sheriff's Office law enforcement service contract amendments with local municipalities; and several other smaller amendments related to transfers for various grants and projects.

Actual financing uses from the General Fund were \$7.8 million less than budgeted. This variance largely reflects actual operational requirements for the Child Care Fund (\$6.5 million), the Friend of the Court Grant Fund (\$955,000), the Prosecuting Attorney Cooperative Reimbursement Grant Fund (\$96,000), and the Project Work Order Fund (\$73,000).

## County of Oakland Management's Discussion and Analysis

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### The Building Authority Debt Act 31 Fund

The *Building Authority Debt Act 31 Fund* pays the debt service for projects authorized under Michigan Public Act 31 of 1948. That act authorized the issuance of bonds to build and equip various public buildings, which are then leased back to the County. Proceeds from those leases are used to repay the bonds.

During fiscal year 2016, the *Building Authority Debt Act 31 Fund* balance increased by \$6.9 million to report a total fund balance of approximately \$7.7 million. This increase is related to the upfront transfer of \$7.0 million to cover the initial seven (7) years of debt service on the Animal Control and Pet Adoption facility previously noted. The remaining activity reflects on-going activity to support annual debt service payments.

The remaining governmental fund classified as major: the *Water and Sewer Debt Act 342 Fund*, experienced an increase in fund balance of \$3,947, to report a total fund balance of \$20,584.

### Enterprise Funds

There are seven (7) *enterprise funds* that are classified as major: the *Parks and Recreation Fund*, the *Delinquent Tax Revolving Fund*, the *County Airport Fund*, the *Water and Sewer Trust Fund*, the *Evergreen-Farmington Sewage Disposal System (EFSDS) Fund*, the *Southeast Oakland County Sewage Disposal System (SOCSDS) Fund*, and the *Clinton Oakland Sewage Disposal System (COSDS) Fund*. As of September 30, 2016, the Enterprise Funds had combined net position of \$742.7 million, an increase of \$34.5 million from the combined net position reported at the end of fiscal year 2015. The seven major enterprise funds alone reported net positions of \$676.4 million (91.1 percent of the total combined Enterprise net position). The net position of these seven major Enterprise funds increased by \$37.7 million during fiscal year 2016.

Four of the seven major Enterprise Funds experienced an increase in net position. The *Water and Sewer Trust Fund* increased in net position by \$13.2 million (9.0 percent) to \$159.1 million. This increase primarily reflects fluctuating operating activity as well as rate adjustments associated with Pontiac Water and Sewer debt for system improvements.

The *Evergreen-Farmington Sewage Disposal System Fund (EFSDS)* ended fiscal year 2016 with a net position of \$63.6 million, \$27.7 million (77.2 percent) more than the net position recorded at the end of fiscal year 2015. The increase in net position is attributed largely to capital asset contributions from Act 342 projects of \$27.1 million as well as fluctuating operating activity over the prior year.

The *Southeast Oakland County Sewage Disposal System Fund (SOCSDS)* experienced an \$850,000 increase (1.9 percent) in net position to \$42.9 million. The increase is primarily due to minor fluctuating operating activity over the prior year.

The *Clinton Oakland Sewage Disposal System Fund (COSDS)* reported a net position of \$39.9 million, approximately \$554,000 more than the net position reported at the end of fiscal year 2015. The increase is primarily due to minor fluctuating operating activity over the prior year.

## County of Oakland Management's Discussion and Analysis

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The *Parks and Recreation Fund* net position decreased \$1.0 million (1.1 percent) during fiscal year 2016 to a total of \$93.2 million in net position. This decrease resulted from operating expenses outpacing charges for services and property tax revenue growth.

The *Delinquent Tax Revolving Fund (DTRF)* ended fiscal year 2016 with a net position of \$200.2 million, \$2.6 million (1.3 percent) less than the net position recorded at the end of fiscal year 2015. This decrease is the result of reduced charges for services revenue as the amount of delinquencies declined, reduced interest revenue, and reflects the continued operational transfer to the General Fund of \$10.8 million in fiscal year 2016. As noted in the *Transmittal Letter*, future operational transfers to the General Fund will be considered to ensure that the DTRF is able to meet all funding commitments. The fiscal year 2016 net position of \$200.2 million is still more than sufficient to meet fund obligations.

The *County Airport Fund* recorded a net position of \$77.5 million as of September 30, 2016. This reflects a reduction of approximately \$940,000 (1.2 percent) in net position from fiscal year 2015. The primary reason is due to fluctuating operating activity over the prior year.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal year 2016, the County had invested \$530.8 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 \$21.3 million from fiscal year 2015. This can be attributed to a \$1.3 million increase in governmental activities and a \$20.0 million increase to business-type activities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 7.4	\$ 7.4	\$ 68.2	\$ 68.2	\$ 75.6	\$ 75.6
Land Improvements	0.2	0.2	7.7	9.1	7.9	9.3
Buildings and Improvements	135.7	141.3	57.5	60.3	193.2	201.6
Equipment and Vehicles	24.4	26.9	16.6	19.5	41.0	46.4
Infrastructure	12.2	12.8	92.0	95.9	104.2	108.7
Subtotal	179.9	188.6	242.0	253.0	421.9	441.6
Construction in Progress	24.9	14.9	84.0	53.0	108.9	67.9
Total Capital Assets	<u>\$ 204.8</u>	<u>\$ 203.5</u>	<u>\$ 326.0</u>	<u>\$ 306.0</u>	<u>\$ 530.8</u>	<u>\$ 509.5</u>

Net capital assets for the governmental activities increased by \$1.3 million in fiscal year 2016. This change includes increases of \$10.0 million in construction in progress. The increase was offset by reductions of \$5.6 million in buildings and improvements, \$2.5 million in equipment and vehicles and \$600,000 in infrastructure assets. In terms of gross numbers, the County's governmental activities had additions to capital assets of \$15.8 million, \$2.6 million in disposals of capital assets, and an \$11.9 million increase in net accumulated depreciation.

## County of Oakland Management's Discussion and Analysis

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Of the \$15.8 million in additions to capital assets during fiscal year 2016, \$10.3 million reflects additions to construction in progress. Major governmental activity spend for construction in progress includes the following:

- \$2.1 million for technology software and hardware projects consisting of:
  - Tax assessment and management software of \$855,000
  - Reference architecture project of \$400,000
  - Upgrade to the Supervisory Control and Data Acquisition (SCADA) program of \$400,000 which allows for monitoring of systems and the development of a comprehensive asset management plan to watch, evaluate, and assist in the maintenance of infrastructure assets
  - Cyber security project of \$285,000
  - Implementation of the Kronos Telestaff Software to facilitate a more efficient and automated staff scheduling system in the Sheriff's Office Corrections Division of \$207,000
- \$1.7 million on the Animal Control and Pet Adoption Center building construction
- \$1.7 million for various building security enhancements
- \$1.2 million for the south court tower boulevard road replacement
- \$900,000 for 2016 roof replacement projects where buildings had roofs surpassing their warranty lives
- \$612,000 for parking lot replacement program which reflects replacement of parking lots, curb, and sidewalks
- \$527,000 for the Sheriff's Office Jail intercom, console and video system
- \$500,000 for renovations to the information technology building workspaces allowing for more efficient working conditions
- \$460,000 for the replacement of metal detectors and x-ray equipment at various checkpoints which had exceeded their service lives and thus allowing for the continued reliability for personal safety and campus security

The remaining \$5.5 million reflects additions to equipment and vehicles. Among those additions is \$3.7 million in replacement vehicles and \$139,000 for five (5) additional fleet vehicles for the Sheriff's Office and various other departments. Other equipment purchases included \$480,000 for an improved antenna system and receiving station for use with the law enforcement helicopters, \$369,000 for various equipment used in jail and law enforcement operations, \$163,000 for pump and compressor equipment used by the Water Resource Commissioner's office, \$146,000 for a technology upgrade to the emergency operations center, and \$99,000 for equipment that supports the tornado siren system in Oakland County.

The County disposed of \$2.6 million in equipment and vehicles during fiscal year 2016. Disposals primarily included vehicles which were replaced by the new purchases discussed above, as well as computer and maintenance equipment which were sold at auction.

Net capital assets for the business-type activities increased \$20.0 million during fiscal year 2016. This change is comprised of a \$31.0 million net increase for construction in progress. The increase was offset by net decreases of \$3.9 million in infrastructure, \$2.9 million in equipment and vehicles, \$2.8 million in building and improvements, and \$1.4 million in land improvements. In terms of gross numbers, the County's business-type activities had additions to capital assets of \$41.1 million, \$750,000 in disposals of capital assets, and \$16.6 million net increase in accumulated depreciation.



## County of Oakland Management's Discussion and Analysis

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Major business-type capital asset additions during fiscal year 2016 included the following:

- \$27.5 million in the Evergreen Farmington Sewage Disposal System for various projects directed to improve the system and reduce sanitary sewer overflows
- \$5.4 million for Pontiac Water system infrastructure improvements intended to increase water pressure, decrease the frequency of water main breaks, as well as meter system replacement
- \$1.4 million in projects for the Parks and Recreation Fund consisting of a variety of park improvements including building and roofing projects, improvements to play lots, trails, bridges, sidewalks, docks, campgrounds, golf course irrigation systems, and grounds maintenance equipment replacement
- \$857,000 in the Clinton Oakland Sewage Disposal System for projects reflecting costs for the construction of the Perry Street pump station and force main which links the Clinton Oakland Sewage Disposal System and the Pontiac Wastewater Treatment Facility
- \$759,000 for the Oakland County Airport Fund related to the runway rehabilitation at the Oakland Troy airport
- \$728,000 for the Walled Lake Novi Wastewater Treatment Facility for the installation of an equalization retention tank allowing the facility to treat daily flows during heavy rains more effectively
- \$665,000 in the Courts and Law Enforcement Management Information System (CLEMIS) Fund primarily for the Computer Aided Dispatch (CAD) upgrade, crash program replacement, and data storage system
- \$601,000 in the Radio Communications Fund related to upgrading existing infrastructure

The above additions were offset by \$19.1 million in depreciation expense.

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

Long-term Debt - As of September 30, 2016, the Primary Government had \$478.6 million in bonds and notes outstanding. Of this amount, \$453.6 million are bonds with limited taxing authority, and \$25.0 million are notes with limited taxing authority. This represents a \$15.3 million increase from September 30, 2015 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 obligor), to back \$264.7 million of Drainage District component unit debt. The Drainage District component unit debt experienced a minor overall increase of \$100,000 in fiscal year 2016. This is the result of \$26.6 million in new debt issues, offset by \$26.5 million in debt reductions.

# County of Oakland Management's Discussion and Analysis

## Outstanding Debt as of September 30, 2016 (in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Bonds - Limited Tax Authority	\$426.8	\$417.1	\$ 26.8	\$ 21.2	\$ 453.6	\$ 438.3
Total Bonds	<u>\$426.8</u>	<u>\$417.1</u>	<u>\$ 26.8</u>	<u>\$ 21.2</u>	<u>\$ 453.6</u>	<u>\$ 438.3</u>
Notes - Limited Tax Authority	\$ -	\$ -	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0
Total Outstanding Debt	<u>\$426.8</u>	<u>\$417.1</u>	<u>\$ 51.8</u>	<u>\$ 46.2</u>	<u>\$ 478.6</u>	<u>\$ 463.3</u>

	<u>Drainage Districts Component Unit</u>		<u>Total County Commitment</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Bonds - Limited Tax Authority	\$264.7	\$264.6	\$ 718.3	\$ 702.9
Total Bonds	<u>\$264.7</u>	<u>\$264.6</u>	<u>\$ 718.3</u>	<u>\$ 702.9</u>
Notes - Limited Tax Authority	\$ -	\$ -	\$ 25.0	\$ 25.0
Total Outstanding Debt	<u>\$264.7</u>	<u>\$264.6</u>	<u>\$ 743.3</u>	<u>\$ 727.9</u>
Debt Limit (10% of SEV)			\$ 6,508.5	\$ 6,080.6
Available Statutory Debt Limit			\$ 5,765.2	\$ 5,352.7

Oakland County issued \$47.5 million in general government and business-type activity debt in fiscal year 2016. Of this total, \$21.3 million represents Michigan Bond Authority – Sewage Disposal debt for the Evergreen Farmington Sewage Disposal System Middlebelt Transport and Tunnel project. In addition, \$15.5 million of Building Authority bonds were issued for the construction of a new Animal Control and Pet Adoption Center. The remaining \$3.7 million of general government debt relates to Bloomfield Township utilizing Oakland County's credit rating to finance their share of the costs for the North Evergreen Interceptor Project under the Evergreen Farmington Sewage Disposal System, to provide in-system storage and increased sewer capacity improvements. Further, the County utilized \$7.0 million in State Revolving Fund loans for business-type activity related to Pontiac Water Supply System capital improvements.

The Drainage Districts component unit issued \$26.6 million in new debt during fiscal year 2016. Of this amount, \$19.1 million primarily includes draws of State Revolving Fund loans for facility improvements to the Chapter 20 Pontiac Wastewater Treatment Facility Drainage District and the Oakland Macomb Interceptor Drainage District construction project. The Oakland Macomb Interceptor Drainage District is

## County of Oakland Management's Discussion and Analysis

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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. The remaining \$7.5 million in new debt reflects refunding drain bonds issued for the Chapter 20 George W. Kuhn Drainage District.

Finally, \$25.0 million in limited taxing authority notes related to the Delinquent Tax Revolving Fund were issued, representing the same amount issued in the previous fiscal year. These notes are routinely paid off within a year of issuance.

During fiscal year 2016, \$32.3 million in outstanding general government debt was paid, primarily reflecting the retirement of Retirees Health Care bonds of \$22.2 million, the retirement of various water and sewer bonds/refunding bonds of \$2.8 million, and retirement of Building Authority bonds/refunding bonds of \$7.3 million.

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 & Poor's 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, 2016 was \$65.1 billion.

### **ECONOMIC OUTLOOK**

Oakland County's economy is continuing to improve. As is detailed in the *Transmittal Letter* preceding this *Management's Discussion and Analysis*, the County's unemployment rate has fallen to 3.7 percent (December 2016) and employment is projected to grow by 44,153 new jobs over the next three years.

The improvement in the economic outlook should positively impact the County's fiscal stability; this is already being evidenced through revised estimates of the value of property located within the County's borders. The current budgeted projections assume an increase in state taxable value of property within Oakland County borders of 4.0 percent for December 2016; an additional 5.0 percent increase for December 2017; and an additional 4.0 percent increase by December 2018. Market value of property is projected to be even higher. Every 1.0 percent increase in taxable value adds approximately \$2.0 million to the County's revenue.

The initiatives taken by the County's Elected Officials and Administration have resulted in structural reductions of county expenses as well as generating additional fund balance in excess of the 20 percent of annual operating expenditures targeted fund balance level. The *planned* draw-down of excess equity provides additional time to achieve structural balance while maintaining target fund balance levels. On September 22, 2016, the Oakland County Board of Commissioners adopted a balanced budget for fiscal years 2017, 2018, and 2019 (through September 30, 2019). That document also includes official estimates for fiscal years 2020 and 2021.

### **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) 858-0940.

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**Basic  
Financial Statements**

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**County of Oakland**  
**Statement of Net Position**  
**September 30, 2016**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Totals</b>	
<b>Assets</b>				
<b>Current assets</b>				
Pooled cash and investments	\$ 444,964,371	\$ 369,300,595	\$ 814,264,966	\$ 43,513,709
Cash and cash equivalents	-	-	-	55,441,396
Receivables (net of allowance for uncollectibles where applicable)				
Current property taxes	18,205,852	-	18,205,852	-
Delinquent property taxes	626,423	55,702,262	56,328,685	-
Special assessments	-	-	-	7,645,593
Due from other governmental units	34,751,256	21,499,552	56,250,808	4,379,819
Due from primary government	-	-	-	35,000
Due from component units	732,783	62,177	794,960	-
Accrued interest receivable	1,018,806	2,365,774	3,384,580	97,949
Accounts receivable	3,207,220	43,628,659	46,835,879	18,943,257
Contracts receivable	32,693,961	1,225,510	33,919,471	-
Internal balances - footnote 19	(48,264)	48,264	-	-
Inventories and supplies	1,220,441	363,095	1,583,536	4,761,475
Prepayments and other assets	8,873,302	2,072,210	10,945,512	2,185,579
Total current assets	<u>546,246,151</u>	<u>496,268,098</u>	<u>1,042,514,249</u>	<u>137,003,777</u>
<b>Noncurrent assets</b>				
Special assessments receivable	59,835,029	-	59,835,029	194,539,292
OPEB asset	157,325,849	-	157,325,849	-
<b>Capital assets, net</b>				
Land and other nondepreciable assets	32,322,950	152,268,389	184,591,339	395,719,500
Land improvements, net	184,820	7,747,691	7,932,511	966,146
Buildings and improvements, net	135,701,316	57,456,231	193,157,547	59,670,808
Equipment and vehicles, net	24,412,379	16,554,588	40,966,967	10,849,052
Infrastructure, net	12,158,299	92,004,684	104,162,983	988,355,455
Total capital assets, net	<u>204,779,764</u>	<u>326,031,583</u>	<u>530,811,347</u>	<u>1,455,560,961</u>
Total noncurrent assets	<u>421,940,642</u>	<u>326,031,583</u>	<u>747,972,225</u>	<u>1,650,100,253</u>
Total assets	<u>968,186,793</u>	<u>822,299,681</u>	<u>1,790,486,474</u>	<u>1,787,104,030</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pension	19,305,794	-	19,305,794	26,075,995
Total deferred outflows of resources	<u>\$ 19,305,794</u>	<u>\$ -</u>	<u>\$ 19,305,794</u>	<u>\$ 26,075,995</u>

(continued)

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

**County of Oakland**  
**Statement of Net Position (Continued)**  
**September 30, 2016**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Totals</b>	
<b>Liabilities</b>				
Current liabilities				
Vouchers payable	\$ 16,249,728	\$ 4,372,096	\$ 20,621,824	\$ 16,743,980
Accrued payroll	5,936,196	-	5,936,196	-
Due to other governmental units	1,187,818	14,796,127	15,983,945	7,340,470
Due to primary government	-	-	-	794,960
Due to component units	35,000	-	35,000	-
Accrued interest payable	443,469	32,593	476,062	14,071
Other accrued liabilities	24,915,875	6,616,523	31,532,398	9,514,123
Accrued compensated absences	1,274,937	-	1,274,937	-
Unearned revenue	27,733,062	1,983,383	29,716,445	9,983,779
Claims and judgments	4,384,160	-	4,384,160	483,633
Bonds and notes payable	33,705,000	26,775,600	60,480,600	17,724,400
Total current liabilities	<u>115,865,245</u>	<u>54,576,322</u>	<u>170,441,567</u>	<u>62,599,416</u>
Noncurrent liabilities				
Accrued compensated absences	11,474,428	-	11,474,428	3,078,900
Claims and judgments	11,588,467	-	11,588,467	528,700
Net pension liability	5,444,786	-	5,444,786	42,947,521
Other postemployment benefits	-	-	-	28,201,451
Bonds and notes payable	393,048,690	25,031,754	418,080,444	247,062,088
Total noncurrent liabilities	<u>421,556,371</u>	<u>25,031,754</u>	<u>446,588,125</u>	<u>321,818,660</u>
Total liabilities	<u>537,421,616</u>	<u>79,608,076</u>	<u>617,029,692</u>	<u>384,418,076</u>
<b>Net Position</b>				
Net investment in capital assets	147,744,764	299,224,229	446,968,993	1,190,774,473
Restricted for				
Property tax forfeiture	5,884,980	-	5,884,980	-
Public safety	7,705,367	-	7,705,367	-
Citizens services	2,045,986	-	2,045,986	-
Public works	2,738,206	-	2,738,206	14,840,100
Justice Administration	1,681,740	-	1,681,740	-
Commerce and community development	8,084,649	-	8,084,649	-
Debt service	7,791,059	-	7,791,059	194,941,834
Airports	-	400	400	-
Community water and sewer	-	98,336,769	98,336,769	-
Unrestricted	266,394,220	345,130,207	611,524,427	28,205,542
Total net position	<u>\$ 450,070,971</u>	<u>\$ 742,691,605</u>	<u>\$ 1,192,762,576</u>	<u>\$ 1,428,761,949</u>

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

**County of Oakland**  
**Statement of Activities**  
**Year Ended September 30, 2016**

	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs</b>					
<b>Primary government</b>					
Governmental activities					
General government, administrative	\$ 36,922,795	\$ 23,078,190	\$ 600,500	\$ -	\$ (13,244,105)
Public safety	186,368,098	64,274,890	18,302,689	282,049	(103,508,470)
Justice administration	88,190,032	32,064,235	680,004	39,190	(55,406,603)
Citizen services	77,513,361	9,488,715	15,731,575	-	(52,293,071)
Public works	53,585,849	34,566,771	1,069,022	1,207,474	(16,742,582)
Recreation and leisure	1,346,384	15,468	8,000	-	(1,322,916)
Commerce and community development	42,667,769	18,361,879	20,163,033	-	(4,142,857)
Unallocated depreciation	3,527,266	-	-	-	(3,527,266)
Interest on debt	3,222,007	-	-	-	(3,222,007)
Total governmental activities	<u>493,343,561</u>	<u>181,850,148</u>	<u>56,554,823</u>	<u>1,528,713</u>	<u>(253,409,877)</u>
Business-type activities					
Airports	6,630,136	4,624,215	-	915,522	(1,090,399)
Community safety support	20,772,663	14,293,818	-	77,563	(6,401,282)
Community tax financing	988,159	15,872,925	-	-	14,884,766
Community water and sewer	82,330,145	92,591,784	1,398,631	1,057,973	12,718,243
Recreation and leisure	23,460,676	9,981,419	77,079	-	(13,402,178)
Sewage disposal systems	132,107,791	133,611,778	727,072	27,520,966	29,752,025
Total business-type activities	<u>266,289,570</u>	<u>270,975,939</u>	<u>2,202,782</u>	<u>29,572,024</u>	<u>36,461,175</u>
Total primary government	<u>\$ 759,633,131</u>	<u>\$ 452,826,087</u>	<u>\$ 58,757,605</u>	<u>\$ 31,100,737</u>	<u>\$ (216,948,702)</u>
<b>Component units</b>					
Drainage districts	\$ 95,780,166	\$ 92,911,062	\$ 1,857,656	\$ 25,136,259	\$ 24,124,811
Road commission	123,387,277	16,203,823	67,485,619	51,358,884	11,661,049
Total component units	<u>\$ 219,167,443</u>	<u>\$ 109,114,885</u>	<u>\$ 69,343,275</u>	<u>\$ 76,495,143</u>	<u>\$ 35,785,860</u>

(continued)

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



**County of Oakland**  
**Statement of Activities (Continued)**  
**Year Ended September 30, 2016**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Totals</b>	
<b><u>Changes in net position</u></b>				
Net (expense) revenue	\$ (253,409,877)	\$ 36,461,175	\$ (216,948,702)	\$ 35,785,860
General revenues				
Taxes				
Property taxes	210,219,877	12,246,824	222,466,701	-
State-shared revenue (unrestricted)	42,849,430	-	42,849,430	-
Unrestricted investment earnings	3,894,824	3,617,151	7,511,975	1,066,790
Gain on sale of capital assets	435,178	-	435,178	-
Other revenues	3,765,977	-	3,765,977	-
Transfers in (out)	17,841,687	(17,841,687)	-	-
Total general revenues and transfers	<u>279,006,973</u>	<u>(1,977,712)</u>	<u>277,029,261</u>	<u>1,066,790</u>
Change in net position	25,597,096	34,483,463	60,080,559	36,852,650
<b>Net position</b>				
Beginning	<u>424,473,875</u>	<u>708,208,142</u>	<u>1,132,682,017</u>	<u>1,391,909,299</u>
Ending	<u>\$ 450,070,971</u>	<u>\$ 742,691,605</u>	<u>\$ 1,192,762,576</u>	<u>\$ 1,428,761,949</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.

**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 five issues). The fund also includes debt issued as assistance in obtaining favorable lending rates for other units of government within the County.

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

## Non-Major Funds

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

Special revenue funds  
Debt service funds  
Capital projects funds

**County of Oakland  
Balance Sheet  
Governmental Funds  
September 30, 2016**

	<b>Major Funds</b>		
	<b>General</b>	<b>Building Authority Debt Act 31</b>	<b>Water and Sewer Debt Act 342</b>
<b>Assets</b>			
Pooled cash and investments	\$ 241,383,024	\$ 6,871,087	\$ 1,046,871
Receivables (net of allowance for uncollectibles where applicable)			
Current property taxes	18,205,852	-	-
Delinquent property taxes	626,423	-	-
Due from other governmental units	7,626,059	114,196	-
Due from component units	4,196	-	-
Accrued interest receivable	254,760	1,435	93
Accounts receivable	335,738	741,114	-
Contracts receivable	16,368,961	12,835,000	-
Special assessments receivable	-	-	57,670,727
Due from other funds	12,103,325	-	-
Advances receivable	-	-	-
Inventories	143,527	-	-
Prepayments and other assets	391,239	-	-
Total assets	<u>\$ 297,443,104</u>	<u>\$ 20,562,832</u>	<u>\$ 58,717,691</u>
<b>Liabilities</b>			
Vouchers payable	\$ 10,496,956	\$ -	\$ 1,022,263
Accrued payroll	5,936,196	-	-
Due to other governmental units	513,984	-	-
Due to other funds	506,688	-	-
Due to component units	35,000	-	-
Advances payable	-	-	-
Unearned revenue	12,345,962	-	11,872,037
Other accrued liabilities	5,517,493	-	4,117
Total liabilities	<u>35,352,279</u>	<u>-</u>	<u>12,898,417</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue-property taxes	6,775,127	-	-
Unavailable revenue-special assessments	-	-	45,798,690
Unavailable revenue-grants	51,649	-	-
Unavailable revenue-contracts receivable	-	12,835,000	-
Unavailable revenue-other	22,581	-	-
Total deferred inflows of resources	<u>6,849,357</u>	<u>12,835,000</u>	<u>45,798,690</u>
<b>Fund Balances</b>			
Nonspendable	534,766	-	-
Restricted	5,884,980	7,727,832	20,584
Committed	-	-	-
Assigned	245,859,255	-	-
Unassigned	2,962,467	-	-
Total fund balances	<u>255,241,468</u>	<u>7,727,832</u>	<u>20,584</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 297,443,104</u>	<u>\$ 20,562,832</u>	<u>\$ 58,717,691</u>

(continued)

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

**County of Oakland  
Balance Sheet (Continued)  
Governmental Funds  
September 30, 2016**

	<b>Non-Major Funds</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>		
Pooled cash and investments	\$ 72,950,797	\$ 322,251,779
Receivables (net of allowance for uncollectibles where applicable)		
Current property taxes	-	18,205,852
Delinquent property taxes	-	626,423
Due from other governmental units	26,196,796	33,937,051
Due from component units	687,556	691,752
Accrued interest receivable	55,858	312,146
Accounts receivable	471,971	1,548,823
Contracts receivable	3,490,000	32,693,961
Special assessments receivable	2,164,302	59,835,029
Due from other funds	1,320,983	13,424,308
Advances receivable	1,102,916	1,102,916
Inventories	-	143,527
Prepayments and other assets	2,002,683	2,393,922
Total assets	<u>\$ 110,443,862</u>	<u>\$ 487,167,489</u>
<b>Liabilities</b>		
Vouchers payable	\$ 2,274,636	\$ 13,793,855
Accrued payroll	-	5,936,196
Due to other governmental units	432,720	946,704
Due to other funds	12,916,077	13,422,765
Due to component units	-	35,000
Advances payable	1,102,916	1,102,916
Unearned revenue	2,814,224	27,032,223
Other accrued liabilities	13,508,724	19,030,334
Total liabilities	<u>33,049,297</u>	<u>81,299,993</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-property taxes	-	6,775,127
Unavailable revenue-special assessments	2,164,302	47,962,992
Unavailable revenue-grants	2,704,023	2,755,672
Unavailable revenue-contracts receivable	3,490,000	16,325,000
Unavailable revenue-other	1,547,619	1,570,200
Total deferred inflows of resources	<u>9,905,944</u>	<u>75,388,991</u>
<b>Fund balances</b>		
Nonspendable	1,102,916	1,637,682
Restricted	17,972,719	31,606,115
Committed	51,423,615	51,423,615
Assigned	-	245,859,255
Unassigned	(3,010,629)	(48,162)
Total fund balances	<u>67,488,621</u>	<u>330,478,505</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 110,443,862</u>	<u>\$ 487,167,489</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 Position**  
**September 30, 2016**

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Total fund balances for governmental funds		\$ 330,478,505
Amounts reported for governmental activities in the Statement of Net Position 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	13,375,820	
Land improvements, net of \$1,111,870 depreciation	184,820	
Buildings and improvements, net of \$113,029,647 depreciation	134,351,000	
Equipment and vehicles, net of \$21,224,802 depreciation	12,110,500	
Infrastructure, net of \$15,453,375 depreciation	<u>12,058,363</u>	
		179,316,054
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 Position.		135,385,154
Other post-employment benefits assets do not represent financial resources and are not reported in the funds.		157,325,849
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.		6,148,704
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.		68,613,864
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 Position. This is the net effect of these balances on the statement:		
Bonds and notes payable	(426,753,690)	
Accrued interest payable	<u>(443,469)</u>	
		<u>(427,197,159)</u>
Net position of governmental activities		<u>\$ 450,070,971</u>

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

**County of Oakland**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended September 30, 2016**

	<b>Major Funds</b>		
	<b>General</b>	<b>Building Authority Debt Act 31</b>	<b>Water and Sewer Debt Act 342</b>
<b>Revenues</b>			
Taxes	\$ 214,229,960	\$ -	\$ -
Special assessments	-	1,103,274	2,298,925
Federal grants	470,888	-	-
State grants	4,826,971	-	-
Other intergovernmental revenues	45,057,978	-	-
Charges for services	111,659,600	1,229	1,150
Contributions	53,334	-	-
Investment income	2,368,986	53,502	5,047
Indirect cost recovery	7,846,289	-	-
Other	546,081	-	-
Total revenues	<u>387,060,087</u>	<u>1,158,005</u>	<u>2,305,122</u>
<b>Expenditures</b>			
Current operations			
County Executive	88,023,622	2,000	-
Clerk/Register of Deeds	8,812,726	-	-
Treasurer	8,286,497	-	-
Justice administration	51,969,190	-	-
Law enforcement	157,861,425	-	-
Legislative	3,952,835	-	-
Water Resource Commissioner	5,772,271	-	-
Non-departmental	21,079,507	-	-
Total current operations	<u>345,758,073</u>	<u>2,000</u>	<u>-</u>
Capital outlay	848,382	-	-
Intergovernmental	-	-	-
Debt service			
Principal payments	-	2,495,000	1,580,000
Interest and fiscal charges	-	1,050,446	721,175
Total expenditures	<u>346,606,455</u>	<u>3,547,446</u>	<u>2,301,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,453,632</u>	<u>(2,389,441)</u>	<u>3,947</u>
Other financing sources (uses)			
Transfers in	14,583,318	9,279,785	-
Transfers out	(59,999,875)	-	-
Issurance of bonds	-	-	-
Premiums on bonds sold	-	-	-
Discount on bonds sold	-	-	-
Total other financing sources (uses)	<u>(45,416,557)</u>	<u>9,279,785</u>	<u>-</u>
Net change in fund balances	<u>(4,962,925)</u>	<u>6,890,344</u>	<u>3,947</u>
<b>Fund balances</b>			
October 1, 2015	<u>260,204,393</u>	<u>837,488</u>	<u>16,637</u>
September 30, 2016	<u>\$ 255,241,468</u>	<u>\$ 7,727,832</u>	<u>\$ 20,584</u>

(continued)

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

**County of Oakland**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**(Continued)**  
**Governmental Funds**  
**Year Ended September 30, 2016**

	<b>Non-Major Funds</b>	<b>Totals September 30, 2016</b>
<b>Revenues</b>		
Taxes	\$ -	\$ 214,229,960
Special assessments	1,982,365	5,384,564
Federal grants	29,166,460	29,637,348
State grants	22,019,577	26,846,548
Other intergovernmental revenues	11,810,591	56,868,569
Charges for services	11,982,313	123,644,292
Contributions	168,244	221,578
Investment income	344,948	2,772,483
Indirect cost recovery	-	7,846,289
Other	384,227	930,308
Total revenues	<u>77,858,725</u>	<u>468,381,939</u>
<b>Expenditures</b>		
Current operations		
County Executive	62,879,425	150,905,047
Clerk/Register of Deeds	2,031,711	10,844,437
Treasurer	-	8,286,497
Justice administration	23,842,331	75,811,521
Law enforcement	6,880,385	164,741,810
Legislative	8,000	3,960,835
Water Resource Commissioner	29,369,938	35,142,209
Non-departmental	-	21,079,507
Total current operations	<u>125,011,790</u>	<u>470,771,863</u>
Capital outlay	12,620,866	13,469,248
Intergovernmental	4,508	4,508
Debt service		
Principal payments	4,535,000	8,610,000
Interest and fiscal charges	1,298,795	3,070,416
Total expenditures	<u>143,470,959</u>	<u>495,926,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,612,234)</u>	<u>(27,544,096)</u>
Other financing sources (uses)		
Transfers in	51,607,765	75,470,868
Transfers out	(2,329,977)	(62,329,852)
Issuance of bonds	40,475,488	40,475,488
Premiums on bonds sold	20,870	20,870
Discount on bonds sold	(23,433)	(23,433)
Total other financing sources (uses)	<u>89,750,713</u>	<u>53,613,941</u>
Net change in fund balances	24,138,479	26,069,845
<b>Fund balances</b>		
October 1, 2015	<u>43,350,142</u>	<u>304,408,660</u>
September 30, 2016	<u>\$ 67,488,621</u>	<u>\$ 330,478,505</u>

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

**County of Oakland**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances – Governmental Funds to the Statement of Activities**  
**Year Ended September 30, 2016**

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Net change in fund balance - Total governmental funds		\$ 26,069,845
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	\$ 7,913,729	
Buildings and improvements	240,272	
Equipment and vehicles	1,297,483	
Depreciation expense	<u>(8,816,755)</u>	634,729
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.		(2,525,181)
Amortization of Other Post-Employment Benefits asset is not reported in the governmental funds.		(5,766,783)
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	(10,158,787)	
Current year deferral	<u>6,148,704</u>	(4,010,083)
Revenues 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.		21,008,755
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Position. This is the amount proceeds exceed repayments.		
Bond proceeds	(40,475,488)	
Repayment of bond principal	30,810,000	
Accrued interest	<u>(148,698)</u>	(9,814,186)
Change in net position of governmental activities		<u>\$ 25,597,096</u>

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



# Proprietary Fund Financial Statements

## Major Funds

**Parks and Recreation Fund** - This fund is used to account for revenues earmarked for the operation of the County's 13 parks, including campgrounds, day-use and dog parks, five golf courses, 65 miles of trails, two waterparks, nature centers and banquet facilities, and management of the Oakland County Market. Principal revenue is from a voter-approved millage and user charges.

**Delinquent Tax Revolving Fund** - 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. Capital costs are financed primarily from issuance of debt or state and federal capital grants.

**Water and Sewer Trust Fund** - 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.

**Evergreen-Farmington S.D.S. (Sewage Disposal System) Fund** - This 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 or issuance of debt.

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

**Clinton-Oakland S.D.S. (Sewage Disposal System) Fund** - This 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.

## 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 Position  
Proprietary Funds  
September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Major</b>				
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>County Airports</b>	<b>Water and Sewer Trust</b>	<b>Evergreen- Farmington SDS</b>
<b>Assets</b>					
Current assets					
Pooled cash and investments	\$ 24,046,824	\$ 155,011,711	\$ 15,908,069	\$ 68,252,945	\$ 15,684,005
Delinquent property taxes receivable	-	55,702,262	-	-	-
Due from other governmental units	32,000	1,673,374	600	7,117,197	2,986,702
Due from component units	-	-	-	-	62,177
Accrued interest receivable	17,994	1,588,604	73,058	72,111	118,304
Accounts receivable (net of allowance for uncollectibles where applicable)	121,339	11,620,851	298,064	30,005,902	-
Due from other funds	-	-	-	-	-
Current portion of contracts receivable	-	-	1,225,510	-	-
Current portion of advances receivable	-	12,883	-	-	-
Inventories and supplies	61,208	-	-	-	-
Prepayments and other assets	783	333	-	656,928	-
Total current assets	<u>24,280,148</u>	<u>225,610,018</u>	<u>17,505,301</u>	<u>106,105,083</u>	<u>18,851,188</u>
Noncurrent assets					
Advances receivable	-	51,532	-	-	-
Capital assets, net					
Land and other nondepreciable assets	31,298,114	-	36,462,333	15,012,281	42,753,007
Land improvements, net	-	-	7,239,896	5,907	501,888
Building and improvements, net	19,698,912	-	22,227,348	1,029,768	9,414,879
Equipment and vehicles, net	1,446,292	-	702,931	3,502,570	259,843
Infrastructure, net	17,136,480	-	2,967,308	55,099,386	3,467,935
Total noncurrent assets	<u>69,579,798</u>	<u>51,532</u>	<u>69,599,816</u>	<u>74,649,912</u>	<u>56,397,552</u>
Total assets	<u>93,859,946</u>	<u>225,661,550</u>	<u>87,105,117</u>	<u>180,754,995</u>	<u>75,248,740</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pension	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

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

**County of Oakland  
Statement of Net Position (Continued)  
Proprietary Funds  
September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Major</b>			<b>Totals September 30, 2016</b>	
	<b>S.O.C.S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Non-Major Funds</b>		
<b>Assets</b>					
<b>Current assets</b>					
Pooled cash and investments	\$ 40,968,105	\$ 8,525,250	\$ 40,903,686	\$ 369,300,595	\$ 122,712,592
Delinquent property taxes	-	-	-	55,702,262	-
Due from other governmental units	4,981,095	3,150,339	1,558,245	21,499,552	814,205
Due from component units	-	-	-	62,177	41,031
Accrued interest receivable	155,437	136,127	204,139	2,365,774	706,660
Accounts receivable (net of allowance for uncollectibles where applicable)	157,896	-	1,424,607	43,628,659	1,658,397
Due from other funds	-	-	-	-	16,092
Current portion of contracts receivable	-	-	-	1,225,510	-
Current portion of advances receivable	-	-	-	12,883	-
Inventories and supplies	-	-	301,887	363,095	1,076,914
Prepayments and other assets	522,746	-	891,420	2,072,210	6,479,380
<b>Total current assets</b>	<b>46,785,279</b>	<b>11,811,716</b>	<b>45,283,984</b>	<b>496,232,717</b>	<b>133,505,271</b>
<b>Noncurrent assets</b>					
Advances receivable	-	-	-	51,532	-
<b>Capital assets, net</b>					
Land and other nondepreciable assets	3,743,289	18,637,150	4,362,215	152,268,389	11,711,579
Land improvements, net	-	-	-	7,747,691	-
Building and improvements, net	-	209,393	4,875,931	57,456,231	1,350,315
Equipment and vehicles, net	168,872	77,110	10,396,970	16,554,588	12,301,880
Infrastructure, net	192,679	9,520,796	3,620,100	92,004,684	99,936
<b>Total noncurrent assets</b>	<b>4,104,840</b>	<b>28,444,449</b>	<b>23,255,216</b>	<b>326,083,115</b>	<b>25,463,710</b>
<b>Total assets</b>	<b>50,890,119</b>	<b>40,256,165</b>	<b>68,539,200</b>	<b>822,315,832</b>	<b>158,968,981</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pension	-	-	-	-	19,305,794
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,305,794</b>

(continued)

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

**County of Oakland  
Statement of Net Position (Continued)  
Proprietary Funds  
September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Major</b>				
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>County Airports</b>	<b>Water and Sewer Trust</b>	<b>Evergreen- Farmington SDS</b>
<b>Liabilities</b>					
Current liabilities					
Vouchers payable	\$ 264,500	\$ 219,275	\$ 83,872	\$ 2,957,562	\$ 432,641
Due to other governmental units	-	177,023	-	292,313	5,636,429
Due to other funds	-	-	-	7,055	2,323
Unearned revenue	124,088	-	1,477,905	-	-
Notes payable	-	25,000,000	-	-	-
Accrued interest payable	-	32,593	-	-	-
Current portion of bonds payable	-	-	615,000	900,600	260,000
Current portion of accrued compensated absences	-	-	-	-	-
Current portion of claims and judgments	-	-	-	-	-
Current portion of advances payable	-	-	-	-	-
Other accrued liabilities	267,540	40,666	467,535	4,542,283	199,553
<b>Total current liabilities</b>	<b>656,128</b>	<b>25,469,557</b>	<b>2,644,312</b>	<b>8,699,813</b>	<b>6,530,946</b>
Noncurrent liabilities					
Bonds payable	-	-	6,935,000	12,981,754	5,115,000
Net pension liability	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Claims and judgments	-	-	-	-	-
Advances payable	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>6,935,000</b>	<b>12,981,754</b>	<b>5,115,000</b>
<b>Total liabilities</b>	<b>656,128</b>	<b>25,469,557</b>	<b>9,579,312</b>	<b>21,681,567</b>	<b>11,645,946</b>
<b>Net position</b>					
Net investment in capital assets	69,579,798	-	62,049,816	60,767,558	51,022,552
Restricted for programs	-	-	400	56,536,681	10,021,142
Unrestricted	23,624,020	200,191,993	15,475,589	41,769,189	2,559,100
<b>Total net position</b>	<b>\$ 93,203,818</b>	<b>\$ 200,191,993</b>	<b>\$ 77,525,805</b>	<b>\$ 159,073,428</b>	<b>\$ 63,602,794</b>

(continued)

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

**County of Oakland  
Statement of Net Position (Continued)  
Proprietary Funds  
September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Major</b>			<b>Totals</b>	
	<b>S.O.C.S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Non-Major Funds</b>	<b>September 30, 2016</b>	
<b>Liabilities</b>					
Current liabilities					
Vouchers payable	\$ 98,220	\$ 62,180	\$ 253,846	\$ 4,372,096	\$ 2,455,873
Due to other governmental units	7,635,143	235,306	819,913	14,796,127	241,114
Due to other funds	5,034	1,554	185	16,151	1,484
Unearned revenue	-	-	381,390	1,983,383	74,416
Notes payable	-	-	-	25,000,000	-
Accrued interest payable	-	-	-	32,593	-
Current portion of bonds payable	-	-	-	1,775,600	-
Current portion of accrued compensated absences	-	-	-	-	1,274,937
Current portion of claims and judgments	-	-	-	-	4,384,160
Current portion of advances payable	-	-	-	-	12,883
Other accrued liabilities	288,135	47,361	763,450	6,616,523	5,885,541
Total current liabilities	<u>8,026,532</u>	<u>346,401</u>	<u>2,218,784</u>	<u>54,592,473</u>	<u>14,330,408</u>
Noncurrent liabilities					
Bonds payable	-	-	-	25,031,754	-
Net pension liability	-	-	-	-	5,444,786
Accrued compensated absences	-	-	-	-	11,474,428
Claims and judgments	-	-	-	-	11,588,467
Advances payable	-	-	-	-	51,532
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,031,754</u>	<u>28,559,213</u>
Total liabilities	<u>8,026,532</u>	<u>346,401</u>	<u>2,218,784</u>	<u>79,624,227</u>	<u>42,889,621</u>
<b>Net position</b>					
Net investment in capital assets	4,104,840	28,444,449	23,255,216	299,224,229	25,463,710
Restricted for programs	16,072,684	9,618,849	6,087,413	98,337,169	-
Unrestricted	22,686,063	1,846,466	36,977,787	345,130,207	109,921,444
Total net position	<u>\$ 42,863,587</u>	<u>\$ 39,909,764</u>	<u>\$ 66,320,416</u>	<u>\$ 742,691,605</u>	<u>\$ 135,385,154</u>

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

**County of Oakland**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Major</b>				
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>County Airports</b>	<b>Water and Sewer Trust</b>	<b>Evergreen- Farmington SDS</b>
<b>Operating revenues</b>					
Charges for services	\$ 9,951,644	\$ 15,355,326	\$ 4,617,639	\$ 92,010,431	\$ 40,422,468
Other	21,721	54,653	5,951	567,251	778
Total operating revenues	<u>9,973,365</u>	<u>15,409,979</u>	<u>4,623,590</u>	<u>92,577,682</u>	<u>40,423,246</u>
<b>Operating expenses</b>					
Salaries	8,782,764	104,401	1,176,133	102,299	-
Fringe benefits	2,995,011	71,312	657,596	66,761	-
Fringe benefits - pension	-	-	-	-	-
Contractual services	5,544,049	266,263	1,485,074	42,411,068	36,661,109
Commodities	902,309	-	117,929	2,279,630	222,447
Depreciation	3,640,363	-	2,665,382	2,412,590	684,976
Internal services	1,596,180	-	217,016	22,342,444	1,258,298
Intergovernmental	-	-	-	12,520,420	-
Total operating expenses	<u>23,460,676</u>	<u>441,976</u>	<u>6,319,130</u>	<u>82,135,212</u>	<u>38,826,830</u>
Operating income (loss)	<u>(13,487,311)</u>	<u>14,968,003</u>	<u>(1,695,540)</u>	<u>10,442,470</u>	<u>1,596,416</u>
<b>Nonoperating revenues (expenses)</b>					
Property taxes	12,246,824	-	-	-	-
Contributions	77,079	-	-	1,398,631	459,288
Interest recovery - federal grants	-	-	99,895	-	89,517
Interest revenue	203,166	1,666,012	149,170	517,084	117,698
Interest expense	-	(125,182)	(311,006)	(194,933)	(266,565)
Bonds maturing	-	-	-	-	-
Gain on sale of property and equipment	8,054	-	625	14,102	-
Total nonoperating revenues (expenses)	<u>12,535,123</u>	<u>1,540,830</u>	<u>(61,316)</u>	<u>1,734,884</u>	<u>399,938</u>
Income (loss) before transfers and contributions	<u>(952,188)</u>	<u>16,508,833</u>	<u>(1,756,856)</u>	<u>12,177,354</u>	<u>1,996,354</u>
<b>Transfers and contributions</b>					
Capital contributions	-	-	815,627	1,057,973	27,138,372
Transfers in	-	-	-	-	-
Transfers out	(60,000)	(19,137,710)	-	(22,141)	(1,439,727)
Total transfers and contributions	<u>(60,000)</u>	<u>(19,137,710)</u>	<u>815,627</u>	<u>1,035,832</u>	<u>25,698,645</u>
Change in net position	<u>(1,012,188)</u>	<u>(2,628,877)</u>	<u>(941,229)</u>	<u>13,213,186</u>	<u>27,694,999</u>
<b>Net position</b>					
October 1, 2015	<u>94,216,006</u>	<u>202,820,870</u>	<u>78,467,034</u>	<u>145,860,242</u>	<u>35,907,795</u>
September 30, 2016	<u>\$ 93,203,818</u>	<u>\$ 200,191,993</u>	<u>\$ 77,525,805</u>	<u>\$ 159,073,428</u>	<u>\$ 63,602,794</u>

(continued)

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

**County of Oakland**  
**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**Proprietary Funds**  
**Year Ended September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Major</b>			<b>Totals</b>	
	<b>S.O.C.S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Non-Major Funds</b>	<b>September 30, 2016</b>	
<b>Operating revenues</b>					
Charges for services	\$ 49,959,337	\$ 36,660,733	\$ 21,185,988	\$ 270,163,566	\$ 238,443,491
Other	3,108	426	123,931	777,819	2,835,669
Total operating revenues	49,962,445	36,661,159	21,309,919	270,941,385	241,279,160
<b>Operating expenses</b>					
Salaries	-	-	2,396,388	12,561,985	36,317,475
Fringe benefits	-	-	1,228,965	5,019,645	21,144,994
Fringe benefits - pension	-	-	-	-	13,666,033
Contractual services	47,759,604	34,322,530	13,653,266	182,102,963	127,681,656
Commodities	147,211	207,433	425,296	4,302,255	6,497,523
Depreciation	795,552	758,204	8,118,631	19,075,698	5,428,206
Internal services	1,503,459	900,818	1,940,703	29,758,918	7,491,665
Intergovernmental	-	-	50,000	12,570,420	-
Total operating expenses	50,205,826	36,188,985	27,813,249	265,391,884	218,227,552
Operating income (loss)	(243,381)	472,174	(6,503,330)	5,549,501	23,051,608
<b>Nonoperating revenues (expenses)</b>					
Property taxes	-	-	-	12,246,824	-
Contributions	267,784	-	-	2,202,782	957,015
Interest recovery - federal grants	-	-	-	189,412	-
Interest revenue	521,856	82,085	360,080	3,617,151	1,122,341
Interest expense	-	-	-	(897,686)	(11,799,468)
Bonds maturing	-	-	-	-	(22,200,000)
Gain on sale of property and equipment	11,750	-	23	34,554	435,178
Total nonoperating revenues (expenses)	801,390	82,085	360,103	17,393,037	(31,484,934)
Income (loss) before transfers and contributions	558,009	554,259	(6,143,227)	22,942,538	(8,433,326)
<b>Transfers and contributions</b>					
Capital contributions	293,077	-	77,563	29,382,612	1,207,474
Transfers in	-	-	3,303,891	3,303,891	4,922,817
Transfers out	-	-	(486,000)	(21,145,578)	(222,146)
Total transfers and contributions	293,077	-	2,895,454	11,540,925	5,908,145
Change in net position	851,086	554,259	(3,247,773)	34,483,463	(2,525,181)
<b>Net position</b>					
October 1, 2015	42,012,501	39,355,505	69,568,189	708,208,142	137,910,335
September 30, 2016	\$ 42,863,587	\$ 39,909,764	\$ 66,320,416	\$ 742,691,605	\$ 135,385,154

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

**County of Oakland**  
**Statement of Cash Flows Proprietary Funds**  
**Year Ended September 30, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Major</b>				
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>County Airports</b>	<b>Water and Sewer Trust</b>	<b>Evergreen- Farmington SDS</b>
<b>Cash flows from operating activities</b>					
Cash received from users	\$ 10,278,605	\$ 16,914,759	\$ 4,664,475	\$ 92,737,812	\$ 42,103,438
Cash paid to suppliers	(11,340,859)	(337,908)	(2,815,093)	(79,869,023)	(37,736,834)
Cash paid to employees	(8,782,764)	(104,401)	(1,176,133)	(102,299)	-
Net cash provided by (used in) operating activities	(9,845,018)	16,472,450	673,249	12,766,490	4,366,604
<b>Cash flows from noncapital financing activities</b>					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(60,000)	(19,137,710)	-	(22,141)	(1,439,727)
Contributions	77,079	-	-	1,909,182	459,288
Principal paid on debt	-	-	-	-	-
Interest paid on debt	-	-	-	-	-
Purchase of delinquent property taxes	-	(68,797,631)	-	-	-
Delinquent property taxes collected	-	77,445,020	-	-	-
Issuance of short-term borrowings	-	25,000,000	-	-	-
Repayments received on advances	-	12,883	-	-	-
Property taxes	12,246,824	-	-	-	-
Interest paid on short-term borrowings	-	(100,902)	-	-	-
Payments on short-term borrowings	-	(25,000,000)	-	-	-
Net cash provided by (used in) noncapital financing activities	12,263,903	(10,578,340)	-	1,887,041	(980,439)
<b>Cash flows from capital and related financing activities</b>					
Contributions for capital acquisitions	-	-	-	836,916	-
Proceeds from sale of bonds	-	-	-	8,084,915	-
Transfers from other funds	-	-	-	-	-
Interest recovery - federal grants	-	-	99,895	-	89,517
Proceeds from sale of capital assets	73,683	-	625	14,102	-
Acquisition of capital assets	(1,393,232)	-	(29,239)	(7,074,483)	(421,830)
Principal paid on debt	-	-	(610,000)	(620,200)	(250,000)
Interest paid on debt	-	-	(311,006)	(194,933)	(266,565)
Amount paid on advances	-	-	-	-	-
Interest paid on advances	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(1,319,549)	-	(849,725)	1,046,317	(848,878)
<b>Cash flows from investing activities</b>					
Interest on investments	207,646	1,557,973	137,658	475,490	109,898
Net cash provided by investing activities	207,646	1,557,973	137,658	475,490	109,898
Net increase (decrease) in cash and cash equivalents	1,306,982	7,452,083	(38,818)	16,175,338	2,647,185
<b>Pooled cash and investments</b>					
October 1, 2015	22,739,842	147,559,628	15,946,887	52,077,607	13,036,820
September 30, 2016	\$ 24,046,824	\$ 155,011,711	\$ 15,908,069	\$ 68,252,945	\$ 15,684,005

(continued)

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, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Major</b>			<b>Totals</b>	
	<b>S.O.C.S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Non-Major Funds</b>	<b>September 30, 2016</b>	
<b>Cash flows from operating activities</b>					
Cash received from users	\$ 51,891,440	\$ 39,250,523	\$ 22,070,795	\$ 279,911,847	\$ 240,217,044
Cash paid to suppliers	(48,871,867)	(36,970,737)	(16,962,947)	(234,905,268)	(165,031,817)
Cash paid to employees	-	-	(2,396,388)	(12,561,985)	(36,317,475)
Net cash provided by (used in) operating activities	<u>3,019,573</u>	<u>2,279,786</u>	<u>2,711,460</u>	<u>32,444,594</u>	<u>38,867,752</u>
<b>Cash flows from noncapital financing activities</b>					
Transfers from other funds	-	-	3,303,891	3,303,891	1,144,728
Transfers to other funds	-	-	(486,000)	(21,145,578)	(222,146)
Contributions	267,784	-	-	2,713,333	957,015
Principal paid on debt	-	-	-	-	(22,200,000)
Interest paid on debt	-	-	-	-	(11,799,138)
Purchase of delinquent property taxes	-	-	-	(68,797,631)	-
Delinquent property taxes collected	-	-	-	77,445,020	-
Issuance of short-term borrowings	-	-	-	25,000,000	-
Repayments received on advances	-	-	-	12,883	-
Property taxes	-	-	-	12,246,824	-
Interest paid on short-term borrowings	-	-	-	(100,902)	-
Payments on short-term borrowings	-	-	-	(25,000,000)	-
Net cash provided by (used in) noncapital financing activities	<u>267,784</u>	<u>-</u>	<u>2,817,891</u>	<u>5,677,840</u>	<u>(32,119,541)</u>
<b>Cash flows from capital and related financing activities</b>					
Contributions for capital acquisitions	293,077	-	-	1,129,993	67,172
Proceeds from sale of bonds	-	-	-	8,084,915	-
Transfers from other funds	-	-	-	-	3,776,816
Interest recovery - federal grants	-	-	-	189,412	-
Proceeds from sale of capital assets	11,750	-	23	100,183	657,933
Acquisition of capital assets	(590,447)	(497,847)	(1,555,858)	(11,562,936)	(5,201,535)
Principal paid on debt	-	-	-	(1,480,200)	-
Interest paid on debt	-	-	-	(772,504)	-
Amount paid on advances	-	-	-	-	(12,883)
Interest paid on advances	-	-	-	-	(330)
Net cash provided by (used in) capital and related financing activities	<u>(285,620)</u>	<u>(497,847)</u>	<u>(1,555,835)</u>	<u>(4,311,137)</u>	<u>(712,827)</u>
<b>Cash flows from investing activities</b>					
Interest on investments	494,219	75,538	331,382	3,389,804	1,027,390
Net cash provided by investing activities	<u>494,219</u>	<u>75,538</u>	<u>331,382</u>	<u>3,389,804</u>	<u>1,027,390</u>
Net increase (decrease) in cash and cash equivalents	3,495,956	1,857,477	4,304,898	37,201,101	7,062,774
<b>Pooled cash and investments</b>					
October 1, 2015	37,472,149	6,667,773	36,598,788	332,099,494	115,649,818
September 30, 2016	<u>\$ 40,968,105</u>	<u>\$ 8,525,250</u>	<u>\$ 40,903,686</u>	<u>\$ 369,300,595</u>	<u>\$ 122,712,592</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, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Major</b>				
	<b>Parks and Recreation</b>	<b>Delinquent Tax Revolving</b>	<b>County Airports</b>	<b>Water and Sewer Trust</b>	<b>Evergreen-Farmington SDS</b>
Operating (loss) income	\$ (13,487,311)	\$ 14,968,003	\$ (1,695,540)	\$ 10,442,470	\$ 1,596,416
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities					
Depreciation expense	3,640,363	-	2,665,382	2,412,590	684,976
(Increase) decrease in due from other governmental units	60,973	(458,486)	-	(4,020,885)	1,666,794
(Increase) decrease in due from component units	-	-	-	-	13,398
(Increase) decrease in accounts receivable	168,290	2,043,564	42,474	(818,985)	-
(Increase) decrease in due from other funds	3,493	-	-	5,000,000	-
(Increase) decrease in inventories and supplies	(5,901)	-	-	-	-
(Increase) decrease in prepayments and other assets	18,538	(333)	-	(40,191)	-
(Increase) decrease in deferred outflows related to pension	-	-	-	-	-
Increase (decrease) in vouchers payable	(184,921)	35,828	(309,100)	(512,317)	245,074
Increase (decrease) in due to other governmental units	-	(113,624)	-	(771,973)	444,907
Increase (decrease) in due to component units	-	-	-	(116,445)	-
Increase (decrease) in due to other funds	-	-	-	7,055	363
Increase (decrease) in unearned revenue	72,484	-	(1,589)	-	-
Increase (decrease) in current portion of other long-term liabilities	-	-	-	-	-
Increase (decrease) in other accrued liabilities	(131,026)	(2,502)	(28,378)	1,185,171	(285,324)
Increase (decrease) in net pension liability	-	-	-	-	-
Increase (decrease) in other long-term liabilities	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (9,845,018)</u>	<u>\$ 16,472,450</u>	<u>\$ 673,249</u>	<u>\$ 12,766,490</u>	<u>\$ 4,366,604</u>

(continued)

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, 2016**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Major</b>			<b>Totals</b>	
	<b>S.O.C.S.D.S.</b>	<b>Clinton- Oakland S.D.S.</b>	<b>Non-Major Funds</b>	<b>September 30, 2016</b>	
Operating income (loss)	\$ (243,381)	\$ 472,174	\$ (6,503,330)	\$ 5,549,501	\$ 23,051,608
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation expense	795,552	758,204	8,118,631	19,075,698	5,428,206
(Increase) decrease in due from other governmental units	1,967,193	2,589,364	546,354	2,351,307	(277,886)
(Increase) decrease in due from component units	-	-	-	13,398	(14,432)
(Increase) decrease in accounts receivable	(38,198)	-	33,296	1,430,441	(735,818)
(Increase) decrease in due from other funds	-	-	78,524	5,082,017	(14,511)
(Increase) decrease in inventories and supplies	-	-	61,799	55,898	274,099
(Increase) decrease in prepayments and other assets	33,713	-	340,478	352,205	181,964
(Increase) decrease in deferred outflows related to pension	-	-	-	-	20,939,875
Increase (decrease) in vouchers payable	10,895	(533,075)	(87,943)	(1,335,559)	(117,285)
Increase (decrease) in due to other govern- mental units	452,226	53,291	(229,654)	(164,827)	(39,112)
Increase (decrease) in due to component units	-	-	-	(116,445)	(495)
Increase (decrease) in due to other funds	3,135	1,554	(1,371)	10,736	(78,977)
Increase (decrease) in unearned revenue	-	-	102,702	173,597	(19,469)
Increase (decrease) in current portion of other long-term liabilities	-	-	-	-	2,780
Increase (decrease) in other accrued liabilities	38,438	(1,061,726)	251,974	(33,373)	420,954
Increase (decrease) in net pension liability	-	-	-	-	(7,273,842)
Increase (decrease) in other long-term liabilities	-	-	-	-	(2,859,907)
Net cash provided by (used in) operating activities	<u>\$ 3,019,573</u>	<u>\$ 2,279,786</u>	<u>\$ 2,711,460</u>	<u>\$ 32,444,594</u>	<u>\$ 38,867,752</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, 2016**

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**Noncash transactions**

**Enterprise Funds**

Major funds:

Noncash and capital related financing activities included contribution of capital assets in the amount of \$815,627 and \$27,138,372 in the County Airports and Evergreen-Farmington S.D.S. fund, respectively; transfer of fully depreciated capital assets of \$781,066 from the Drainage Districts Component Unit and forgiveness of debt in the amount of \$1,057,973 recorded in the Water and Sewer Trust fund.

Noncash and non-capital related financing activities included recording of Contracts Receivable and Unearned Revenue of \$1,225,510 in the County Airports fund.

Nonmajor funds:

Noncash and capital related financing activities included contribution of capital assets in the amount of \$77,563 in the CLEMIS fund, and adjustment (reduction) of capital asset value and accumulated depreciation in the amount of \$584 in the Radio Communications fund.

**Internal Service Funds**

Noncash and capital related financing activities included contribution of capital assets in the amount of \$1,140,302 in the Information Technology fund.

Noncash and non-capital related financing activities included transfers from other funds in the amount of \$1,273 included in the Due from Other Assets asset account in the Facilities Maintenance and Operations fund.

## **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 custodial capacity. Disbursements from these funds are contingent upon the 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 Net Position  
Fiduciary Funds  
September 30, 2016**

	<b>Pension (and Other Post- employment Benefits) Trust Funds</b>	<b>Investment Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>			
Pooled cash and investments	\$ 37,611,072	\$ 518,237,579	\$ 276,425,940
Cash and cash equivalents	-	-	904,426
Investments, at fair value			
Common stock	890,382,233	-	-
Preferred stock	95,366	-	-
Government agencies	90,764,610	-	-
Corporate bonds	216,616,108	-	-
Municipal bonds	2,893,160	-	-
Hedge funds	86,884,808	-	-
Limited partnerships	111,830,508	-	-
Asset-backed fixed income	16,896,385	-	-
Government bonds	85,838,929	-	-
Government mortgage-backed securities	60,194,294	-	-
Government issued commercial mortgage-backed securities	1,099,538	-	-
Nongovernment-backed CMOs	1,767,110	-	-
Commercial mortgage-backed securities	21,141,245	-	-
Bank loans	4,150,672	-	-
Exchange traded funds	988,979	-	-
International common stock	66,417,456	-	-
Index linked government bonds	25,956,381	-	-
Real estate	182,030,832	-	-
Other fixed income	3,485,685	-	-
Other	631,067	-	-
Total investments	<u>1,870,065,366</u>	<u>-</u>	<u>-</u>
Receivables - interest and dividends	4,480,271	-	179,456
Receivables - other	30,861	-	-
Prepaid expenses	217,474	-	-
Total assets	<u>1,912,405,044</u>	<u>518,237,579</u>	<u>277,509,822</u>
<b>Liabilities</b>			
Vouchers payable	1,374,882	-	104,386
Due to other governmental units	-	-	263,619,145
Other accrued liabilities	2,226,757	-	13,786,291
Total liabilities	<u>3,601,639</u>	<u>-</u>	<u>277,509,822</u>
<b>Net position</b>			
Restricted for Pension and other Postemployment healthcare benefits, and pool participants	<u>\$ 1,908,803,405</u>	<u>\$ 518,237,579</u>	<u>\$ -</u>

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

**County of Oakland**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Year Ended September 30, 2016**

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	<b>Pension (and Other Post- employment Benefits) Trust Funds</b>	<b>Investment Trust Funds</b>
<b>Additions</b>		
Contributions		
Pool participants	\$ -	\$ 783,171,209
Plan members	589,961	-
Total contributions	<u>589,961</u>	<u>783,171,209</u>
Investment income	169,542,631	4,325,308
Other revenue	2,611,995	-
Total additions	<u>172,744,587</u>	<u>787,496,517</u>
<b>Deductions</b>		
Benefits	85,561,388	-
Administrative expenses	5,720,518	-
Distribution to pool participants	-	769,684,160
Total deductions	<u>91,281,906</u>	<u>769,684,160</u>
Net increase	81,462,681	17,812,357
Net position restricted for pension and other postemployment healthcare benefits, and pool participants		
October 1, 2015	<u>1,827,340,724</u>	<u>500,425,222</u>
September 30, 2016	<u>\$ 1,908,803,405</u>	<u>\$ 518,237,579</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 Position  
Component Units  
September 30, 2016**

	<b>Drainage Districts</b>	<b>Road Commission</b>	<b>Total Component Units</b>
<b>Assets</b>			
Current assets			
Pooled cash and investments	\$ 43,513,709	\$ -	\$ 43,513,709
Cash and cash equivalents	-	55,441,396	55,441,396
Receivables, net			
Special assessments	-	7,645,593	7,645,593
Due from other governmental units	4,379,819	-	4,379,819
Due from primary government	35,000	-	35,000
Accrued interest receivable	97,949	-	97,949
Accounts receivable	62,726	18,880,531	18,943,257
Inventories and supplies	-	4,761,475	4,761,475
Prepayments and other assets	-	2,185,579	2,185,579
Total current assets	<u>48,089,203</u>	<u>88,914,574</u>	<u>137,003,777</u>
Noncurrent assets			
Special assessments receivable	194,539,292	-	194,539,292
Capital assets, net			
Land and other nondepreciable assets	190,174,255	205,545,245	395,719,500
Land improvements, net	-	966,146	966,146
Buildings and improvements, net	51,014,913	8,655,895	59,670,808
Equipment and vehicles, net	304,202	10,544,850	10,849,052
Infrastructure, net	394,289,704	594,065,751	988,355,455
Total capital assets, net	<u>635,783,074</u>	<u>819,777,887</u>	<u>1,455,560,961</u>
Total noncurrent assets	<u>830,322,366</u>	<u>819,777,887</u>	<u>1,650,100,253</u>
Total assets	<u>878,411,569</u>	<u>908,692,461</u>	<u>1,787,104,030</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension	-	26,075,995	26,075,995
<b>Liabilities</b>			
Current liabilities			
Vouchers payable	9,161,672	7,582,308	16,743,980
Due to other governmental units	7,340,470	-	7,340,470
Due to primary government	750,900	44,060	794,960
Unearned revenue and advances	597,645	9,386,134	9,983,779
Accrued interest payable	14,071	-	14,071
Current portion of long-term debt	17,724,400	-	17,724,400
Current portion of long-term liabilities	-	483,633	483,633
Other accrued liabilities	2,241,574	7,272,549	9,514,123
Total current liabilities	<u>37,830,732</u>	<u>24,768,684</u>	<u>62,599,416</u>
Bonds and notes payable	247,062,088	-	247,062,088
Accrued compensated absences	-	3,078,900	3,078,900
Claims and judgments	-	528,700	528,700
Net pension liability	-	42,947,521	42,947,521
Other postemployment benefits	-	28,201,451	28,201,451
Total liabilities	<u>284,892,820</u>	<u>99,525,256</u>	<u>384,418,076</u>
<b>Net position</b>			
Net investment in capital assets	370,996,586	819,777,887	1,190,774,473
Restricted for			
Public works	14,840,100	-	14,840,100
Debt service	194,941,834	-	194,941,834
Unrestricted	12,740,229	15,465,313	28,205,542
Total net position	<u>\$ 593,518,749</u>	<u>\$ 835,243,200</u>	<u>\$ 1,428,761,949</u>

The accompanying notes are an integral part of the financial statements

**County of Oakland  
Statement of Activities  
Component Units  
Year Ended September 30, 2016**

	Program Revenues				Drainage Districts	Road Commission	Total Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
<b>Functions/Programs</b>							
Drainage Districts	\$ 95,780,166	\$ 92,911,062	\$ 1,857,656	\$ 25,136,259	\$ 24,124,811	\$ -	\$ 24,124,811
Road Commission	123,387,277	16,203,823	67,485,619	51,358,884	-	11,661,049	11,661,049
Total component units	<u>\$ 219,167,443</u>	<u>\$ 109,114,885</u>	<u>\$ 69,343,275</u>	<u>\$ 76,495,143</u>	<u>24,124,811</u>	<u>11,661,049</u>	<u>35,785,860</u>
<b>General Revenue</b>							
Unrestricted investment earnings					392,071	674,719	1,066,790
Change in net position					24,516,882	12,335,768	36,852,650
<b>Net position</b>							
Beginning					569,001,867	822,907,432	1,391,909,299
Ending					<u>\$ 593,518,749</u>	<u>\$ 835,243,200</u>	<u>\$ 1,428,761,949</u>

The accompanying notes are an integral part of the financial statements

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2016**

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**1. Summary of Significant Accounting Policies**

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

**The Financial Reporting Entity**

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

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

**Blended Component Unit**

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

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

Separate financial statements for the Authority are not published.

**County of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2016**

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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, 2016, 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, 2016, is not reported in the financial statements of Oakland County.
- Complete financial statements of the Road Commission, which include 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 174 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 Water Resources 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 Water Resources 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, 2016 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 Water Resources Commissioner  
#1 Public Works Drive  
Waterford, Michigan 48328

# County of Oakland

## Notes to Basic Financial Statements

### September 30, 2016

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#### **Basic (Government-wide) and Fund Financial Statements – GASB Statement No. 34**

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

- **Net investment in capital assets** 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 position** results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position often is designated to indicate that management does not consider them to be available for general operations. Unrestricted net position often has 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 Position, 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 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 government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide Statement of Activities reflects the degree to which direct expenses that are clearly identifiable with a given functional category (General Government, Public Safety, Justice Administration, Citizen Services, Public Works, Recreation and Leisure, and Commerce and Community Development) are offset by program revenues. Program 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

# County of Oakland

## Notes to Basic Financial Statements

### September 30, 2016

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functional category. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Property taxes and certain intergovernmental revenues are reported instead as general revenues, which are used to cover the net cost of the various functional categories of the County.

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).

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

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

The fund financial statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. Emphasis here is on the major funds in either the governmental or business-type categories. Non-major funds (by category) are summarized into a single column.

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

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

The 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

## Notes to Basic Financial Statements

### September 30, 2016

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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 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 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 individual municipalities.

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 serviced.

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

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.

Additionally, the County reports the following fund types:

#### **Governmental Fund Types**

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

# County of Oakland

## Notes to Basic Financial Statements

### September 30, 2016

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

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

#### **Proprietary Fund Types**

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

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

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. The exception to this general rule is activities between funds reported as governmental activities and funds reported as business-type activities.

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

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

#### **Fiduciary Fund Types**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Oakland County's fiduciary funds include Pension (and other post-employment benefits) Trust funds to account for retirees' retirement and medical benefits; Investment Trust funds, which report funds deposited by and invested for local units of government; and Agency funds, which account for assets held in a custodial capacity 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 of Oakland**  
**Notes to Basic Financial Statements**  
**September 30, 2016**

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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 Position with the balance classified as net position. 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 revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenues 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 Net Position, use the accrual basis of accounting.

**Discretely Presented Component Units**

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

The 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. Revenues and expenditures are recorded under the modified accrual basis of accounting, and as such, revenue is recorded when measurable and available, and earned. Project-related revenues are 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, 2015 and presented in a separate document. Appropriation budgets were adopted for the General Fund and the following Special Revenue funds: Child Care and Social Welfare-Foster Care. Appropriations lapse at the end of the year. Project-length

**County of Oakland**  
**Notes to Basic Financial Statements**  
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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 assigned 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 Superseding 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, 2016 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.

In 2016, the County applied Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

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.

**Inter-fund Receivables/Payables**

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 nonspendable fund balance.

**Inventories**

Inventories in governmental and proprietary funds are stated at cost using the first-in, first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

**Prepayments**

Payments made for services that will benefit periods beyond September 30, 2016 are recorded as prepayments using the consumption method.

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**Capital Assets**

Capital assets, which includes 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 acquisition value at the time of donation. In some instances, capital asset historical costs were not available; therefore, the costs of these assets at the dates of acquisitions have been estimated. Expenditures materially extending the life of capital assets are capitalized. Interest incurred during construction is only capitalized in proprietary funds. Capital assets are depreciated over their useful lives, using the straight-line depreciation method. Infrastructure ("public domain") assets, including roads, bridges, sanitary sewers, drains, curbs, and gutters, are capitalized.

The County's estimated useful lives of the major classes of property and equipment follow:

<b>Class</b>	<b>Years</b>
Land improvements	10-15
Buildings and improvements	35-45
Equipment and vehicles	3-10
Sewage disposal systems	40-50
Infrastructure	10-75

Capital assets used in the general operation of the Road Commission are depreciated under various methods, including straight-line and sum-of-the-years digits.

**Compensated Absences**

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

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

**Pension**

The County offers pension benefits to retirees. The County records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, provides information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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**Other Postemployment Benefit Costs**

The County offers 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, 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.

**Net Pension Liability**

Beginning in fiscal year 2015, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires governments that provide defined benefit pensions to recognize the net pension liability and the pension expense on their financial statements. As a result, the government-wide statements now include a liability for our unfunded legacy costs related to the County’s pension plan. The net pension liability is the difference between the total pension liability and the plan’s fiduciary net position. The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience. The net pension liability is recorded on the government-wide, internal service and discretely presented component unit statements. This change does not impact the General Fund or any other governmental fund. Refer to the pension footnotes for further details.

**Fund Equity**

In the fund financial statements for the governmental fund reports, the following are the components of fund balance.

- Nonspendable, includes amounts that cannot be spent.
- Restricted, amounts that are restricted to specific purposes externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through enabling legislation.
- Committed, amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the County’s highest level of decision-making authority. A formal resolution by the Board of Commissioners is required to establish, modify or rescind a fund balance commitment.
- Assigned, amounts that are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. These assignments are authorized by the Board of Commissioners through a formal resolution.
- Unassigned, is the residual classification of the General Fund, and the reporting of any negative fund balance of a governmental fund.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the County’s policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the County’s policy to spend funds in this order: committed, assigned, and unassigned.

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**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The County has only one item that qualifies for reporting in that category. Accordingly, the item, deferred outflows related to pensions, is reported as deferred outflows in the government-wide, internal service and component unit statements of net position. This amount is the result of a difference between what the plan expected to earn from the plan investments and what it actually earned. This amount will be amortized over the next four years and included in pension expense.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from five sources: property taxes, contracts, grants, special assessments and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Property taxes levied are used to finance the expenditures of the current fiscal period (October 1, 2015 through September 30, 2016) and are reported as revenues in the financial statements. Amounts not collected within 60 days of the end of the fiscal year are considered unavailable for the current period, and are reported as deferred inflows.

**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, 2016. These estimates and assumptions also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**2. Legal Compliance - Budgets**

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

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

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

- (a) Transfers may be made from the non-departmental overtime reserve account and fringe benefit adjustment account to the appropriate departmental budget as specific overtime requests are reviewed and approved by the Fiscal Officer. Additionally, overtime appropriations may be transferred between divisions within a department at the request of the department head, if authorized by the Fiscal Officer or designee.
- (b) Transfers may be made from the non-departmental appropriation reserve accounts for maintenance department charges and miscellaneous capital outlay to the appropriate departmental budgets as specific requests for these items are reviewed and approved by the Fiscal Officer.
- (c) Transfers may be made from the non-departmental appropriation reserve accounts, emergency salaries, and summer help as specific requests for these items are reviewed and approved by the Director of the Human Resources Department.

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

During the fiscal year, the County incurred no expenditures in excess of appropriations which are presented at the legal level of control.

### **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. Income, gains and losses are 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, NCUA or DIFS 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. Fair value of the position in the pool is approximately equal to the value of the pool shares. The LGIP has not provided or obtained any legally binding guarantees during the period to support the value of the shares. Investments are valued monthly.

#### **Deposits**

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

# County of Oakland

## Notes to Basic Financial Statements

### September 30, 2016

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*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, 2016, the bank balance of the County's deposits was \$1,067,853,134. Insured deposits were \$3,500,000, and the remaining \$1,064,353,134 was uninsured, uncollateralized, and held in the County's name.

The Drainage District's component unit's cash, deposits 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, 2016, the Road Commission component unit had \$4,643,961 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The Road Commission believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. However, only those institutions with an acceptable estimated risk level are used as depositories.

#### **Investments - Internal Investment Pool**

Investments, except those of the Retirement Systems, Superseding 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 two standard rating services and that matures not more than 270 days after the date of purchase.
4. Repurchase agreements consisting of instruments in subdivision 1. The PSA Master Repurchase Agreement prototype agreement shall be employed with appropriate supplemental provisions regarding security delivery, security substitutions, and governing law. A signed repurchase agreement must be on file before entering into a repurchase transaction.
5. Bankers' acceptances of United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
7. Obligations described in subdivisions 1 through 6 if purchased through an inter-local agreement under the Urban Cooperation Act of 1967.
8. Investment pools organized under the Surplus Funds Investment Pool Act, PA 367 of 1982.
9. Investment pools organized under the Local Government Investment Pool Act, PA 121 of 1985.

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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, 2016, the County had the following deposit and investment types in its internal investment pool.

<b>Deposit and Investment Type</b>	<b>Market Value</b>	<b>Weighted Average Maturity (days)</b>
Certificates of Deposit (1)	\$ 856,114,166	206
Deposit Accounts (1)	211,738,968	1
Money Market Investment Pools	271,831,810	1
Commercial Paper	9,998,817	11
MI Government Coupon	40,709,560	3,834
U.S. Agencies	256,657,217	956
<b>Total Market Value of Internal Investment Pool</b>	<b>\$ 1,647,050,538</b>	
<b>Weighted Average Maturity of Internal Investment Pool (in days)</b>		<b>337</b>

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

*Credit Risk* – The County had \$256,657,217 invested in U.S. government securities which are rated AA+ by Standard & Poor's and Aaa by Moody's. The County had \$40,709,560 in Municipal bonds rated Aaa by Moody's and AAA by Standard & Poor's. State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating organization (NRSRO). It is the County's policy to further limit its investments in commercial paper to only the top rating as issued by NRSROs. At September 30, 2016, the County had \$9,998,817 invested in A1+ (S&P) and P1 (Moody's) commercial paper. The money market investment pool had \$271,831,810 invested with a rating of AAA (S&P). 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, 2016, \$307,365,594 in investments, at fair value, was held in third-party safekeeping in the County's name.

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



**County of Oakland**  
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*Concentration of Credit Risk – Investments.* On September 30, 2016, the County had investments of 5% or more of the total portfolio, with the following U.S. agency issuers: Fannie Mae 8.75%, and Freddie Mac 6.89%. No other issuer 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, 2016, the internal investment pool had a weighted average maturity of 337 days and the longest investment maturity in the portfolio was 3,834 days (10.5 years).

*Fair Value Measurement –* The County categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The County has the following recurring fair value measurements as of September 30, 2016:

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

<b>Investment Type</b>	<b>Total Value</b>	<b>Fair Value Measurement Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Commercial Paper	\$ 9,998,817	\$ -	\$ 9,998,817	\$ -
Government Agencies	256,657,217	-	256,657,217	
Municipal Bonds	40,709,560	-	40,709,560	
Total Investments by Fair Value	\$ 307,365,594	\$ -	\$ 307,365,594	\$ -

**Investments measured at the**

**Net Asset Value (NAV)**

Money Market Investment Pools	271,831,810
Total Investments measured fair value	\$ 579,197,404

The fair value of Commercial Paper, Government Agencies and Municipal Bonds at September 30, 2016 was determined primarily based on Level 2 inputs and are valued using quoted prices for identical securities in markets that are not active. Money Market Investment Pools is valued at published fair value per share (unit) for the fund.

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**Investments – Pension Trust Funds**

The Pension Trust Funds and the Superseding 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 Retirement and Deferred Compensation Board (PERS, VEBA and SMBT). The advisors serve at the leisure of the Board as provided by investment agreements. At September 30, 2016, the Primary Government's Pension Trust fund had 23 investment advisors. Investments are held in street name by safekeeping agents under formal trust agreements and/or in the Retirement Systems' name.

As of September 30, 2016, the County had the following investment types in its Retirement System and other postemployment benefits trust funds:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Percentage</b>	<b>Average Duration (InYears)</b>
Common Stock	\$ 546,571,625	28.64%	N/A
International Common Stock	66,417,456	3.48%	N/A
Common Stock - Funds	343,810,608	18.02%	N/A
Preferred Stock	95,366	0.01%	N/A
Exchange Traded Funds	988,978	0.05%	N/A
Government Bonds	80,602,117	4.22%	6.39
International Government Bonds	5,236,812	0.27%	N/A
Government Agencies	90,693,370	4.75%	1.50
International Government Agencies	71,240	0.00%	N/A
Municipal Bonds	2,893,160	0.15%	15.44
Corporate Bonds	216,616,108	11.35%	6.28
Bank Loans	4,150,672	0.22%	N/A
Government Mortgage-Backed Securities	60,194,294	3.16%	2.60
Gov't Issued Commercial Mortgage-Backed Securities	1,099,539	0.06%	2.00
Commercial Mortgage-Backed Securities	21,141,245	1.11%	3.66
Asset-Backed Securities	16,896,385	0.89%	1.68
Non-government Backed CMOs	1,767,110	0.09%	1.75
Index Linked Government Bonds	25,956,380	1.36%	18.37
Other Fixed Income	3,485,686	0.18%	3.46
Real Estate	182,030,832	9.55%	N/A
Partnerships	111,830,508	5.86%	N/A
Other Assets	631,067	0.03%	N/A
Hedge Funds	86,884,808	4.55%	N/A
Cash and Cash Equivalents	38,133,932	2.00%	0.02
<b>Total</b>	<b>\$1,908,199,298</b>	<b>100.00%</b>	

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*Credit Risk.* The Board’s adopted Statement of Investment Goals and Objectives (SIGO) states that no non-convertible bonds and convertible securities are authorized for purchase. In addition, no more than 10% of the total value of the portfolio, at the time of purchase, may be held in non-investment grade bonds as rated by Moody’s and/or Standard & Poor’s. Ninety percent of the total value of the portfolio must have a quality rating of A or better by Moody’s and Standard & Poor’s. For any security held in the portfolio that 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, 2016, debt obligation investments held in the retirement system had the following ratings:

<u>Fair Value</u>	<u>Percentage</u>	<u>Ratings</u>	
		<u>S&amp;P</u>	<u>Moody's</u>
\$200,813,942	31.31 %	AAA	Aaa
36,053,883	5.62	AA	Aa
86,532,366	13.49	A	A
57,406,609	8.95	BBB	Baa
28,999,269	4.52	BB	Ba
12,355,432	1.93	B	B
490,331	0.08	CCC	Caa
139,229,169	21.71	NR	NR
79,471,463	12.39	US Govt	Guaranteed
<u>\$641,352,464</u>	<u>100.00 %</u>		

*Custodial Credit Risk* is the risk associated that in the event of 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, 2016, \$1,906,602,833 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, 2016, as reported by the system’s investment managers, no holdings exceed any of the Board’s adopted limits.

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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 85 indicates, the system's fixed-income investments had average durations of between 0.02 years and 18.4 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.

*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 1.3 years to 46.6 years and are backed by investments in various assets, including mortgages. As of September 30, 2016, the market value was \$22,908,355.

*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, 2016, the County's CMO portfolio had an effective duration of 2.04 years.

*Fair Value Measurement* – The County categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

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The County has the following recurring fair value measurements as of September 30, 2016:

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

	Balance at September 30, 2016	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Equity securities:				
Common Stock	\$ 612,989,082	\$ 612,842,490	\$ -	\$ 146,592
Preferred Stock	95,366	95,366	-	-
Exchange Traded Funds	988,978	988,978	-	-
Equity Mutual Funds	24,945,270	-	24,945,270	-
Total equity securities	639,018,696	613,926,834	24,945,270	146,592
Debt securities:				
Government Bonds	85,838,929	-	85,312,209	526,720
Government Agencies	16,390,668	-	16,390,668	-
State or Local Governments	2,893,160	-	2,893,160	-
Corporate Bonds	216,616,108	-	216,616,108	-
Residential Mortgage-Backed Securities	134,568,236	-	134,568,236	-
Commercial Mortgage-Backed Securities	22,240,784	-	22,240,784	-
Collateralized Mortgage Obligations	1,767,110	-	1,767,110	-
Other Asset-Backed Securities	16,896,385	-	16,896,385	-
IndexLinked Government Bonds	25,956,380	-	25,956,380	-
Bank Loans	4,150,672	-	4,150,672	-
Other Debt Securities	3,485,686	-	3,485,686	-
Total debt securities	530,804,118	-	530,277,398	526,720
Total investments by fair value level	\$ 1,169,822,814	\$ 613,926,834	\$ 555,222,668	\$ 673,312
<b>Investments measured at Net Asset Value (NAV)</b>				
International Equity	130,599,228			
Global Fixed Income	111,830,508			
Index Funds	188,266,109			
Equity Long/Short Hedge Funds	86,884,808			
Private Real Estate	5,077,414			
Real Estate Funds	166,275,203			
Real Estate International	10,678,215			
Total investments measured at NAV	699,611,485			
Total investments measured at fair value	\$ 1,869,434,299			
<b>Investment derivative instruments</b>				
Forward Foreign Currency Exchange	\$ 209	\$ -	\$ 209	\$ -

**County of Oakland**  
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Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: Equity Mutual Funds are valued using fair value per share for each fund; Fixed Income investments are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors. Debt and equity securities classified in Level 3 are based upon unobservable inputs. Derivative instruments classified in Level 2 are valued using a market approach that considers benchmarks.

**Investments in Entities that Calculate Net Asset Value per Share**

The County holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At the year ended September 30, 2016, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency, if eligible</b>	<b>Redemption Notice Period</b>
International Equity	\$130,599,144	-	Monthly	10 Days
Global Fixed Income	111,830,508	-	Daily	3 Days
Index Funds	188,266,109	-	Daily	3 Days
Equity Long/Short Hedge Funds	86,884,808	-	Quarterly	90 Days
Private Real Estate	5,077,414	-	-	-
Real Estate Funds	166,275,203	-	-	-
Real Estate International	10,678,215	-	-	-
	<u>\$699,611,401</u>			

The International Equity fund seeks long-term growth of capital by investing at least 80% of its net assets in large capitalization equity securities listed in the Morgan Stanley Capital International Europe, Australasia and Far East Index (MSCI EAFE Index). The fair values of the investments have been estimated using the net asset value per share of the investments.

The Global Fixed Income Fund seeks current income with capital appreciation and growth of income, by investing at least 80% of its net assets in bonds of governments, government related entities and government agencies located anywhere in the world. The fund regularly enters into various currency-related and other transactions involving derivative instruments. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The Index Fund seeks to replicate the total return of the S&P 500 index. Under normal market conditions, at least 80% of its total assets will be invested in stocks in the S&P 500 index. The fund utilizes a “passive” investment approach, attempting to replicate the investment performance of its benchmark. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

**County of Oakland**  
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The Hedged Equity Long/Short Fund is comprised of hedge funds that invest in global equity markets using long/short strategies both from a bottom-up (stock-pickers) orientation and a top-down (macro) orientation, including emerging markets. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The Real Estate funds class included several real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using the net asset value of the County's ownership interest in partners' capital.

**Disclosures Regarding Redemption Only Upon Liquidation**

The investments in the Private Real Estate, Real Estate and Real Estate International can never be redeemed with the funds. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 1 to 10 years.

**4. Property Taxes – Receivables and Short-term Debt**

*Receivables* - 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 2016 summer levy amounted to \$65,084,851,114 with taxable values of \$52,786,202,473. The operating tax rate for the 2016 levy was 4.04 mills, with an additional 0.2410 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 \$18,832,275 at September 30, 2016.

*Short-term Debt* - By agreement with various taxing authorities, the County purchases (at face value) real property taxes for all municipalities and school districts within Oakland County which are returned delinquent on March 1. To accomplish this, tax notes are sold and the proceeds of these notes are used to liquidate the amounts due the County's General Fund and other governmental agencies for purchase of their delinquent real property tax receivables. The assets of the Delinquent Tax Revolving fund (an Enterprise fund), in the amount of \$225,661,550 at September 30, 2016, are pledged as collateral for payment of the tax notes; subsequent collections on delinquent taxes receivable, plus interest, penalties and collection fees thereon, and investment earnings are used to service the debt.

The following is a summary of the short-term debt activity for the year ended September 30, 2016:

<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Due within one year</b>
\$ 25,000,000	\$ 25,000,000	\$ (25,000,000)	\$ 25,000,000	\$ 25,000,000

**County of Oakland**  
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**5. Allowances for Uncollectible Receivables**

At September 30, 2016, the allowances for uncollectible receivables were as follows:

<b>General Fund</b>	\$ 25,000
<b>Capital Projects</b>	
Drains-Act 40 Maintenance Chapter 4 & 18	<u>6,972</u>
Total	<u>\$ 31,972</u>

In addition, the Parks and Recreation fund (Enterprise) records an allowance for uncollectible taxes receivable in the amount of \$36,761 and uncollectable accounts receivable of \$60,991 at September 30, 2016.

**6. Investment Income – Pension and Other Postemployment Trust Funds**

The following is a breakdown of the investment income for Pension and other Postemployment Trust funds of the primary government for the year ended September 30, 2016:

	<b>Employees' Retirement</b>	<b>VEBA Trust</b>	<b>Superseding Trust</b>
Interest and dividends	\$ 13,168,836	\$ 18,276,788	\$ 124,632
Unrealized/Realized gain (loss) on investments	<u>54,775,767</u>	<u>82,184,503</u>	<u>1,012,105</u>
Total	<u>\$ 67,944,603</u>	<u>\$ 100,461,291</u>	<u>\$ 1,136,737</u>



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**7. Capital Assets**

An analysis of property and equipment as reported in the Statement of Net Position, and related accumulated depreciation, at September 30, 2016, for governmental activities follows:

	<b>Balance October 1, 2015</b>	<b>Additions</b>	<b>Disposals and Adjustments</b>	<b>Balance September 30, 2016</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 7,365,551	\$ -	\$ -	\$ 7,365,551
Construction in progress	14,901,068	10,291,291	(234,960)	24,957,399
Total capital assets not being depreciated	<u>22,266,619</u>	<u>10,291,291</u>	<u>(234,960)</u>	<u>32,322,950</u>
Capital assets being depreciated				
Land improvements	1,250,633	46,057	-	1,296,690
Buildings and improvements	250,004,217	194,215	-	250,198,432
Equipment and vehicles	121,482,476	5,539,977	(2,636,447)	124,386,006
Infrastructure	30,681,421	-	-	30,681,421
Total capital assets being depreciated	<u>403,418,747</u>	<u>5,780,249</u>	<u>(2,636,447)</u>	<u>406,562,549</u>
Less: Accumulated depreciation				
Land improvements	1,090,723	21,147	-	1,111,870
Buildings and improvements	108,659,260	5,837,856	-	114,497,116
Equipment and vehicles	94,594,716	7,706,609	(2,327,698)	99,973,627
Infrastructure	17,843,773	679,349	-	18,523,122
Total accumulated depreciation	<u>222,188,472</u>	<u>14,244,961</u>	<u>(2,327,698)</u>	<u>234,105,735</u>
Total capital assets being depreciated, net	<u>181,230,275</u>	<u>(8,464,712)</u>	<u>(308,749)</u>	<u>172,456,814</u>
Governmental activities capital assets, net	<u>\$ 203,496,894</u>	<u>\$ 1,826,579</u>	<u>\$ (543,709)</u>	<u>\$ 204,779,764</u>

Depreciation expense was charged to functions as follows:

Public safety	\$ 3,044,628
Justice administration	1,083,429
Citizens services	681,525
Public infrastructure	450,370
Commerce and Community Development	29,537
Unallocated depreciation	3,527,266
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>5,428,206</u>
Total depreciation expense - governmental activities	<u>\$ 14,244,961</u>

**County of Oakland**  
**Notes to Basic Financial Statements**  
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A summary of business-type property and equipment at September 30, 2016 follows:

	Balance October 1, 2015	Additions	Disposals and Adjustments	Balance September 30, 2016
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 68,158,860	\$ -	\$ -	\$ 68,158,860
Construction in progress	52,947,497	38,440,174	(7,290,142)	84,097,529
Other	12,000	-	-	12,000
Total capital assets not being depreciated	<u>121,118,357</u>	<u>38,440,174</u>	<u>(7,290,142)</u>	<u>152,268,389</u>
Capital assets being depreciated				
Land improvements	35,823,624	-	-	35,823,624
Buildings and improvements	98,816,827	489,912	(83,499)	99,223,240
Equipment and vehicles	89,893,718	2,663,684	(1,098,804)	91,458,598
Infrastructure	<u>340,915,052</u>	<u>3,530,014</u>	<u>-</u>	<u>344,445,066</u>
Total capital assets being depreciated	<u>565,449,221</u>	<u>6,683,610</u>	<u>(1,182,303)</u>	<u>570,950,528</u>
Less: Accumulated depreciation				
Land improvements	26,695,580	1,380,353	-	28,075,933
Buildings and improvements	38,491,911	3,340,726	(65,628)	41,767,009
Equipment and vehicles	70,372,402	6,928,595	(2,396,987)	74,904,010
Infrastructure	<u>245,014,358</u>	<u>7,426,024</u>	<u>-</u>	<u>252,440,382</u>
Total accumulated depreciation	<u>380,574,251</u>	<u>19,075,698</u>	<u>(2,462,615)</u>	<u>397,187,334</u>
Total capital assets being depreciated, net	<u>184,874,970</u>	<u>(12,392,088)</u>	<u>1,280,312</u>	<u>173,763,194</u>
Business-type activities capital assets, net	<u>\$ 305,993,327</u>	<u>\$ 26,048,086</u>	<u>\$ (6,009,830)</u>	<u>\$ 326,031,583</u>
Depreciation expense was charged to functions as follows:				
Airports		\$ 2,665,382		
Community safety support		8,052,414		
Community water and sewer		2,412,590		
Recreation and leisure		3,640,363		
Sewage disposal systems		<u>2,304,949</u>		
Total depreciation expense - business-type activities		<u>\$ 19,075,698</u>		

**County of Oakland**  
**Notes to Basic Financial Statements**  
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An analysis of property and equipment, and related accumulated depreciation where applicable, at September 30, 2016, for component units follows:

	Balance October 1, 2015	Additions	Disposals and Adjustments	Balance September 30, 2016
<b>Component Units</b>				
<b>Drainage Districts</b>				
Capital assets not being depreciated				
Construction in progress	\$ 164,427,466	\$ 29,733,025	\$ (4,312,200)	\$ 189,848,291
Land	325,964	-	-	325,964
Total capital assets not being depreciated	<u>164,753,430</u>	<u>29,733,025</u>	<u>(4,312,200)</u>	<u>190,174,255</u>
Capital assets being depreciated				
Buildings	57,248,656	-	-	57,248,656
Equipment	373,557	-	-	373,557
Infrastructure	495,179,489	4,312,200	-	499,491,689
Total capital assets being depreciated	<u>552,801,702</u>	<u>4,312,200</u>	<u>-</u>	<u>557,113,902</u>
Less: Accumulated depreciation				
Buildings	4,508,331	1,725,412	-	6,233,743
Equipment	38,538	30,817	-	69,355
Infrastructure	99,527,361	5,674,624	-	105,201,985
Total accumulated depreciation	<u>104,074,230</u>	<u>7,430,853</u>	<u>-</u>	<u>111,505,083</u>
Total capital assets being depreciated, net	<u>448,727,472</u>	<u>(3,118,653)</u>	<u>-</u>	<u>445,608,819</u>
Governmental activity capital assets, net	<u>\$ 613,480,902</u>	<u>\$ 26,614,372</u>	<u>\$ (4,312,200)</u>	<u>\$ 635,783,074</u>
<b>Road Commission</b>				
Capital assets not being depreciated				
Land and other	\$ 196,104,743	\$ 9,409,490	\$ -	\$ 205,514,233
Construction in progress	589,876	31,011	(589,875)	31,012
Total capital assets not being depreciated	<u>196,694,619</u>	<u>9,440,501</u>	<u>(589,875)</u>	<u>205,545,245</u>
Capital assets being depreciated				
Buildings and storage bins	20,380,296	361,313	589,875	21,331,484
Road equipment	54,013,547	6,155,427	(5,043,368)	55,125,606
Other equipment	5,246,395	825,671	(4,150)	6,067,916
Infrastructure	995,784,054	52,865,557	(19,135,993)	1,029,513,618
Brine wells and gravel pits	2,489,608	-	-	2,489,608
Total capital assets being depreciated	<u>1,077,913,900</u>	<u>60,207,968</u>	<u>(23,593,636)</u>	<u>1,114,528,232</u>
Less: Accumulated depreciation				
Buildings and storage bins	12,127,406	548,183	-	12,675,589
Road equipment	47,329,789	3,365,522	(5,043,368)	45,651,943
Other equipment	4,880,859	120,020	(4,150)	4,996,729
Infrastructure	412,493,406	42,090,454	(19,135,993)	435,447,867
Brine wells and gravel pits	1,410,924	112,538	-	1,523,462
Total accumulated depreciation	<u>478,242,384</u>	<u>46,236,717</u>	<u>(24,183,511)</u>	<u>500,295,590</u>
Total capital assets being depreciated, net	<u>599,671,516</u>	<u>13,971,251</u>	<u>589,875</u>	<u>614,232,642</u>
Governmental activity capital assets, net	<u>\$ 796,366,135</u>	<u>\$ 23,411,752</u>	<u>\$ -</u>	<u>\$ 819,777,887</u>

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

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

**Primary Government**

	<b>Interest rate</b>	<b>October 1, 2015</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2016</b>	<b>Amounts due within one year</b>	<b>Amounts due thereafter</b>	<b>General obligation</b>	<b>With governmental commitment</b>
<b>Governmental activities</b>									
<b>Debt with limited taxing authority</b>									
Building authority - Act 31	2.00%-4.75%	\$ 29,380,000	\$ 15,450,000	\$ (2,495,000)	\$ 42,335,000	\$ 3,150,000	\$ 39,185,000	\$ 29,500,000	\$ 12,835,000
Building authority refunding	2.00%-5.00%	35,210,000	-	(4,185,000)	31,025,000	4,290,000	26,735,000	27,535,000	3,490,000
Retirees Health Care Bonds	3.62%-4.52%	328,590,000	-	(22,200,000)	306,390,000	23,020,000	283,370,000	306,390,000	-
Water supply - Act 342	2.00%-6.00%	15,820,000	-	(785,000)	15,035,000	790,000	14,245,000	-	15,035,000
Sewage disposal - Act 342	2.00%-3.75%	-	3,700,000	(150,000)	3,550,000	150,000	3,400,000	-	3,550,000
Water and sewer refunding bonds	1.50%-2.75%	1,415,000	-	(210,000)	1,205,000	205,000	1,000,000	-	1,205,000
Sewage disposal refunding bonds	2.25%-3.60%	140,000	-	(140,000)	-	-	-	-	-
Michigan Bond Authority - Sewage Disposal Bonds	1.62%-2.50%	6,533,202	21,325,488	(645,000)	27,213,690	2,100,000	25,113,690	-	27,213,690
Total bonds - governmental activities		<u>\$ 417,088,202</u>	<u>\$ 40,475,488</u>	<u>\$ (30,810,000)</u>	<u>\$ 426,753,690</u>	<u>\$ 33,705,000</u>	<u>\$ 393,048,690</u>	<u>\$ 363,425,000</u>	<u>\$ 63,328,690</u>
<b>Business-type activities</b>									
<b>Business type activities</b>									
BA - Act 31 - County Airport	1.00%-5.90%	\$ 4,600,000	\$ -	\$ (250,000)	\$ 4,350,000	\$ 250,000	\$ 4,100,000	\$ 4,350,000	\$ -
BA refunding - County Airport	2.00%-2.25%	3,560,000	-	(360,000)	3,200,000	365,000	2,835,000	3,200,000	-
Sewage disposal - Act 342	1.75%-6.75%	3,500,000	-	(150,000)	3,350,000	155,000	3,195,000	3,350,000	-
Michigan Bond Authority - Water & Sewage Disposal Bonds	2.50%	9,600,612	7,026,942	(720,200)	15,907,354	1,005,600	14,901,754	15,907,354	-
Total bonds - business type		<u>21,260,612</u>	<u>7,026,942</u>	<u>(1,480,200)</u>	<u>26,807,354</u>	<u>1,775,600</u>	<u>25,031,754</u>	<u>26,807,354</u>	<u>-</u>
Total bonds - primary government		<u>\$ 438,348,814</u>	<u>\$ 47,502,430</u>	<u>\$ (32,290,200)</u>	<u>\$ 453,561,044</u>	<u>\$ 35,480,600</u>	<u>\$ 418,080,444</u>	<u>\$ 390,232,354</u>	<u>\$ 63,328,690</u>

**County of Oakland**  
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**Component Units**

<b>Drainage Districts</b>	<b>Interest rate</b>	<b>October 1, 2015</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2016</b>	<b>Amounts due within one year</b>	<b>Amounts due thereafter</b>	<b>General obligation</b>	<b>With governmental commitment</b>
<b>Debt with limited taxing authority</b>									
Drain bonds - Act 40	1.15%-7.00%	\$ 74,545,000	\$ -	\$ (3,665,000)	\$ 70,880,000	\$ 3,660,000	\$ 67,220,000	\$ 52,818,220	\$ 18,061,780
Drain refunding bonds	1.00%-4.75%	14,415,000	7,450,000	(10,660,000)	11,205,000	1,830,000	9,375,000	1,816,368	9,388,632
Michigan Bond Authority-Drain Bonds	1.15%-4.15%	175,606,474	19,169,814	(12,074,800)	182,701,488	12,234,400	170,467,088	20,136,540	162,564,948
Total Drainage Districts		<u>264,566,474</u>	<u>\$ 26,619,814</u>	<u>(26,399,800)</u>	<u>264,786,488</u>	<u>17,724,400</u>	<u>247,062,088</u>	<u>74,771,128</u>	<u>190,015,360</u>
Total County Debt		<u>\$ 702,915,288</u>	<u>\$ 74,122,244</u>	<u>\$ (58,690,000)</u>	<u>\$ 718,347,532</u>	<u>\$ 53,205,000</u>	<u>\$ 665,142,532</u>	<u>\$ 465,003,482</u>	<u>\$ 253,344,050</u>
<b>Road Commission</b>									
Compensated absences	--	\$ 3,018,250	\$ 60,650	\$ -	\$ 3,078,900	\$ -	\$ 3,078,900	\$ -	\$ 3,078,900
Self-insured losses	--	1,246,200	153,461	(387,328)	1,012,333	483,633	528,700	-	1,012,333
Other postemployment benefits	--	23,527,919	4,673,532	-	28,201,451	-	28,201,451	-	28,201,451
Net pension liability	--	26,527,162	16,420,359	-	42,947,521	-	42,947,521	-	42,947,521
Michigan Transportation									
Fund revenue notes	4.00%	500,000	-	(500,000)	-	-	-	-	-
Total Road Commission		<u>\$ 54,819,531</u>	<u>\$ 21,308,002</u>	<u>\$ (887,328)</u>	<u>\$ 75,240,205</u>	<u>\$ 483,633</u>	<u>\$ 74,756,572</u>	<u>\$ -</u>	<u>\$ 75,240,205</u>
Total reporting entity		<u>\$ 757,734,819</u>	<u>\$ 95,430,246</u>	<u>\$ (59,577,328)</u>	<u>\$ 793,587,737</u>	<u>\$ 53,688,633</u>	<u>\$ 739,899,104</u>	<u>\$ 465,003,482</u>	<u>\$ 328,584,255</u>

**County of Oakland**  
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The annual requirements to pay principal and interest on debt outstanding at September 30, 2016 (excluding the liabilities for compensated absences, other postemployment benefits, pension liability and uninsured losses for the Road Commission component unit) were as follows:

	<b>Bonds with limited taxing authority</b>		<b>Retirees Health Care Bonds limited taxing authority</b>		<b>Business-type Bonds limited taxing authority</b>		<b>Total primary government</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 10,685,000	\$ 3,129,322	\$ 23,020,000	\$ 10,980,656	\$ 1,775,600	\$ 772,135	\$ 35,480,600	\$ 14,882,113
2018	10,930,000	2,808,750	23,870,000	10,131,947	1,841,000	733,955	36,641,000	13,674,652
2019	10,580,000	2,488,238	24,750,000	9,251,925	1,891,400	692,625	37,221,400	12,432,788
2020	10,790,000	2,165,556	25,660,000	8,339,504	1,796,170	648,965	38,246,170	11,154,025
2021	10,900,000	1,834,750	26,605,000	7,393,507	1,689,900	580,303	39,194,900	9,808,560
2022-2026	34,740,000	5,518,347	148,485,000	21,510,862	8,342,800	2,071,591	191,567,800	29,100,800
2027-2031	22,573,690	2,868,890	34,000,000	768,400	7,818,720	705,595	64,392,410	4,342,885
2032-2036	8,775,000	793,940	-	-	1,651,764	22,784	10,426,764	816,724
2037-2041	390,000	29,200	-	-	-	-	390,000	29,200
<b>Totals</b>	<b>\$ 120,363,690</b>	<b>\$ 21,636,993</b>	<b>\$ 306,390,000</b>	<b>\$ 68,376,801</b>	<b>\$ 26,807,354</b>	<b>\$ 6,227,953</b>	<b>\$ 453,561,044</b>	<b>\$ 96,241,747</b>

	<b>Drainage Districts</b>		<b>Total reporting entity</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 17,724,400	\$ 6,751,002	\$ 53,205,000	\$ 21,633,115
2018	17,669,000	6,329,299	54,310,000	20,003,951
2019	17,908,600	5,910,956	55,130,000	18,343,744
2020	18,383,200	5,478,519	56,629,370	16,632,544
2021	18,850,100	5,027,874	58,045,000	14,836,434
2022-2026	79,684,022	18,433,423	271,251,822	47,534,223
2027-2031	63,344,811	9,262,831	127,737,221	13,605,716
2032-2036	31,222,355	1,625,024	41,649,119	2,441,748
2037-2041	-	-	390,000	29,200
<b>Totals</b>	<b>\$ 264,786,488</b>	<b>\$ 58,818,928</b>	<b>\$ 718,347,532</b>	<b>\$ 155,060,675</b>

**County of Oakland**  
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The County has pledged its full faith and credit on debt totaling \$743,347,532, which includes \$25,000,000 of short-term notes for the delinquent taxes as described in Note 4. By statute, general obligation debt is limited to 10 percent of the state equalized value. As of September 30, 2016, the debt limit was \$6,508,485,111. 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, 2016, there were five issues outstanding, totaling \$42,335,000, maturing in the years 2017-2040, which represents debt originally issued in the years 2010-2015 totaling \$52,895,000.

**Retirees Health Care Bonds**

In September 2013, the County issued refunding bonds in the amount of \$350,000,000, in order to refinance and redeem the 2007 Certificates of Participation debt. This enabled the County to fully fund the VEBA Trust Fund as of September 30, 2014. The County thereafter entered into a Superseding Contract with a new, Superseding Trust which was created by the County, under which contract, the County is now obligated to maintain the funding in the VEBA Trust in future years pursuant to the terms of that contract under a Superseding Plan which has superseded and supplanted the obligation of the County to maintain retiree health services by keeping the VEBA Trust at full funding. As of September 30, 2016, there were two issues outstanding totaling \$306,390,000 maturing in the years 2017-2027.

**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 inflows in the Debt Service funds for each act. At September 30, 2016, there were six issues outstanding, totaling \$18,585,000, maturing in the years 2017-2035. This represents debt originally issued in the amount of \$21,800,000 issued in the years 1997-2015.

**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, 2016, there were six issues outstanding, totaling \$32,230,000, maturing in the years 2017-2025. This represents debt originally issued in the years 2010-2014 totaling \$51,385,000.

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**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, 2016 was \$1,135,000, which matures in the years 2017-2018.

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. As of September 30, 2010, a final amount of \$1,935,727 was received from the State Revolving Loan fund. The amount outstanding at September 30, 2016 for this issue is \$1,095,727, which matures in the years 2017-2027.

In September 2014, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to \$36,855,000 for the Evergreen and Farmington Sewage Disposal Systems Middlebelt Transport and Storage Tunnel project. As of September 30, 2016, \$24,982,963 was drawn from the State Revolving Loan fund. The amount outstanding at September 30, 2016 for this issue is \$24,982,963, which matures in the years 2017-2031.

**Business Type**

In December 2010, the County issued \$4,060,000 of sewage disposal bonds for the Evergreen-Farmington Sewage Disposal System (enterprise fund type). The bonds are federally taxable recovery zone economic development bonds, issued under the authority of Act 34, Public Acts of Michigan, 2001. The amount outstanding for this issue at September 30, 2016 was \$3,350,000, which matures in the years 2017-2031.

Two Building Authority bond issues for the County Airport fund consist of the Airport T-Hangar Refunding in the amount outstanding as of September 30, 2016 of \$3,200,000 maturing in the years 2017-2024 and the Airport Terminal Building in the amount outstanding as of September 30, 2016 of \$4,350,000 maturing in the years 2017-2030. These represent original debt issued in the amount of \$4,585,000 in 2012 for the Airport T-Hangar and \$5,800,000 in 2010 for the Airport Terminal Building.

In March 2012, the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for up to \$2,415,000 for the Evergreen-Farmington Sewage Disposal System 8 Mile Pumping Station Septage Facility (enterprise fund type). The amount outstanding for this issue at September 30, 2016 was \$2,025,000, which matures in the years 2017-2032.

In August 2012, in conjunction with the transfer of operations of the City of Pontiac water and sewer system to the County, the County's Water and Sewer Trust fund assumed the debt obligations initiated by the City of Pontiac for four Clean Water/Water Quality projects. The total authorized loan amount is \$8,845,300; as of September 30, 2016, the amount outstanding was \$6,516,220. In addition, in October 2014 the County authorized the issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for City of Pontiac Water Supply System Improvements for up to \$6,890,000; as of September 30, 2016, \$6,666,764 was drawn. Further, in October 2015 the County authorized the issuance of two additional bonds from the Michigan Municipal Bond Authority Revolving Loan fund for the City of Pontiac Water Supply System; one for up to \$6,850,000 with \$1,762,500 principal forgiveness, as of September 30, 2016,



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\$969,370 was drawn and one for up to \$720,000 with no draws as of September 30, 2016. The debt obligation recorded as of September 30, 2016 amounted to \$13,882,354, maturing in the years 2017 through 2035.

**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, 2016, there were 12 issues outstanding, totaling \$70,880,000, maturing in the years 2017-2034. This represents original debt issued for \$85,480,000 in the years 1997-2014.

**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, 2016, there were four issues outstanding, totaling \$11,205,000, maturing in the years 2017-2025. This represents debt originally issued in the years 2005-2016 in the amount of \$15,340,000.

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

The County authorized the issuance of bonds for up to \$17,880,000 in October 2000 from the Michigan Municipal Bond Authority Revolving Loan fund for the George W. Kuhn Drainage District. 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. 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 with successive authorizations for Segments II, III and IV in the years 2012, 2013 and 2015, respectively, amounting to \$99,160,000. Through September 30, 2016, the drainage district received \$124,638,355 from the State Revolving Loan Fund for the Oakland-Macomb Interceptor Drain District Segments I, II, III and IV. In August 2012, in conjunction with the transfer of operations of the City of Pontiac waste water treatment system to the County, the County's Drainage District assumed the debt obligations initiated by the City of Pontiac for two Clean Water/Water Quality projects. The total authorized loan amount is \$13,689,700; as of September 30, 2016, the amount outstanding was \$10,937,310. In addition, in October 2014, the County authorized issuance of bonds from the Michigan Municipal Bond Authority Revolving Loan fund for the Pontiac Waste Water Treatment Drain District for up to \$9,840,000 with \$1,000,000 principal forgiveness. At September 30, 2016, there were 13 issues outstanding, totaling \$182,701,488, maturing in the years 2017-2033.

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

In February 2016, the County issued \$7,450,000 of refunding bonds for a current refunding of general obligation limited tax refunding bond issue on behalf of the Drainage Districts' component unit, pursuant to authorization contained in Act 34, Public Acts of Michigan of 2001. General obligation limited tax refunding drain bonds were issued for the payment of future debt service obligations of the refunded debt. Accordingly, the trust account assets and liability for the

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refunding bonds are not included in the Drainage District's component unit, or the County's financial statements. The debt refunded amounted to \$7,585,000 for the George W. Kuhn Drainage District, Series 2007 maturing in the years 2017 through 2024 inclusively. The refunding was undertaken to reduce the debt service payments over the next eight years by \$909,119 and obtain an economic (present value) gain to the benefiting municipalities of \$865,755.

**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, 2016 was as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Due within one year</b>
<b>Governmental activities</b>					
Accrued compensated absences	\$ 12,505,517	\$ 1,494,400	\$(1,250,552)	\$ 12,749,365	\$ 1,274,937
Claims and judgments					
Accrued unreported health costs	4,520,000	1,084,058	(1,506,667)	4,097,391	1,365,797
Accrued workers' compensation	10,000,000	44,881	(2,818,466)	7,226,415	1,765,084
Building and liability insurance	4,553,602	1,274,114	(1,178,895)	4,648,821	1,253,279
Net pension liability	12,718,628	-	(7,273,842)	5,444,786	-
Governmental activity long-term liabilities	\$ 44,297,747	\$ 3,897,453	\$(14,028,422)	\$ 34,166,778	\$ 5,659,097

**9. Interfund Balances**

Interfund receivables and payables at September 30, 2016 were as follows:

Due to/from other funds:

<b>Receivable Fund</b>	<b>Payable Fund</b>	
General	Nonmajor governmental	\$ 12,103,325
Nonmajor governmental	General	505,415
	Nonmajor governmental	812,690
	S.O.C.S.D.S.	1,898
	Internal service	980
	<b>Total</b>	<b>1,320,983</b>
Internal service	General	1,273
	Nonmajor governmental	62
	Water and Sewer Trust	7,055
	Evergreen Farmington S.D.S.	2,323
	S.O.C.S.D.S.	3,136
	Clinton Oakland S.D.S.	1,554
	Nonmajor enterprise	185
	Internal service	504
	<b>Total</b>	<b>16,092</b>
	<b>Total</b>	<b>\$ 13,440,400</b>

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

Receivables and payables between funds of the Primary Government and the Component Units at September 30, 2016 were as follows:

<b>Primary Government</b>	<b>Component Unit</b>	
<b>Due from Component Unit</b>	<b>Due to Primary Government</b>	
General	Drainage Districts	\$ 1,132
	Road Commission	<u>3,064</u>
	Total	<u>4,196</u>
Nonmajor governmental	Drainage Districts	687,516
	Road Commission	<u>40</u>
	Total	<u>687,556</u>
Evergreen Farmington SDS	Drainage Districts	<u>62,177</u>
Internal Service	Drainage Districts	75
	Road Commission	<u>40,956</u>
	Total	<u>41,031</u>
	Total	<u>\$ 794,960</u>
<b>Component Unit</b>	<b>Primary Government</b>	
<b>Due from Primary Government</b>	<b>Due to Component Unit</b>	
Drainage Districts	General Fund	<u>\$ 35,000</u>

Advances to/from other funds (including current and long-term portions) at September 30, 2016 were as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	
Nonmajor governmental	Nonmajor governmental	<u>\$ 1,102,916</u>
Delinquent Tax Revolving	Internal Service	<u>64,415</u>
	Total	<u>\$ 1,167,331</u>

Advances distinguish long-term internal borrowings from receivables and payables that arise in connection with routine borrowings and short-term loans (due to/due from other funds).

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Interfund transfers between the funds within the Primary Government recorded in the accompanying financial statements as operating transfers in/out for the year ended September 30, 2016 were as follows:

<b>Transfers In</b>	<b>Transfers Out</b>	<b>Amount</b>
General	Nonmajor governmental	\$ 232,508
	Delinquent Tax Revolving	<u>14,350,810</u>
	Total	<u>14,583,318</u>
Building Authority Act 31	General	9,275,625
	Nonmajor governmental	<u>4,160</u>
	Total	<u>9,279,785</u>
Nonmajor governmental	General	43,249,413
	Nonmajor governmental	2,081,676
	Water and Sewer Debt Act 342	22,141
	Delinquent Tax Revolving	4,786,900
	Evergreen Farmington S.D.S.	1,439,727
	Internal Service	<u>27,908</u>
	Total	<u>51,607,765</u>
Nonmajor enterprise	General	3,103,891
	Nonmajor enterprise	<u>200,000</u>
	Total	<u>3,303,891</u>
Internal Service	General	4,370,946
	Nonmajor governmental	11,633
	Parks and Recreation	60,000
	Nonmajor enterprise	286,000
	Internal service	<u>194,238</u>
	Total	<u>4,922,817</u>
	Total transfers	<u>\$ 83,697,576</u>

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

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**10. Fund Equities**

At September 30, 2016, a deficit existed in the following funds:

**Capital Projects Funds**

Lake Levels Act 146	\$ 142,093
Drain Chapter 4 Construction	813,978

In the Capital Projects funds, the negative unassigned 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 \$106,465 and the Upper Straits Lake Level Dam Reconstruction project in the amount of \$42,008. The Bush Lake Level is construction of a new lake level control structure which has been completed and a long-term special assessment for the project commenced in FY 2011. In 2010, the Oakland County Board of Commissioners authorized a loan in the amount of \$300,000 from the County's Long Term Revolving Fund to the Bush Lake Special Assessment District to be collected in 10 annual installments. The long-term receivable is now on the balance sheet to track the collection of the Long Term Special Assessment. Collection of the annual special assessment has reduced the deficit by \$20,405 from the FY 2015 deficit of \$126,870 to the FY 2016 deficit of \$106,465. The Upper Straits Lake Dam Replacement project consists of replacing an existing lake level control structure in West Bloomfield Township, Oakland County, Michigan and is currently in the design phase. When the design phase is completed, the estimated project cost will be determined. It is planned that the project will be financed with a loan from the Oakland County Board of Commissioner's Long Term Revolving Fund. The loan will be repaid by an assessment to the Upper Straits Lake Level Special Assessment District over a proposed 10 year period. The Special Assessment District must be updated prior to requesting the loan. Updating the district requires Circuit Court action and therefore, the project schedule is directly affected by the Court schedule. There have been some delays on the project and related court proceedings due to critical infrastructure improvements needed for other systems under the responsibility of the Oakland County Water Resources Commissioner's office. Delays in receiving the court judgment on the district update will impact the timing of receiving loan money and approval of the special assessment.

In addition, the negative unassigned fund balance in the Drain Chapter 4 Construction Fund reflects costs that are related to the Lower Pettibone Lake Sanitary Chapter 4 Drain Construction project in the amount of \$813,978. A loan from the Long Term Revolving Fund was approved by the Oakland County Board of Commissioners via Miscellaneous Resolution #14136 adopted June 11, 2014 to provide up to \$1,200,000 in funding for this project. A 20-year assessment against each of the benefiting properties in the District has been approved to repay the loan with the first payment due December 2014. The construction of the sewer was completed and became operational as of January 2015 and the deficit for this specific project will be eliminated when the long-term assessment roll collection is completed.

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Nonspendable, restricted, committed, assigned, and unassigned fund balances of the primary government at September 30, 2016 were as follows:

	Nonspendable	Spendable			
		Restricted	Committed	Assigned	Unassigned
<b>Primary Government</b>					
<b>General Fund</b>					
Prepays	\$ 391,239	\$ -	\$ -	\$ -	\$ -
Inventories	143,527	-	-	-	-
Property Tax Forfeiture	-	5,884,980	-	-	-
Future operating requirements 2016 and beyond	-	-	-	117,483,320	-
Property Tax Forfeiture Activities	-	-	-	20,868,433	-
Future Technology Replacement	-	-	-	14,010,183	-
Capital Reserve	-	-	-	12,000,000	-
Financial System Updates	-	-	-	10,000,000	-
Future Headlee Rollback	-	-	-	10,000,000	-
Catastrophic Claims	-	-	-	10,000,000	-
Unfunded Mandates	-	-	-	10,000,000	-
HR Comp/Workforce Planning	-	-	-	5,600,000	-
Emergency Salaries	-	-	-	5,000,000	-
Tri-Party Supplemental	-	-	-	4,086,500	-
Carryforwards	-	-	-	3,672,683	-
Operational Improvements	-	-	-	3,000,000	-
DB Pension Contribution	-	-	-	3,000,000	-
Data Privacy and Security	-	-	-	3,000,000	-
Homeland Security Enhancements	-	-	-	2,724,139	-
Pandemic Response	-	-	-	2,041,000	-
Local Road Improvement Match Program	-	-	-	1,032,665	-
Business Continuity	-	-	-	1,000,000	-
WRC Long-Term Revolving Fund	-	-	-	1,000,000	-
MI SCAO Interpreter Costs	-	-	-	750,000	-
Federal Regulatory Changes	-	-	-	750,000	-
Senior Services	-	-	-	600,000	-
Building Security Cameras and Consoles	-	-	-	567,766	-
Board of Commissioners Projects	-	-	-	560,000	-
Sheriff Aviation	-	-	-	527,055	-
Tax Tribunal Appeals Consultants	-	-	-	500,000	-
New Grant Match Opportunities	-	-	-	500,000	-
Human Resources Legal	-	-	-	500,000	-
Quality of Life Initiatives	-	-	-	480,000	-
Community Partnerships	-	-	-	238,654	-
Buy Local	-	-	-	150,000	-
Jail Commissary	-	-	-	123,539	-
Department Operations	-	-	-	79,562	-
Rx Discount Card Program	-	-	-	13,756	-
Unassigned	-	-	-	-	2,962,467
<b>Total</b>	<b>\$ 534,766</b>	<b>\$5,884,980</b>	<b>\$ -</b>	<b>\$ 245,859,255</b>	<b>\$ 2,962,467</b>

**County of Oakland**  
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	Nonspendable	Spendable			Unassigned
		Restricted	Committed	Assigned	
<b>Primary Government</b>					
<b>Special Revenue Funds</b>					
Grants (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ (2,054,558)
Specific programs	-	17,930,076	-	-	-
Total	\$ -	\$ 17,930,076	\$ -	\$ -	\$ (2,054,558)
<b>Debt Service Funds</b>					
Debt service-general obligations	\$ -	\$ 7,791,059	\$ -	\$ -	\$ -
<b>Capital Projects Funds</b>					
Long-term receivables	\$ 1,102,916	\$ -	\$ -	\$ -	\$ -
Work projects	-	-	51,423,615	-	(956,071)
Total	\$ 1,102,916	\$ -	\$ 51,423,615	\$ -	\$ (956,071)

**11. Employee Benefits**

**Primary Government**

The County provides various benefits to its employees. Expenditures in 2016 for these benefits totaled the following: medical insurance, \$34,767,377; prescription coverage, \$10,601,546; dental insurance, \$3,126,268; optical insurance, \$273,295; disability, \$2,988,889; tuition reimbursement, \$349,967; Social Security, \$16,145,893; workers' compensation, \$1,106,738; and unemployment claims, \$326,603.

**12. Defined Benefit Pension Plan**

**Plan Description**

The Oakland County Public Employers' Retirement System (PERS) is a single-employer defined benefit pension plan, covering all eligible employees. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan is administered by the Oakland County Retirement and Deferred Compensation Board.

Management of PERS is vested with the Retirement and Deferred Compensation Board, which consists of nine voting members comprised of the following individuals:

- Oakland County Board of Commissioners chairperson or designee.
- BOC Finance Committee chairperson or designee.
- County Treasurer or designee.
- County Executive or designee.
- Three (3) elected employee members.
- One (1) elected retiree member.
- One (1) citizen member appointed by the Board and confirmed by the Oakland County Board of Commissioners.

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**Plan Membership**

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, 2016, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,988
Terminated plan members entitled to, but not yet receiving benefits	100
Active plan members	<u>347</u>
Total	<u>2,435</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.

**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.

**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. For fiscal year 2016, there was no annual contribution required, which was determined through actuarial valuations performed at September 30, 2014.

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, 2016 and September 30, 2015 amounted to \$443,238 and \$473,247, 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.



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**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that is in compliance with Michigan Public Act 314 of 1965 and manages risks through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of July 1, 2012.

<u>Asset Class</u>	<u>Target Allocation</u>
Cash Equivalents	0.0%
U.S. Equity	40.0%
Non U.S. Equity	10.0%
Hedged Equity	5.0%
Fixed Income	40.0%
Real Estate	5.0%
<b>Total</b>	<u>100.0%</u>

**Rate of Return**

For the year ended September 30, 2016, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.2 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Fund balances reserved for employees' pension benefits include legally required reserves. Fund balance as of September 30, 2016 consists of the following reserves:

Annuity reserve	\$ 4,624,859
Pension reserve	202,587,365
Pension accumulated reserve	<u>550,430,748</u>
Total fund balance	<u>\$ 757,642,972</u>

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

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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, 2016:

**Statement of Net Position**

Cash and investments	\$ 756,148,868
Other assets	1,993,996
Total assets	<u>758,142,864</u>
Liabilities	<u>499,892</u>
Net position	<u>\$ 757,642,972</u>

**Statement of Changes in Net Position**

Additions:	
Contributions	\$ 443,238
Investment income	67,944,603
Other revenue	25,142
Total additions	<u>68,412,983</u>
Deductions:	
Benefit payments	53,925,525
Other expenses	2,504,315
Total deductions	<u>56,429,840</u>
Change in net position	<u>11,983,143</u>
Net position held in trust, beginning of year	<u>745,659,829</u>
Net position held in trust, end of year	<u>\$ 757,642,972</u>

**Basis of Accounting**

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

**Method Used to Value Investments**

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

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**Actuarial Methods and Assumptions**

The annual required contribution was determined as part of the actuarial valuation as of September 30, 2014, using the aggregate actuarial cost method. Significant actuarial assumptions used include (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 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period.

The aggregate accrual cost method does not produce an actuarial accrued liability. 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. In addition, the aggregate method does not formally recognize an amortization period for the overfunded AAL.

**Net Pension Liability**

The County has chosen to use September 30, 2016 as its measurement date for the net pension liability. The September 30, 2016 reported net pension liability was determined using a measure of the total pension liability and the pension plan net position as of September 30, 2016. The September 30, 2016 total pension liability was determined by an actuarial valuation performed as of September 30, 2015, which used updated procedures to roll forward the estimated liability to September 30, 2016.

The components of the net pension liability of the County at September 30, 2016 were as follows:

Total pension liability	\$ 763,087,758
Plan fiduciary net position	<u>(757,642,972)</u>
Net Pension Liability (Asset)	<u>\$ 5,444,786</u>
 Plan fiduciary net position as a percentage of the total pension liability	 99.29%

The net pension liability of \$5,444,786 has been recorded in the Fringe Benefit Fund, an internal service fund that is used to account for the County's employee fringe benefits.

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Changes in the net pension liability during the measurement year were as follows:

	Increase/(Decrease)		
	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at 9/30/2015</b>	\$ 758,378,456	\$ 745,659,828	\$ 12,718,628
<b>Changes for the year:</b>			
Service cost	2,864,098	-	2,864,098
Interest	53,131,461	-	53,131,461
Difference between expected and actual experience	2,639,268	-	2,639,268
Assumption changes	-	-	-
Contributions - employer	-	-	-
Contributions - member	-	443,238	(443,238)
Net investment income	-	65,710,783	(65,710,783)
Benefit payments, including refunds of member contributions	(53,925,525)	(53,925,525)	-
Administrative expenses	-	(245,352)	245,352
<b>Net changes</b>	<b>4,709,302</b>	<b>11,983,144</b>	<b>(7,273,842)</b>
<b>Balances at 9/30/2016</b>	<b>\$ 763,087,758</b>	<b>\$ 757,642,972</b>	<b>\$ 5,444,786</b>

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2016, the County recognized pension expense of \$13,666,033. At September 30, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 19,305,794
Total	<u>\$ 19,305,794</u>

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Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ending September 30</b>	<b>Net Deferred Outflows of Resources</b>
2017	\$ 7,341,803
2018	7,341,803
2019	7,341,803
2020	(2,719,615)
Total	<u>\$ 19,305,794</u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of September 30, 2015, which used update procedures to roll forward the estimated liability to September 30, 2016. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25 – 9.25% average, including inflation and step increases
Investment rate of return	7.25% net of pension investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table projected to 2021 using a static projection based on the 2-dimensional MP-2014 improvement scales.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

**Projected Cash Flows**

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s). For each major asset class that is

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included in the pension plan's target asset allocation as of September 30, 2015, these best estimates are summarized in the following table.

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the plan's net pension liability, calculated using a discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percent lower and one percent higher.

	1% Decrease <u>6.25%</u>	Current Single Discount Rate <u>7.25%</u>	1% Increase <u>8.25%</u>
Net Pension Liability/(Asset)	\$ 81,786,179	\$ 5,444,786	\$ (59,660,291)

The Road Commission for Oakland County Retirement System board of trustees administers the Road Commission for Oakland County Retirement System – a single-employer defined benefit pension plan that provides retirement, disability, and death benefits for all eligible general employees of the Retirement System. Benefit terms have been established by contractual agreements between the Retirement System and the various employee union representation or other actions of the Oakland County Board of Road Commissioners; amendments are subject to the same process. The Road Commission's net pension liability as of December 31, 2015 was \$42,947,521. The Road Commission has chosen to use December 31, 2015 as its measurement date for the net pension liability. The September 30, 2016 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of that date. For the year ended September 30, 2016, the Road Commission recognized pension expense of \$12,566,984. At September 30, 2016, the Road Commission reported total deferred outflows of resources of \$26,075,995.

**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

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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, 2016 was 3,119, which includes 371 employees who elected to transfer from the PERS in 1995 through 2000 and 2,748 current employees hired since July 1, 1994.

The County's payroll for employees covered by the OPRS for the year ended September 30, 2016 was \$196,015,758, and the County's total payroll was \$230,943,945. The required contributions, which matched those actually made, were \$7,419,936 by employees and \$17,509,756 by the County, representing 3.8% and 8.9% of covered payroll, respectively.

In 2008, the County offered a voluntary defined contribution plan for part-time non-eligible employees. The plan qualifies under the Omnibus Budget Reconciliation Act of 1990 (OBRA) and IRS Section 3121 (b) (&) (F) which allows for a defined contribution plan in lieu of Social Security. With the implementation of this plan, the County contributes 1.3% and the employee contributes 6.2% of their earnings into a defined contribution plan. The employee would be immediately 100% vested in both the employer and employee contributions, but cannot access the money invested in the plan until they are separated from County employment. During fiscal year 2016, the County contributed \$206,939 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 having eight or more years of service, 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 by Oakland County through two funding vehicles: the Oakland County VEBA Trust (the Trust) and the Superseding 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).

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In 2016, the County provided 2,742 retirees medical insurance and reimbursed 1,704 of them for Medicare premiums under the Trust. In 2016, the County disbursed \$31,635,863 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 plan in all classes is now closed to new hires. The County has established a “Retirement Health Savings Plan” beginning January 1, 2007. General members hired on and after 1/1/95 (5/27/95 for Command Officers and Sheriff’s deputies), the portion of healthcare costs paid by the Trust will be based on years of service at retirement. If a member has less than 15 years of service, there is no County paid retiree health coverage. If a member has 15 years of service at retirement, 60% of the healthcare premium will be paid by the Health Care Trust. The percent increases 4% per year of service over 15 with a 100% maximum coverage after 25 years of service. New employees are required to join the County’s retiree health saving plan effective 1/1/06 for General Non-Union employees, 3/5/09 for Sheriff Command Officers, 1/1/10 for Sheriff Corrections Deputies, and 2/9/12 for Sheriff Road Patrol Deputies. Employees will receive a cash payment upon retirement from which they can purchase their own health insurance. At September 30, 2015, the date of the most recent actuarial valuation, membership in the OPEB consisted of 2,382 retirees and beneficiaries currently receiving benefits, 2,177 active employees, and 227 terminated employees entitled to benefits but not yet receiving them.

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

	<u>Fiscal year ended September 30</u>		
	2016	2015	2014
Annual OPEB cost (ARC)	\$ 5,766,783	\$ 5,605,849	\$ 29,545,126
Percentage of ARC contributed	0%	0%	0%
Net OPEB asset	\$157,325,849	\$163,092,632	\$168,698,481

In 2013, the County contributed an additional \$236,000,000 in order to fully fund the VEBA. In 2016, the annual required contribution (ARC) as determined by the actuary was \$800,184 and there were no County contributions, given the VEBA was fully funded.



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The funding progress of the plan as of September 30, 2015, the most recent actuarial valuation report, is as follows:

Retirees and beneficiaries	\$ 481,702,280
Vested terminated employees who will be eligible when they collect retirement (age 60 in most cases) and their beneficiaries	57,828,702
Active employees and beneficiaries	<u>358,777,508</u>
Actuarial accrued liability	898,308,490
Actuarial value of assets	<u>1,118,327,367</u>
Unfunded AAL (Overfunded AAL)	<u>\$ (220,018,877)</u>
Funded ratio	124.5%
Annual covered payroll	\$ 144,715,626
Overfunded AAL as a percentage of payroll	152.4%
Actuarial Required Contribution (ARC)	\$ 800,184
Adjustment to the ARC	9,648,684
Interest on net OPEB asset	<u>(4,682,085)</u>
Annual OPEB cost	5,766,783
Contributions	<u>-</u>
Decrease in net OPEB asset	5,766,783
OPEB asset - Beginning of year	<u>163,092,632</u>
OPEB asset - End of year	<u>\$ 157,325,849</u>

The County contributions are based on a 10-year open amortization of the unfunded actuarial accrued liabilities (UAL) for the over-funded divisions. In addition, the County reports an other post-employment benefits asset for the funding provided by the previous sale of certificates of participation. The remaining amortization period of this asset as of September 30, 2016 was 20 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 investment return, 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.

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.

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In the September 30, 2015 actuarial valuation, the date of the most recent 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 3.00 percent per year plus a long-term rate of inflation of 4.5 percent per year and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets is equal to the reported market value of assets at the valuation date. The UAAL for the groups was amortized over a 10-year open level dollar method for the over-funded divisions. Active member payroll was assumed to increase 4.5 percent per year for the purpose of determining the level percent contributions.

The following are condensed financial statements as of and including September 30, 2016 (the OPEB Plan includes the VEBA and Superseding Trusts):

**Statement of Net Position**

Cash and investments	\$ 1,151,527,570
Other assets	2,734,610
Total assets	<u>1,154,262,180</u>
Liabilities	<u>3,101,747</u>
Net position	<u>\$ 1,151,160,433</u>

**Statement of Changes in Net Position**

Additions:	
Contributions	\$ 146,723
Investment income	101,598,028
Other revenue	2,586,853
Total additions	<u>104,331,604</u>
Deductions:	
Benefits	31,635,863
Other expenses	3,216,203
Total deductions	<u>34,852,066</u>
Change in net position	69,479,538
Net position held in trust, beginning of year	<u>1,081,680,895</u>
Net position held in trust, end of year	<u>\$ 1,151,160,433</u>

The Road Commission contributes to the Road Commission for Oakland County Retiree Health Care Trust (the "Trust"). The Trust provides for future payment of medical benefits for eligible retirees, their spouses and their dependents. The obligation to provide benefits to employees was established by negotiation with various collective bargaining units or other actions of the Oakland County Board of Road Commissioners. At December 31, 2014, the date of the most recent actuarial valuation, membership consisted of 706 retirees and beneficiaries currently receiving benefits, 280 vested active employees, and 62 nonvested active employees. For the year ended September 30, 2016, the Road Commission's adjusted annual required contribution to the Trust was \$12,497,647 with interest of \$1,058,756 on the prior year net OPEB obligation. The Road Commission contributed \$1,824,591 to the Trust during the year and paid \$7,058,280 directly

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toward insurance premiums and medical costs for retirees during fiscal year 2016, leaving a net OPEB obligation of \$28,201,451 at September 30, 2016.

**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 \$350,000,000. Policy limits (subject to the maximum \$350,000,000 per occurrence catastrophic loss limit) are: building and contents in the amount of \$682,612,699, electronic data processing equipment in the amount of \$43,894,889, boats and motors in the amount of \$569,000, 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 (subject to limitations in some flood zones), earthquake coverage in the amount of \$50,000,000, boiler and machinery coverage in the amount of \$100,000,000, property insurance for helicopters' hull physical damage in the amount of \$3,139,792, and helicopters' additional equipment physical damage in the amount of \$1,354,800. 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 dishonesty/faithful performance 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 \$1,000,000 for each occurrence, and self-insured retention and employers' liability in the amount of \$1,000,000. In FY 2016, the County added Excess Liability with limits of \$10,000,000 over a \$3,000,000 SIR/deductible and Cyber Liability with limits of \$5,000,000. 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.

The County and the Road Commission estimate the liability for all of the above-mentioned claims that have been incurred through September 30, 2016, 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.

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

	<b>September 30</b>	
	<b>2016</b>	<b>2015</b>
<b>Primary Government</b>		
Beginning-of-period liability	<u>\$ 19,073,602</u>	<u>\$ 20,910,061</u>
Estimated claims incurred, claim adjustment expenses and changes in estimates		
Provisions for current-year events	42,405,776	48,513,809
(Decrease) increase in provisions for prior-year events	<u>(2,017,018)</u>	<u>831,066</u>
Total incurred claims, claim adjustment expenses and changes in estimates	40,388,758	49,344,875
Claim payments and claim adjustment expenses		
Related to current-year events	(41,635,925)	(44,219,801)
Related to prior-year events	<u>(1,853,808)</u>	<u>(6,961,533)</u>
Total claim payments and claim adjustment expenses	<u>(43,489,733)</u>	<u>(51,181,334)</u>
End-of-period liability	<u>\$ 15,972,627</u>	<u>\$ 19,073,602</u>
<b>Road Commission - Component Unit</b>		
Beginning-of-year liability	\$ 2,146,200	\$ 2,854,800
Estimated claims incurred and changes in estimates	12,149,943	11,524,812
Claim payments	<u>(12,383,810)</u>	<u>(12,233,412)</u>
End-of-year liability	<u>\$ 1,912,333</u>	<u>\$ 2,146,200</u>

**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, 2016 were \$1,002,994. The future minimum lease payments as of September 30, 2016 are as follows:

<b>Fiscal year</b>	<b>Primary government</b>
2017	\$ 991,107
2018	885,223
2019	838,892
2020	742,107
2021	608,908
2022-2026	<u>1,855,114</u>
Total	<u>\$ 5,921,351</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, 2016 totaled \$92,994 recorded in the Facilities Maintenance & Operations fund, an internal service fund type.

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The County has also “loaned” its AAA bond rating to assist local communities in the ability to finance local projects by pledging full faith and credit on the debt issued through the Oakland County Building Authority. Debt is to be paid from payments from the benefiting community over the life of the debt issues, with the structures being collateral. A contract, or lease, receivable with a corresponding deferred revenue is shown in the Debt Service Fund financial statements of the County. Debt and receivables are reported for a Sheriff’s Sub-station in the City of Rochester Hills for \$5.2 million in 2002 (refunded for \$2,260,000 in 2012), Community Mental Health Authority Housing Project in the amount of \$5,500,000 in 2007 (refunded for \$2,875,000 in 2014), Keego Harbor City Hall and DPW Building in the amount of \$1,120,000 in 2010, City of Oak Park in the amount of \$2,500,000 in 2012, and Community Mental Health Authority Project in the amount of \$14,500,000 in 2012. The future minimum lease payments to be received as of September 30, 2016 are as follows:

<b>Fiscal year</b>	<b>Primary government</b>
2017	\$ 1,734,023
2018	1,744,772
2019	1,729,385
2020	1,613,310
2021	1,393,735
2022 - 2026	6,499,915
2027 - 2031	4,207,041
2032 - 2036	1,107,950
2037 - 2041	<u>419,200</u>
Total	<u>\$ 20,449,331</u>

**18. Commitments and Contingencies**

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

The County, the Drainage Districts, and the Road Commission received funds from various federal and state units to finance specific activities. The final determination of revenues 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 the 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) under the jurisdiction of the Water Resources Commissioner, and has contracts for Act 342 projects at September 30, 2016 as follows: Evergreen-Farmington S.D.S – Middlebelt Road Tunnel Project contract with a cost of \$28,123,063 with a remaining balance of \$7,990,806; Evergreen-Farmington S.D.S. – North Evergreen Interceptor Stonycroft Relief Sewer contract with a cost of \$1,282,282 with a remaining balance of \$11,178; Evergreen-Farmington S.D.S. – North Evergreen Interceptor Wattles Road

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**September 30, 2016**

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Linear Storage Project with a cost of \$4,125,882 and remaining balance of \$260,417, and the Pontiac Water System Water Main Replacement and Improvements contracts with a cost of \$5,758,298 with a remaining balance of \$969,404. Building Authority Projects have a contract with a cost of \$13,429,604 for construction of the Animal Control and Pet Adoption Center with a remaining balance of \$12,737,071. There is a contract under the direction of the Facilities Management Department for Security Enhancements for Jail CCTV, Control Consoles & Intercom Upgrades with a cost of \$3,170,596 with a remaining balance of \$218,419 as of September 30, 2016.

The Drainage Districts' component unit has construction contracts for the Oakland Macomb Interceptor Drainage District Project with a total cost of \$96,365,274, with a remaining balance of \$10,462,061 as of September 30, 2016.

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

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

**Governmental Activities**

Governmental Funds

Due from other funds	\$ 13,424,308
Advances receivable	1,102,916
Due to other funds	(13,422,765)
Advances payable	(1,102,916)

Internal Service Funds

Due from other funds	16,092
Due to other funds	(1,484)
Current and long-term advances payable	(64,415)

Governmental activities, internal balances

\$ (48,264)

**Business-Type Activities**

Proprietary Funds

Current and long-term advances receivable	\$ 64,415
Due to other funds	(16,151)

Business-type activities, internal balances

\$ 48,264

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**County of Oakland**  
**Primary Government – Retirement System**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Three Fiscal Years – Unaudited**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>			
Service cost	\$ 2,864,098	\$ 3,705,776	\$ 4,196,269
Interest	53,131,461	50,740,081	50,492,624
Difference between expected and actual experience	2,639,268	2,621,256	-
Assumption changes	-	29,334,529	-
Benefit payments, including refunds of member contributions	(53,925,525)	(52,066,966)	(49,993,923)
Net change in total pension liability	4,709,302	34,334,676	4,694,970
<b>Total pension liability - beginning of year</b>	<u>758,378,456</u>	<u>724,043,780</u>	<u>719,348,810</u>
<b>Total pension liability - end of year (a)</b>	<u>\$ 763,087,758</u>	<u>\$ 758,378,456</u>	<u>\$ 724,043,780</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ -	\$ 4,554,832	\$ 5,770,835
Contributions - member	443,238	473,247	560,091
Net investment income	65,710,783	5,099,460	70,247,939
Benefit payments, including refunds of member contributions	(53,925,525)	(52,066,966)	(49,993,923)
Administrative expenses	(245,352)	(296,825)	(2,959,649)
Net change in plan fiduciary net position	11,983,144	(42,236,252)	23,625,293
<b>Plan fiduciary net position - beginning of year</b>	<u>745,659,828</u>	<u>787,896,080</u>	<u>764,270,787</u>
<b>Plan fiduciary net position - end of year (b)</b>	<u>757,642,972</u>	<u>745,659,828</u>	<u>787,896,080</u>
Net pension liability (asset) - end of year (a) - (b)	<u>\$ 5,444,786</u>	<u>\$ 12,718,628</u>	<u>\$ (63,852,300)</u>
Plan fiduciary net position as a percentage of the total pension liability	99.29%	98.32%	108.82%
Covered employee payroll	\$ 21,834,812	\$ 24,707,298	\$ 29,901,825
Net pension liability as a percentage of covered employee payroll	24.94%	51.48%	(213.54%)

Covered payroll is 2014 valuation payroll (projected to the 2015-2016 year) used to determine employer contributions for the 2015-2016 fiscal year.

GASB Statement No. 67 was implemented for FYE September 30, 2014 and does not require retroactive data implementation. Data will be added as information is available until 10 years of such information is available.



**County of Oakland  
Primary Government – Retirement System  
Required Supplementary Information  
Schedule of Contributions  
Last Ten Fiscal Years – Unaudited**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ -	\$ 4,554,832	\$ 5,770,835	\$ 5,400,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	4,554,832	5,770,835	5,400,095	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$21,834,812	\$24,707,298	\$29,901,825	\$33,706,963	\$38,275,780	\$42,686,155	\$44,884,070	\$46,690,015	\$55,704,389	\$57,453,054
Contributions as a percentage of covered-employee payroll	0.00%	18.44%	19.30%	16.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule**

Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate actuarial cost
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	5-year smoothed market value
Price inflation	3.50%
Projected salary increases*	4.50% to 10.50%
Investment rate of return*	7.25%
Cost-of-living adjustments	1.5% non-compounding annually
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	1994 Group Annuity Mortality Table, set back 0 years for men and 1 year for women.

**County of Oakland  
Primary Government – Retirement System  
Required Supplementary Information  
Schedule of Investment Returns  
Last Three Fiscal Years – Unaudited**

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**Annual Money-weighted rate of return, net of investment expense**

<b>Fiscal Year</b>	<b>Rate of Return</b>
2014	8.74%
2015	0.35%
2016	9.20%

GASB Statement No. 67 was implemented for FYE September 30, 2014 and does not require retroactive data implementation. Data will be added as information is available until 10 years of such information is available.

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

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Schedule of funding progress:

Actuarial valuation date September 30,	Actuarial value of assets *	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Covered payroll	UAAL as a percentage of covered payroll
2010	\$ 854,387,415	\$ 794,094,818	\$ (60,292,597)	107.6%	\$ 175,316,170	(34.4%)
2011	854,534,524	814,581,872	(39,952,652)	104.9%	173,903,452	(23.0%)
2012	942,378,801	867,622,212	(74,756,589)	108.6%	162,819,440	(45.9%)
2013	1,023,100,574	869,485,146	(153,615,428)	117.7%	154,128,944	(99.7%)
2014	1,076,904,047	885,504,429	(191,399,618)	121.6%	146,473,723	(130.7%)
2015	1,118,327,367	898,308,490	(220,018,877)	124.5%	144,715,626	(152.4%)

\*The actuarial value of assets for fiscal years 2009 through 2013 includes the net position of the IRMBT. At September 30, 2014, the remaining assets in the IRMBT became “Surplus Intermediate Trust Assets” which the County directed to be paid to the funding trust for the purpose of redeeming the outstanding callable COPs in the amount of \$422,135,000 on April 1, 2014. Therefore, the net position of the IRMBT is not included in the actuarial value of assets beginning at September 30, 2013.

Year ended September 30,	Annual OPEB cost	Percentage contributed
2011	\$ 37,116,312	0.0%
2012	27,858,341	0.0%
2013	28,359,326	0.0%
2014	29,545,126	0.0%
2015	5,605,849	0.0%
2016	5,766,783	0.0%

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 dollar, open
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Actuarial assumptions	
Investment rate of return*	7.5%
Projected salary increases*	4.50% to 10.50%
Cost-of-living adjustments	1.5% non-compounding annually

\* Includes pay inflation at 4.5%

**County of Oakland  
Budgetary Comparison Schedule  
Major Governmental Funds  
Year Ended September 30, 2016**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget (Unaudited)</b>	<b>Final Amended Budget (Unaudited)</b>	<b>Actual</b>	
<b>Revenues</b>				
Taxes				
Current property taxes	\$ 211,250,475	\$ 211,305,925	\$ 214,161,998	\$ 2,856,073
Delinquent taxes - prior years	98,500	98,500	(14,645)	(113,145)
Trailer tax	80,000	80,000	82,607	2,607
Total	<u>211,428,975</u>	<u>211,484,425</u>	<u>214,229,960</u>	<u>2,745,535</u>
Other intergovernmental revenues				
Circuit judges' salaries	866,381	866,381	869,094	2,713
Probate judges' salaries	592,724	592,724	596,762	4,038
District judges' salaries	455,990	455,990	450,944	(5,046)
State court fund - P.A. 189	5,200,000	5,200,000	4,813,355	(386,645)
Local comm. stabilization share	-	-	1,750,000	1,750,000
Revenue sharing	26,169,907	26,169,907	26,163,877	(6,030)
Convention facility/Liquor tax	5,918,904	10,122,198	10,122,198	-
Other	342,300	265,975	291,748	25,773
Total	<u>39,546,206</u>	<u>43,673,175</u>	<u>45,057,978</u>	<u>1,384,803</u>
Charges for services				
County Executive	230,000	230,000	276,922	46,922
Management and Budget	3,739,568	3,739,568	3,868,465	128,897
Central Services	320,000	323,000	312,467	(10,533)
Human Resources	475	475	-	(475)
Human Services	3,912,612	3,914,830	4,363,168	448,338
Public Services	1,457,200	1,515,911	1,666,952	151,041
Community and Economic Development	420,416	467,343	424,607	(42,736)
Clerk/Register of Deeds	11,847,800	11,855,800	16,302,123	4,446,323
Treasurer	5,032,300	5,032,300	7,612,148	2,579,848
Circuit Court	3,368,000	3,526,700	3,306,305	(220,395)
District Court	11,456,650	11,456,650	12,658,074	1,201,424
Probate Court	507,600	557,450	557,457	7
Prosecuting Attorney	287,000	330,200	330,219	19
Sheriff	55,457,915	56,654,754	55,848,243	(806,511)
Legislative	26,500	26,500	28,912	2,412
Water Resources Commissioner	1,837,226	2,062,226	2,457,558	395,332
Non-Departmental	716,812	1,583,812	1,645,980	62,168
Total	<u>100,618,074</u>	<u>103,277,519</u>	<u>111,659,600</u>	<u>8,382,081</u>
Investment income	1,904,900	1,904,900	2,368,986	464,086
Indirect cost recovery	7,900,000	7,900,000	7,846,289	(53,711)
Federal grants	429,074	434,342	470,888	36,546
State grants	4,614,252	4,806,784	4,826,971	20,187
Contributions	44,240	98,091	53,334	(44,757)
Other revenues	428,800	519,481	546,081	26,600
Total revenues	<u>366,914,521</u>	<u>374,098,717</u>	<u>387,060,087</u>	<u>12,961,370</u>

(continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2016**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget (Unaudited)</b>	<b>Final Amended Budget (Unaudited)</b>	<b>Actual</b>	
<b>Expenditures</b>				
County Executive				
Administration				
Personnel	\$ 5,899,852	\$ 5,798,446	\$ 5,713,595	\$ 84,851
Operating	414,576	414,576	357,906	56,670
Internal Support	802,046	884,458	867,665	16,793
Total Administration	<u>7,116,474</u>	<u>7,097,480</u>	<u>6,939,166</u>	<u>158,314</u>
Management and Budget				
Personnel	16,579,020	16,226,278	14,306,782	1,919,496
Operating	824,021	824,021	591,617	232,404
Internal Support	2,074,938	3,006,699	2,949,997	56,702
Total Management and Budget	<u>19,477,979</u>	<u>20,056,998</u>	<u>17,848,396</u>	<u>2,208,602</u>
Central Services				
Personnel	1,395,390	1,367,760	1,367,713	47
Operating	415,065	412,365	360,757	51,608
Internal Support	734,242	785,043	783,568	1,475
Total Central Services	<u>2,544,697</u>	<u>2,565,168</u>	<u>2,512,038</u>	<u>53,130</u>
Facilities Management				
Personnel	1,011,088	999,194	999,108	86
Operating	333,348	327,456	327,411	45
Internal Support	70,041	82,585	72,817	9,768
Total Facilities Management	<u>1,414,477</u>	<u>1,409,235</u>	<u>1,399,336</u>	<u>9,899</u>
Human Resources				
Personnel	2,836,053	2,771,859	2,595,810	176,049
Operating	663,339	648,452	430,446	218,006
Internal Support	723,954	1,281,380	1,280,871	509
Total Human Resources	<u>4,223,346</u>	<u>4,701,691</u>	<u>4,307,127</u>	<u>394,564</u>
Human Services				
Personnel	25,391,390	24,944,993	22,763,409	2,181,584
Operating	4,807,341	5,077,729	4,511,858	565,871
Internal Support	3,203,454	3,957,643	3,901,510	56,133
Total Human Services	<u>33,402,185</u>	<u>33,980,365</u>	<u>31,176,777</u>	<u>2,803,588</u>
Public Services				
Personnel	12,101,201	11,814,149	11,104,979	709,170
Operating	1,772,855	1,853,240	1,852,646	594
Internal Support	3,238,485	3,790,791	3,626,660	164,131
Total Public Services	<u>17,112,541</u>	<u>17,458,180</u>	<u>16,584,285</u>	<u>873,895</u>

(continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2016**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget (Unaudited)</b>	<b>Final Amended Budget (Unaudited)</b>	<b>Actual</b>	
<b>Expenditures (continued)</b>				
County Executive (continued)				
Community and Economic Development				
Personnel	\$ 5,279,214	\$ 5,173,383	\$ 4,898,766	\$ 274,617
Operating	1,677,117	1,875,228	1,373,271	501,957
Internal Support	874,156	1,015,473	1,004,526	10,947
Total Community and Economic Development	<u>7,830,487</u>	<u>8,064,084</u>	<u>7,276,563</u>	<u>787,521</u>
Total County Executive	<u>93,122,186</u>	<u>95,333,201</u>	<u>88,043,688</u>	<u>7,289,513</u>
Clerk/Register of Deeds				
Personnel	7,698,353	7,548,491	6,073,617	1,474,874
Operating	1,429,169	1,479,708	1,231,579	248,129
Internal Support	1,272,298	1,569,972	1,507,530	62,442
Total Clerk/Register of Deeds	<u>10,399,820</u>	<u>10,598,171</u>	<u>8,812,726</u>	<u>1,785,445</u>
Treasurer				
Personnel	3,335,018	3,263,098	3,025,134	237,964
Operating	4,512,105	4,561,305	3,965,856	595,449
Internal Support	684,153	1,326,399	1,295,507	30,892
Total Treasurer	<u>8,531,276</u>	<u>9,150,802</u>	<u>8,286,497</u>	<u>864,305</u>
Justice Administration				
Circuit Court				
Personnel	21,037,080	20,572,251	19,646,541	925,710
Operating	7,036,299	7,448,609	5,603,789	1,844,820
Internal Support	4,376,451	4,806,952	4,746,921	60,031
Total Circuit Court	<u>32,449,830</u>	<u>32,827,812</u>	<u>29,997,251</u>	<u>2,830,561</u>
District Court				
Personnel	12,520,211	12,289,222	11,828,847	460,375
Operating	2,443,093	2,558,874	2,415,096	143,778
Internal Support	1,587,639	1,765,583	1,699,817	65,766
Total District Court	<u>16,550,943</u>	<u>16,613,679</u>	<u>15,943,760</u>	<u>669,919</u>
Probate Court				
Personnel	4,533,344	4,435,849	4,219,722	216,127
Operating	799,424	908,457	907,490	967
Internal Support	900,912	959,905	928,991	30,914
Total Probate Court	<u>6,233,680</u>	<u>6,304,211</u>	<u>6,056,203</u>	<u>248,008</u>
Total Justice Administration	<u>55,234,453</u>	<u>55,745,702</u>	<u>51,997,214</u>	<u>3,748,488</u>

(continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2016**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget (Unaudited)</b>	<b>Final Amended Budget (Unaudited)</b>	<b>Actual</b>	
<b>Expenditures (continued)</b>				
<b>Law Enforcement</b>				
Prosecuting Attorney				
Personnel	\$ 16,231,170	\$ 15,837,007	\$ 15,374,253	\$ 462,754
Operating	560,166	578,734	575,135	3,599
Internal Support	1,855,987	1,915,759	1,887,278	28,481
Total Prosecuting Attorney	<u>18,647,323</u>	<u>18,331,500</u>	<u>17,836,666</u>	<u>494,834</u>
Sheriff				
Personnel	111,070,722	111,644,705	111,551,776	92,929
Operating	12,736,309	13,520,711	11,892,108	1,628,603
Internal Support	17,228,523	17,984,077	17,381,167	602,910
Total Sheriff	<u>141,035,554</u>	<u>143,149,493</u>	<u>140,825,051</u>	<u>2,324,442</u>
Total Law Enforcement	<u>159,682,877</u>	<u>161,480,993</u>	<u>158,661,717</u>	<u>2,819,276</u>
<b>Legislative</b>				
Board of Commissioners				
Personnel	2,633,772	2,571,105	2,503,367	67,738
Operating	850,652	949,308	769,197	180,111
Internal Support	654,761	689,701	680,271	9,430
Total Legislative	<u>4,139,185</u>	<u>4,210,114</u>	<u>3,952,835</u>	<u>257,279</u>
Water Resource Commissioner				
Personnel	214,965	209,614	209,308	306
Operating	587,975	587,975	348,413	239,562
Internal Support	4,861,734	5,216,201	5,214,550	1,651
Total Water Resource Commissioner	<u>5,664,674</u>	<u>6,013,790</u>	<u>5,772,271</u>	<u>241,519</u>
<b>Non-departmental</b>				
Operating	20,067,285	21,566,130	18,605,131	2,960,999
Internal Support	8,585,867	3,123,590	2,474,376	649,214
Total non-departmental	<u>28,653,152</u>	<u>24,689,720</u>	<u>21,079,507</u>	<u>3,610,213</u>
Total expenditures	<u>365,427,623</u>	<u>367,222,493</u>	<u>346,606,455</u>	<u>20,616,038</u>
Excess of revenues (under) over expenditures	<u>1,486,898</u>	<u>6,876,224</u>	<u>40,453,632</u>	<u>33,577,408</u> (continued)

**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2016**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget (Unaudited)</b>	<b>Final Amended Budget (Unaudited)</b>	<b>Actual</b>	
<b>Other Financing Sources (Uses)</b>				
Transfers in				
Special Revenue Funds				
Restricted Funds	\$ 71,220	\$ 290,331	\$ 219,110	\$ (71,221)
Total special revenue funds	<u>71,220</u>	<u>290,331</u>	<u>219,110</u>	<u>(71,221)</u>
Capital Project Funds				
Project Work Orders	-	-	13,398	\$ 13,398
Total capital project funds	<u>-</u>	<u>-</u>	<u>13,398</u>	<u>13,398</u>
Internal Service Funds				
Facilities Maintenance and Operations	41,589	41,589	-	(41,589)
Total internal service funds	<u>41,589</u>	<u>41,589</u>	<u>-</u>	<u>(41,589)</u>
Enterprise Funds				
Delinquent Tax Revolving	14,219,698	14,219,698	14,350,810	131,112
Total enterprise funds	<u>14,219,698</u>	<u>14,219,698</u>	<u>14,350,810</u>	<u>131,112</u>
Total Transfers In	<u>14,332,507</u>	<u>14,551,618</u>	<u>14,583,318</u>	<u>31,700</u>
Transfers out				
Special Revenue Funds				
Child Care	(23,595,326)	(23,507,393)	(16,987,300)	6,520,093
Social Welfare Foster Care	(1,000)	(1,000)	-	1,000
Oakland Enhancement	-	(200,000)	(200,000)	-
Drains-Act 40 Chapters 4 & 18				
Maintenance	(56,165)	(56,165)	(45,929)	10,236
Friend of the Court Grant	(4,977,225)	(4,963,517)	(4,008,537)	954,980
Other Grants	-	-	-	-
Judicial Grants	-	(20,090)	(19,150)	940
Law Enforcement Grants	(1,260,630)	(1,598,815)	(1,384,840)	213,975
Human Service Grants	(8,640)	(8,640)	-	8,640
Housing & Community Development	-	(505,304)	(505,304)	-
Total special revenue funds	<u>(29,898,986)</u>	<u>(30,860,924)</u>	<u>(23,151,060)</u>	<u>7,709,864</u>

(continued)



**County of Oakland  
 Budgetary Comparison Schedule (Continued)  
 Major Governmental Funds  
 Year Ended September 30, 2016**

	<b>General Fund</b>			<b>Variance with Final Amended Budget</b>
	<b>Original Budget (Unaudited)</b>	<b>Final Amended Budget (Unaudited)</b>	<b>Actual</b>	
<b>Other Financing Sources (Uses) (continued)</b>				
Debt Service Funds				
Building Authority Debt Act 31	\$ (2,274,375)	\$ (9,274,375)	\$ (9,275,625)	\$ (1,250)
Total debt service funds	<u>(2,274,375)</u>	<u>(9,274,375)</u>	<u>(9,275,625)</u>	<u>(1,250)</u>
Capital Projects Funds				
Building Improvement	(5,500,000)	(5,500,000)	(5,500,000)	-
Project Work Orders	(1,620,000)	(11,172,187)	(11,098,353)	73,834
Major Dept. Support Projects	-	(3,500,000)	(3,500,000)	-
Total capital projects funds	<u>(7,120,000)</u>	<u>(20,172,187)</u>	<u>(20,098,353)</u>	<u>73,834</u>
Internal Service Funds				
Information Technology	(3,620,676)	(4,057,706)	(4,057,706)	-
Facilities Maintenance and Operations	-	-	(1,274)	(1,274)
Motor Pool	-	(311,966)	(311,966)	-
Total internal service funds	<u>(3,620,676)</u>	<u>(4,369,672)</u>	<u>(4,370,946)</u>	<u>(1,274)</u>
Enterprise Funds				
Fire Records Management	(424,512)	(1,160,441)	(1,160,441)	-
CLEMIS	(1,844,186)	(1,844,186)	(1,844,186)	-
Radio Communications	-	(99,264)	(99,264)	-
Total enterprise funds	<u>(2,268,698)</u>	<u>(3,103,891)</u>	<u>(3,103,891)</u>	<u>-</u>
Total transfers out	<u>(45,182,735)</u>	<u>(67,781,049)</u>	<u>(59,999,875)</u>	<u>7,781,174</u>
Total other financing sources (uses)	<u>(30,850,228)</u>	<u>(53,229,431)</u>	<u>(45,416,557)</u>	<u>7,812,874</u>
Net change in fund balance	(29,363,330)	(46,353,207)	(4,962,925)	41,390,282
<b>Fund balance</b>				
October 1, 2015	260,204,393	260,204,393	260,204,393	-
September 30, 2016	<u>\$ 230,841,063</u>	<u>\$ 213,851,186</u>	<u>\$ 255,241,468</u>	<u>\$ 41,390,282</u>

**County of Oakland**  
**Notes to Required Supplementary Information**  
**September 30, 2016**

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**Budgetary Comparisons**

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

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

Funds which receive an appropriation and can therefore be defined as those with an appropriated, annual, legally adopted budget are the General Fund and the following Special Revenue Funds: 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 "Unassigned Fund Balance."

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

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**County of Oakland  
Balance Sheet  
Non-Major Governmental Funds – By Fund Type  
September 30, 2016**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>				
Pooled cash and investments	\$ 20,482,690	\$ 54,882	\$ 52,413,225	\$ 72,950,797
Due from other governmental units	26,196,796	-	-	26,196,796
Due from component units	40	-	687,516	687,556
Accrued interest receivable	48,641	1,078	6,139	55,858
Accounts receivable (net of allowance for uncollectibles where applicable)	471,797	174	-	471,971
Contracts receivable	-	3,490,000	-	3,490,000
Special assessments receivable	1,536	1,205,000	957,766	2,164,302
Due from other funds	891,226	-	429,757	1,320,983
Advances	-	-	1,102,916	1,102,916
Other assets	2,002,683	-	-	2,002,683
Total assets	<u>\$ 50,095,409</u>	<u>\$ 4,751,134</u>	<u>\$ 55,597,319</u>	<u>\$ 110,443,862</u>
<b>Liabilities</b>				
Vouchers payable	\$ 1,826,905	\$ 13,462	\$ 434,269	\$ 2,274,636
Due to other governmental units	432,720	-	-	432,720
Due to other funds	12,870,298	29	45,750	12,916,077
Advances	20,168	-	1,082,748	1,102,916
Unearned revenue	2,814,224	-	-	2,814,224
Other accrued liabilities	12,002,398	-	1,506,326	13,508,724
Total liabilities	<u>29,966,713</u>	<u>13,491</u>	<u>3,069,093</u>	<u>33,049,297</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	1,536	1,205,000	957,766	2,164,302
Unavailable revenue - grants	2,704,023	-	-	2,704,023
Unavailable revenue - contracts receivable	-	3,490,000	-	3,490,000
Unavailable revenue - other	1,547,619	-	-	1,547,619
Total deferred inflows of resources	<u>4,253,178</u>	<u>4,695,000</u>	<u>957,766</u>	<u>9,905,944</u>
<b>Fund Balances</b>				
Nonspendable	-	-	1,102,916	1,102,916
Spendable:				
Restricted	17,930,076	42,643	-	17,972,719
Committed	-	-	51,423,615	51,423,615
Unassigned	(2,054,558)	-	(956,071)	(3,010,629)
Total fund balances	<u>15,875,518</u>	<u>42,643</u>	<u>51,570,460</u>	<u>67,488,621</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,095,409</u>	<u>\$ 4,751,134</u>	<u>\$ 55,597,319</u>	<u>\$ 110,443,862</u>

**County of Oakland**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds – By Fund Type**  
**Year Ended September 30, 2016**

	Special Revenue	Debt Service	Capital Projects	Totals September 30, 2016
<b>Revenues</b>				
Special assessments	\$ 861,698	\$ 1,045,766	\$ 74,901	\$ 1,982,365
Federal grants	29,166,460	-	-	29,166,460
State grants	22,019,577	-	-	22,019,577
Other intergovernmental revenue	11,810,591	-	-	11,810,591
Charges for services	11,954,043	1,053	27,217	11,982,313
Contributions	168,244	-	-	168,244
Investment income	165,672	1,181	178,095	344,948
Other	379,003	1,035	4,189	384,227
Total revenues	<u>76,525,288</u>	<u>1,049,035</u>	<u>284,402</u>	<u>77,858,725</u>
<b>Expenditures</b>				
Current operations				
County Executive	62,879,425	-	-	62,879,425
Clerk/Register of Deeds	2,031,711	-	-	2,031,711
Justice administration	23,842,331	-	-	23,842,331
Law enforcement	6,880,385	-	-	6,880,385
Legislative	8,000	-	-	8,000
Water Resource Commissioner	29,369,938	-	-	29,369,938
Total current operations	<u>125,011,790</u>	<u>-</u>	<u>-</u>	<u>125,011,790</u>
Capital outlay	408,859	-	12,212,007	12,620,866
Intergovernmental	-	4,508	-	4,508
Debt service				
Principal payments	-	4,535,000	-	4,535,000
Interest and fiscal charges	-	1,298,795	-	1,298,795
Total expenditures	<u>125,420,649</u>	<u>5,838,303</u>	<u>12,212,007</u>	<u>143,470,959</u>
Deficiency of revenues under expenditures	<u>(48,895,361)</u>	<u>(4,789,268)</u>	<u>(11,927,605)</u>	<u>(65,612,234)</u>
<b>Other financing sources (uses)</b>				
Transfers in	24,843,188	4,786,900	21,977,677	51,607,765
Transfers out	(459,430)	-	(1,870,547)	(2,329,977)
Issuance of bonds	25,025,488	-	15,450,000	40,475,488
Premium on bonds sold	20,870	-	-	20,870
Discount on bonds sold	-	-	(23,433)	(23,433)
Total other financing sources (uses)	<u>49,430,116</u>	<u>4,786,900</u>	<u>35,533,697</u>	<u>89,750,713</u>
Net change in fund balances	534,755	(2,368)	23,606,092	24,138,479
<b>Fund balances</b>				
October 1, 2015	<u>15,340,763</u>	<u>45,011</u>	<u>27,964,368</u>	<u>43,350,142</u>
September 30, 2016	<u>\$ 15,875,518</u>	<u>\$ 42,643</u>	<u>\$ 51,570,460</u>	<u>\$ 67,488,621</u>

## County of Oakland

### Non-Major Special Revenue Funds

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#### **Special Revenue Funds**

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

***The Child Care Fund*** - (formerly the Juvenile Maintenance Fund) is used to account for revenues 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 Register of Deeds Automation Fund*** - is used to account for revenues from additional fees as authorized by the State of Michigan to allow for technology improvements in Clerk/Register of Deeds offices.

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

***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.

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

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

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

## County of Oakland

### Non-Major Special Revenue Funds

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***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. Revenue is provided from special assessments against the benefiting properties within the district.

***The Lake Improvements Act 345 Fund*** - is used to account for funds held for lake improvement boards remaining from a phase-out begun in 2004, awaiting action by the improvement boards to transfer responsibility to the respective local municipality.

***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.

***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.
- Byrne Formula Justice Assistance Grants (JAG) replaces the Local Law Enforcement Block Grant (LLEBG) programs. JAG provides federal 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 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.
- Great Lakes Water Authority, a cost reimbursement agreement for due diligence examination of business issues related to the research, creation, and implementation of the Authority.
- Grants for programs such as Domestic Preparedness Equipment, Homeland Security grants, MI Financial Empowerment, Holly Dispatch Consolidation, AAA Safety, DTE Energy Tree Planting, Friend of the Court Access and Visitation, Two Seven Oh, and MEDC Region 10.

## **County of Oakland**

### **Non-Major Special Revenue Funds**

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*The Judicial Grants Fund* - accounts for drug court programs through Oakland County Circuit and 52<sup>nd</sup> Division District Courts.

*The Oakland Brownfield Initiative Fund* - is used to account for grant revenues and administration/management costs incurred in assisting the redevelopment of tax-reverted properties through Brownfield Cleanup Revolving Loan Fund programs. The Brownfield Consortium Assessment program consists of Oakland County plus cities to perform environmental investigations on parcels throughout the County with special focus on the cities comprised in this Consortium.

*The Concealed Pistol Licensing Fund* – created under State of Michigan Public Act 3 of 2015, accounts for the deposit of concealed pistol licensing fees collected by the County Clerk/Register of Deeds, and the allowable expenditures related to the cost of administering this act.



**County of Oakland  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
September 30, 2016**

	<b>Child Care</b>	<b>Register of Deeds Automation</b>	<b>Oakland Enhancement</b>	<b>Restricted Funds</b>	<b>County Veterans' Trust</b>
<b>Assets</b>					
Pooled cash and investments	\$ 348,452	\$ 6,540,030	\$ 68,601	\$ 2,125,093	\$ 6,778
Due from other governmental units	2,952,501	-	-	-	-
Due from component unit	-	40	-	-	-
Accrued interest receivable	-	5,632	482	-	-
Accounts receivable (net of allowance for uncollectibles where applicable)	190	-	15,810	29,191	-
Special assessments receivable	-	-	-	-	-
Due from other funds	-	384,831	-	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 3,301,143</u>	<u>\$ 6,930,533</u>	<u>\$ 84,893</u>	<u>\$ 2,154,284</u>	<u>\$ 6,778</u>
<b>Liabilities</b>					
Vouchers payable	\$ 425,793	\$ 37,050	\$ -	\$ -	\$ -
Due to other governmental units	-	40	-	-	-
Due to other funds	614,350	-	-	16	-
Advances payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Other accrued liabilities	669,180	-	-	-	-
Total liabilities	<u>1,709,323</u>	<u>37,090</u>	<u>-</u>	<u>16</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
Unavailable revenue - other	1,547,619	-	-	-	-
Total deferred inflows of resources	<u>1,547,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (deficits)</b>					
Restricted	44,201	6,893,443	84,893	2,154,268	6,778
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>44,201</u>	<u>6,893,443</u>	<u>84,893</u>	<u>2,154,268</u>	<u>6,778</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 3,301,143</u>	<u>\$ 6,930,533</u>	<u>\$ 84,893</u>	<u>\$ 2,154,284</u>	<u>\$ 6,778</u>

(continued)

**County of Oakland  
Combining Balance Sheet (Continued)  
Non-Major Special Revenue Funds  
September 30, 2016**

	<b>Waste Resource Management</b>	<b>Water &amp; Sewer Act 342</b>	<b>Lake Levels Act 146</b>	<b>Drains-Act 40 Maintenance Chapters 4 &amp; 18</b>	<b>Lake Improvements Act 345</b>	<b>Friend of the Court</b>
<b>Assets</b>						
Pooled cash and investments	\$ 764,960	\$ -	\$ 107,362	\$ 2,223,913	\$ 1,010	\$ -
Due from other governmental units	-	16,650,239	18,320	180,085	-	1,552,715
Due from component unit	-	-	-	-	-	-
Accrued interest receivable	-	9,944	-	27,131	5	-
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	2,058	7,550	-	31,625
Special assessments receivable	-	-	-	1,536	-	-
Due from other funds	-	-	-	-	-	403,193
Other assets	-	-	-	-	-	2,310
Total assets	<u>\$ 764,960</u>	<u>\$ 16,660,183</u>	<u>\$ 127,740</u>	<u>\$ 2,440,215</u>	<u>\$ 1,015</u>	<u>\$ 1,989,843</u>
<b>Liabilities</b>						
Vouchers payable	\$ 546	\$ 122,623	\$ 24,464	\$ 6,881	\$ -	\$ 27,773
Due to other governmental units	-	-	-	270	-	450
Due to other funds	1,586	8,153,378	55,456	327,071	-	1,925,289
Advances payable	-	-	-	20,168	-	-
Unearned revenue	-	-	-	-	-	-
Other accrued liabilities	167,915	6,279,611	11,791	1,489,354	-	36,331
Total liabilities	<u>170,047</u>	<u>14,555,612</u>	<u>91,711</u>	<u>1,843,744</u>	<u>-</u>	<u>1,989,843</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - special assessments	-	-	-	1,536	-	-
Unavailable revenue - grants	-	-	-	-	-	1,552,715
Unavailable revenue - other	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,536</u>	<u>-</u>	<u>1,552,715</u>
<b>Fund Balances (deficits)</b>						
Restricted	594,913	2,104,571	36,029	594,935	1,015	-
Unassigned	-	-	-	-	-	(1,552,715)
Total fund balances (deficits)	<u>594,913</u>	<u>2,104,571</u>	<u>36,029</u>	<u>594,935</u>	<u>1,015</u>	<u>(1,552,715)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 764,960</u>	<u>\$ 16,660,183</u>	<u>\$ 127,740</u>	<u>\$ 2,440,215</u>	<u>\$ 1,015</u>	<u>\$ 1,989,843</u>

(continued)

**County of Oakland  
Combining Balance Sheet (Continued)  
Non-Major Special Revenue Funds  
September 30, 2016**

	<b>Multi- Organizational Grants</b>	<b>Workforce Development Grants</b>	<b>Law Enforcement Grants</b>	<b>Housing and Community Development</b>	<b>Human Service Grants</b>	<b>Other Grants</b>
<b>Assets</b>						
Pooled cash and investments	\$ -	\$ 49,921	\$ 3,000	\$ 3,748,246	\$ 3,503,459	\$ -
Due from other governmental units	152,073	799,141	876,833	1,701,231	518,720	619,092
Due from component unit	-	-	-	-	-	-
Accrued interest receivable	6	-	-	5,228	1	-
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	86,866	288,972	9,535
Special assessments receivable	-	-	-	-	-	-
Due from other funds	-	-	74,149	-	29,053	-
Other assets	-	1,995,439	4,008	-	926	-
Total assets	<u>\$ 152,079</u>	<u>\$ 2,844,501</u>	<u>\$ 957,990</u>	<u>\$ 5,541,571</u>	<u>\$ 4,341,131</u>	<u>\$ 628,627</u>
<b>Liabilities</b>						
Vouchers payable	12,784	\$ 836,587	\$ 78,237	\$ 13,296	\$ 205,195	\$ 6,720
Due to other governmental units	-	-	336,368	3,674	-	-
Due to other funds	139,295	-	456,945	-	508,436	560,502
Advances payable	-	-	-	-	-	-
Unearned revenue	-	-	-	2,814,224	-	-
Other accrued liabilities	-	2,007,914	-	1,121,022	184,733	31,632
Total liabilities	<u>152,079</u>	<u>2,844,501</u>	<u>871,550</u>	<u>3,952,216</u>	<u>898,364</u>	<u>598,854</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - special assessments	-	-	-	-	-	-
Unavailable revenue - grants	-	-	347,909	-	518,720	155,654
Unavailable revenue - other	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>347,909</u>	<u>-</u>	<u>518,720</u>	<u>155,654</u>
<b>Fund Balances (deficits)</b>						
Restricted	-	-	-	1,589,355	2,924,047	-
Unassigned	-	-	(261,469)	-	-	(125,881)
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>(261,469)</u>	<u>1,589,355</u>	<u>2,924,047</u>	<u>(125,881)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 152,079</u>	<u>\$ 2,844,501</u>	<u>\$ 957,990</u>	<u>\$ 5,541,571</u>	<u>\$ 4,341,131</u>	<u>\$ 628,627</u>

(continued)

**County of Oakland  
Combining Balance Sheet (Continued)  
Non-Major Special Revenue Funds  
September 30, 2016**

	<b>Judicial Grants</b>	<b>Oakland Brownfield Initiative</b>	<b>Concealed Pistol Licensing</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ -	\$ 471,956	\$ 519,909	\$ 20,482,690
Due from other governmental units	146,464	29,382	-	26,196,796
Due from component unit	-	-	-	40
Accrued interest receivable	-	-	212	48,641
Accounts receivable (net of allowance for uncollectibles where applicable)	-	-	-	471,797
Special assessments receivable	-	-	-	1,536
Due from other funds	-	-	-	891,226
Other assets	-	-	-	2,002,683
Total assets	<u>\$ 146,464</u>	<u>\$ 501,338</u>	<u>\$ 520,121</u>	<u>\$ 50,095,409</u>
<b>Liabilities</b>				
Vouchers payable	\$ 2,843	\$ 25,182	\$ 931	\$ 1,826,905
Due to other governmental units	-	-	91,918	432,720
Due to other funds	127,974	-	-	12,870,298
Advances payable	-	-	-	20,168
Unearned revenue	-	-	-	2,814,224
Other accrued liabilities	1,115	1,800	-	12,002,398
Total liabilities	<u>131,932</u>	<u>26,982</u>	<u>92,849</u>	<u>29,966,713</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	-	-	-	1,536
Unavailable revenue - grants	129,025	-	-	2,704,023
Unavailable revenue - other	-	-	-	1,547,619
Total deferred inflows of resources	<u>129,025</u>	<u>-</u>	<u>-</u>	<u>4,253,178</u>
<b>Fund Balances (deficits)</b>				
Restricted	-	474,356	427,272	17,930,076
Unassigned	(114,493)	-	-	(2,054,558)
Total fund balances (deficits)	<u>(114,493)</u>	<u>474,356</u>	<u>427,272</u>	<u>15,875,518</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 146,464</u>	<u>\$ 501,338</u>	<u>\$ 520,121</u>	<u>\$ 50,095,409</u>

**County of Oakland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**September 30, 2016**

	Child Care	Register of Deeds Automation	Oakland Enhancement	Restricted Funds	County Veterans' Trust
<b>Revenues</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	356,997	-	-	-	-
State grants	13,255,551	-	-	-	112,540
Other intergovernmental revenue	-	-	-	-	-
Charges for services	4,827,000	1,111,470	430,992	1,076,357	-
Contributions	-	-	-	60,708	-
Investment income	-	61,704	1,036	12,494	-
Other	29,714	-	-	34,178	-
Total revenues	<u>18,469,262</u>	<u>1,173,174</u>	<u>432,028</u>	<u>1,183,737</u>	<u>112,540</u>
<b>Expenditures</b>					
Salaries	11,733,797	266,179	273,152	-	-
Fringe benefits	6,939,078	163,892	149,023	-	-
Contractual services	13,269,413	858,708	224,282	-	106,106
Commodities	775,760	594	-	-	966
Capital outlay	11,607	-	-	-	-
Internal services	2,719,723	188,608	-	-	-
Total expenditures	<u>35,449,378</u>	<u>1,477,981</u>	<u>646,457</u>	<u>-</u>	<u>107,072</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,980,116)</u>	<u>(304,807)</u>	<u>(214,429)</u>	<u>1,183,737</u>	<u>5,468</u>
<b>Other financing sources (uses)</b>					
Transfers in	17,000,381	-	200,000	-	-
Transfers out	-	-	-	(459,383)	-
Issurance of bonds	-	-	-	-	-
Premiums on bonds sold	-	-	-	-	-
Total other financing sources (uses)	<u>17,000,381</u>	<u>-</u>	<u>200,000</u>	<u>(459,383)</u>	<u>-</u>
Net change in fund balances	20,265	(304,807)	(14,429)	724,354	5,468
<b>Fund balances (deficit)</b>					
October 1, 2015	<u>23,936</u>	<u>7,198,250</u>	<u>99,322</u>	<u>1,429,914</u>	<u>1,310</u>
September 30, 2016	<u>\$ 44,201</u>	<u>\$ 6,893,443</u>	<u>\$ 84,893</u>	<u>\$ 2,154,268</u>	<u>\$ 6,778</u>

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Special Revenue Funds**  
**September 30, 2016**

	<b>Waste Resource Management</b>	<b>Water &amp; Sewer Act 342</b>	<b>Lake Levels Act 146</b>	<b>Drains-Act 40 Maintenance Chapters 4 &amp; 18</b>	<b>Lake Improvements Act 345</b>	<b>Friend of the Court</b>
<b>Revenues</b>						
Special assessments	\$ -	\$ -	\$ 470,101	\$ 391,597	\$ -	\$ -
Federal grants	-	-	-	-	-	-
State grants	-	-	-	-	-	-
Other intergovernmental revenue	-	-	-	-	-	10,073,898
Charges for services	52,892	247,163	942	38,720	-	1,608,681
Contributions	-	-	-	-	-	-
Investment income	6,748	54,797	2,159	21,503	5	-
Other	-	-	15,669	1,247	-	265,275
<b>Total revenues</b>	<b>59,640</b>	<b>301,960</b>	<b>488,871</b>	<b>453,067</b>	<b>5</b>	<b>11,947,854</b>
<b>Expenditures</b>						
Salaries	-	-	-	-	-	8,579,426
Fringe benefits	-	-	-	-	-	5,017,060
Contractual services	3,245	27,209,393	207,564	214,544	-	986,050
Commodities	-	663	12,640	13,545	-	71,218
Capital outlay	-	-	-	-	-	18,073
Internal services	-	911,152	272,351	528,086	-	1,658,034
<b>Total expenditures</b>	<b>3,245</b>	<b>28,121,208</b>	<b>492,555</b>	<b>756,175</b>	<b>-</b>	<b>16,329,861</b>
Excess (deficiency) of revenues over (under) expenditures	56,395	(27,819,248)	(3,684)	(303,108)	5	(4,382,007)
<b>Other financing sources (uses)</b>						
Transfers in	-	1,439,727	-	45,976	-	4,019,441
Transfers out	-	-	-	(47)	-	-
Issurance of bonds	-	25,025,488	-	-	-	-
Premiums on bonds sold	-	20,870	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>26,486,085</b>	<b>-</b>	<b>45,929</b>	<b>-</b>	<b>4,019,441</b>
<b>Net change in fund balances</b>	<b>56,395</b>	<b>(1,333,163)</b>	<b>(3,684)</b>	<b>(257,179)</b>	<b>5</b>	<b>(362,566)</b>
<b>Fund balances (deficit)</b>						
October 1, 2015	538,518	3,437,734	39,713	852,114	1,010	(1,190,149)
September 30, 2016	\$ 594,913	\$ 2,104,571	\$ 36,029	\$ 594,935	\$ 1,015	\$ (1,552,715)

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Special Revenue Funds**  
**September 30, 2016**

	Multi- Organizational Grants	Workforce Development Grants	Law Enforcement Grants	Housing and Community Development	Human Service Grants	Other Grants
<b>Revenues</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grants	33,476	13,867,342	254,994	8,242,364	5,479,055	765,227
State grants	1,672,981	1,761,592	1,553,660	22,849	1,494,265	1,656,332
Other intergovernmental revenue	-	-	1,736,693	-	-	-
Charges for services	-	-	-	1,910,159	700	-
Contributions	-	-	-	-	60,000	47,536
Investment income	1,143	-	-	-	47	-
Other	-	-	-	-	6,259	26,661
Total revenues	<u>1,707,600</u>	<u>15,628,934</u>	<u>3,545,347</u>	<u>10,175,372</u>	<u>7,040,326</u>	<u>2,495,756</u>
<b>Expenditures</b>						
Salaries	964,427	406,334	2,595,330	1,315,965	2,805,399	157,584
Fringe benefits	529,961	181,840	1,518,904	729,600	1,648,039	90,094
Contractual services	174,554	14,959,395	548,594	8,322,857	1,850,007	539,361
Commodities	11,558	3,358	48,605	36,549	212,480	133,181
Capital outlay	-	-	208,643	-	-	170,536
Internal services	27,100	78,007	297,928	122,118	479,350	5,600
Total expenditures	<u>1,707,600</u>	<u>15,628,934</u>	<u>5,218,004</u>	<u>10,527,089</u>	<u>6,995,275</u>	<u>1,096,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,672,657)</u>	<u>(351,717)</u>	<u>45,051</u>	<u>1,399,400</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	1,613,209	505,304	-	-
Transfers out	-	-	-	-	-	-
Issurance of bonds	-	-	-	-	-	-
Premiums on bonds sold	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,613,209</u>	<u>505,304</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(59,448)</u>	<u>153,587</u>	<u>45,051</u>	<u>1,399,400</u>
<b>Fund balances (deficit)</b>						
October 1, 2015	<u>-</u>	<u>-</u>	<u>(202,021)</u>	<u>1,435,768</u>	<u>2,878,996</u>	<u>(1,525,281)</u>
September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (261,469)</u>	<u>\$ 1,589,355</u>	<u>\$ 2,924,047</u>	<u>\$ (125,881)</u>

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Special Revenue Funds**  
**September 30, 2016**

	<b>Judicial Grants</b>	<b>Oakland Brownfield Initiative</b>	<b>Concealed Pistol Licensing</b>	<b>Totals September 30, 2016</b>
<b>Revenues</b>				
Special assessments	\$ -	\$ -	\$ -	\$ 861,698
Federal grants	38,187	128,818	-	29,166,460
State grants	489,807	-	-	22,019,577
Other intergovernmental revenue	-	-	-	11,810,591
Charges for services	-	77,993	570,974	11,954,043
Contributions	-	-	-	168,244
Investment income	-	-	4,036	165,672
Other	-	-	-	379,003
Total revenues	<u>527,994</u>	<u>206,811</u>	<u>575,010</u>	<u>76,525,288</u>
<b>Expenditures</b>				
Salaries	204,191	-	80,233	29,382,017
Fringe benefits	102,126	-	54,737	17,124,354
Contractual services	167,963	128,818	13,070	69,783,924
Commodities	47,381	-	29,251	1,397,749
Capital outlay	-	-	-	408,859
Internal services	3,030	-	32,659	7,323,746
Total expenditures	<u>524,691</u>	<u>128,818</u>	<u>209,950</u>	<u>125,420,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,303</u>	<u>77,993</u>	<u>365,060</u>	<u>(48,895,361)</u>
<b>Other financing sources (uses)</b>				
Transfers in	19,150	-	-	24,843,188
Transfers out	-	-	-	(459,430)
Issurance of bonds	-	-	-	25,025,488
Premiums on bonds sold	-	-	-	20,870
Total other financing sources (uses)	<u>19,150</u>	<u>-</u>	<u>-</u>	<u>49,430,116</u>
Net change in fund balances	<u>22,453</u>	<u>77,993</u>	<u>365,060</u>	<u>534,755</u>
<b>Fund balances (deficit)</b>				
October 1, 2015	<u>(136,946)</u>	<u>396,363</u>	<u>62,212</u>	<u>15,340,763</u>
September 30, 2016	<u>\$ (114,493)</u>	<u>\$ 474,356</u>	<u>\$ 427,272</u>	<u>\$ 15,875,518</u>



**County of Oakland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and**  
**Actual – Non-Major Special Revenue Funds**  
**Year Ended September 30, 2016**

	<b>Child Care</b>		
	<b>Final Amended Budget (Unaudited)</b>	<b>Actual</b>	<b>Variance with Final Amended Budget</b>
<b>Revenues</b>			
Federal grants	\$ 300,000	\$ 356,997	\$ 56,997
State grants	15,524,118	13,255,551	(2,268,567)
Charges for services	4,570,000	4,827,000	257,000
Other	-	29,714	29,714
Total revenues	<u>20,394,118</u>	<u>18,469,262</u>	<u>(1,924,856)</u>
<b>Expenditures</b>			
Current operations			
County Executive			
Human Services			
Personnel	16,374,989	16,370,288	4,701
Operating	10,924,261	8,102,584	2,821,677
Internal Support	<u>2,727,787</u>	<u>2,719,049</u>	<u>8,738</u>
Total Human Services	<u>30,027,037</u>	<u>27,191,921</u>	<u>2,835,116</u>
Total County Executive	<u>30,027,037</u>	<u>27,191,921</u>	<u>2,835,116</u>
Justice administration			
Circuit Court			
Personnel	2,472,859	2,302,587	170,272
Operating	11,402,324	5,954,196	5,448,128
Internal Support	<u>702</u>	<u>674</u>	<u>28</u>
Total Circuit Court	<u>13,875,885</u>	<u>8,257,457</u>	<u>5,618,428</u>
Total Justice administration	<u>13,875,885</u>	<u>8,257,457</u>	<u>5,618,428</u>
Total expenditures	<u>43,902,922</u>	<u>35,449,378</u>	<u>8,453,544</u>
Deficiency of revenues under expenditures	(23,508,804)	(16,980,116)	6,528,688
<b>Other financing sources (uses)</b>			
Transfers in	<u>23,508,804</u>	<u>17,000,381</u>	<u>(6,508,423)</u>
Total other financing sources (uses)	<u>23,508,804</u>	<u>17,000,381</u>	<u>(6,508,423)</u>
Net change in fund balance	-	20,265	20,265
<b>Fund balance</b>			
October 1, 2015	<u>23,936</u>	<u>23,936</u>	<u>-</u>
September 30, 2016	<u>\$ 23,936</u>	<u>\$ 44,201</u>	<u>\$ 20,265</u>

**County of Oakland**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget**  
**and Actual – Non-Major Special Revenue Funds (Continued)**  
**Year Ended September 30, 2016**

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	<b>Social Welfare Foster Care</b>		
	<b>Final Amended Budget (Unaudited)</b>	<b>Actual</b>	<b>Variance with Final Amended Budget</b>
<b>Revenues</b>			
State grants	\$ 1,000	\$ -	\$ (1,000)
Total revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<b>Expenditures</b>			
Current operations			
County Executive			
Human Services			
Operating	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Deficiency of revenues under expenditures	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
<b>Other financing sources</b>			
Transfers in	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance</b>			
October 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **County of Oakland**

### **Non-Major Debt Service Funds**

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#### **Debt Service Funds**

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

*The Building Authority Debt Refunding Fund* - was established to accumulate resources for the payment of bonded debt issued for the refinancing of debt obligations under Public Act 202 of 1943, or Act 34 of 2001 for various Building Authority funds (currently five 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.

*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.

**County of Oakland  
Combining Balance Sheet  
Non-Major Debt Service Funds  
September 30, 2016**

	<b>Building Authority Debt Refunding</b>	<b>Lake Level Debt Act 146</b>	<b>Water and Sewer Debt Refunding</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>				
Pooled cash and investments	\$ 29	\$ 34,585	\$ 20,268	\$ 54,882
Accrued interest receivable	179	899	-	1,078
Accounts receivable	174	-	-	174
Special assessments receivable	-	-	1,205,000	1,205,000
Contracts receivable	3,490,000	-	-	3,490,000
Total assets	<u>\$ 3,490,382</u>	<u>\$ 35,484</u>	<u>\$ 1,225,268</u>	<u>\$ 4,751,134</u>
<b>Liabilities</b>				
Vouchers payable	\$ -	\$ -	\$ 13,462	\$ 13,462
Due to other funds	-	-	29	29
Total liabilities	<u>-</u>	<u>-</u>	<u>13,491</u>	<u>13,491</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	-	-	1,205,000	1,205,000
Unavailable revenue - contracts	3,490,000	-	-	3,490,000
Total deferred inflows of resources	<u>3,490,000</u>	<u>-</u>	<u>1,205,000</u>	<u>4,695,000</u>
<b>Fund Balances - restricted for debt service</b>				
Total liabilities, deferred inflows of resources, and fund balances	<u>382</u>	<u>35,484</u>	<u>6,777</u>	<u>42,643</u>
	<u>\$ 3,490,382</u>	<u>\$ 35,484</u>	<u>\$ 1,225,268</u>	<u>\$ 4,751,134</u>

**County of Oakland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Debt Service Funds**  
**Year Ended September 30, 2016**

	<b>Building Authority Debt Refunding</b>	<b>Lake Level Debt Act 146</b>	<b>Water and Sewer Debt Refunding</b>	<b>Totals September 30, 2016</b>
<b>Revenues</b>				
Special assessments	\$ 664,221	\$ -	\$ 381,545	\$ 1,045,766
Charges for services	803	-	250	1,053
Investment income	421	317	443	1,181
Other	-	-	1,035	1,035
Total revenues	<u>665,445</u>	<u>317</u>	<u>383,273</u>	<u>1,049,035</u>
<b>Expenditures</b>				
Principal payments	4,185,000	-	350,000	4,535,000
Interest	1,265,350	-	31,545	1,296,895
Paying agent fees	1,650	-	250	1,900
Intergovernmental	-	-	4,508	4,508
Total expenditures	<u>5,452,000</u>	<u>-</u>	<u>386,303</u>	<u>5,838,303</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,786,555)</u>	<u>317</u>	<u>(3,030)</u>	<u>(4,789,268)</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,786,900	-	-	4,786,900
Net change in fund balances	345	317	(3,030)	(2,368)
<b>Fund balances</b>				
October 1, 2015	<u>37</u>	<u>35,167</u>	<u>9,807</u>	<u>45,011</u>
September 30, 2016	<u>\$ 382</u>	<u>\$ 35,484</u>	<u>\$ 6,777</u>	<u>\$ 42,643</u>

# County of Oakland

## Non-Major Capital Projects Funds

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### Capital Projects Funds

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

*The Building Improvement Fund* - was established 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 Facilities Management Infrastructure and IT Projects Fund* - was established to account for the costs of various capital improvements of County infrastructure administered by Facilities Management and capital improvement projects for Information Technology.

*The CMHA Building Renovation Fund* - was established to account for the cost of renovations and furnishings of the former Medical Care Facility, Building 32E for the purpose of consolidating the Oakland County Community Mental Health Authority's (OCCMHA) access services into one location per sublease agreement between the County and OCCMHA.

*The Animal Control and Pet Adoption Center Construction Fund* - was established to account for the costs of construction of a new facility for the Animal Control division and the related pet adoption center. Construction is financed by the issuance of general obligation bonds.

*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 under P.A. 146 of 1961.

*The Lake Improvements Act 345 Fund* - is used to account for the costs of construction of augmentation wells for purposes of lake level control. Financing is provided by special assessment rolls as permitted under P.A. 345 of 1966.

*The Chapter 4 Drain Construction Fund* - is used to account for the costs of construction of drains under Chapter 4 of Public Act 40 of 1956 (Drain Code). Revenue is provided from special assessments against the benefiting properties within the district.

*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, 2016**

	<b>Building Improvement</b>	<b>Project Work Orders</b>	<b>Facilities Management Infrastructure &amp; IT Projects</b>	<b>CMHA Building Renovation</b>	<b>Animal Control and Pet Adoption Center Construction</b>	<b>Major Dept. Support Projects</b>
<b>Assets</b>						
Pooled cash and investments	\$ 8,969,807	\$ 14,609,046	\$ 7,013,024	\$ -	\$ 14,123,269	\$ 5,397,088
Accrued interest receivable	-	-	-	-	5,904	-
Special assessments receivable	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-
Due from other funds	6,658	-	-	-	-	-
Advances	-	-	-	-	-	-
Total assets	<u>\$ 8,976,465</u>	<u>\$ 14,609,046</u>	<u>\$ 7,013,024</u>	<u>\$ -</u>	<u>\$ 14,129,173</u>	<u>\$ 5,397,088</u>
<b>Liabilities</b>						
Vouchers payable	\$ -	\$ 420,574	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	6,935	-	-	-
Advances	-	-	-	-	-	-
Other accrued liabilities	-	418,630	581,049	-	450,222	46,425
Total liabilities	<u>-</u>	<u>839,204</u>	<u>587,984</u>	<u>-</u>	<u>450,222</u>	<u>46,425</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - special assessments	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (deficits)</b>						
Nonspendable	-	-	-	-	-	-
Committed	8,976,465	13,769,842	6,425,040	-	13,678,951	5,350,663
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>8,976,465</u>	<u>13,769,842</u>	<u>6,425,040</u>	<u>-</u>	<u>13,678,951</u>	<u>5,350,663</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 8,976,465</u>	<u>\$ 14,609,046</u>	<u>\$ 7,013,024</u>	<u>\$ -</u>	<u>\$ 14,129,173</u>	<u>\$ 5,397,088</u>

(continued)

**County of Oakland  
Combining Balance Sheet (Continued)  
Non-Major Capital Project Funds  
September 30, 2016**

	<b>Lake Levels Act 146</b>	<b>Lake Improvements Act 345</b>	<b>Chapter 4 Drain Construction</b>	<b>Drain Commissioner Revolving</b>	<b>Long-term Revolving</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>						
Pooled cash and investments	\$ 20,249	\$ 9,511	\$ 155,067	\$ 728,080	\$ 1,388,084	\$ 52,413,225
Accrued interest receivable	168	59	8	-	-	6,139
Special assessments receivable	83,602	-	874,164	-	-	957,766
Due from component units	-	-	-	687,516	-	687,516
Due from other funds	-	-	-	423,099	-	429,757
Advances	-	-	-	-	1,102,916	1,102,916
Total assets	<u>\$ 104,019</u>	<u>\$ 9,570</u>	<u>\$ 1,029,239</u>	<u>\$ 1,838,695</u>	<u>\$ 2,491,000</u>	<u>\$ 55,597,319</u>
<b>Liabilities</b>						
Vouchers payable	\$ -	\$ -	\$ -	\$ 13,695	\$ -	\$ 434,269
Due to other funds	38,815	-	-	-	-	45,750
Advances	113,695	-	969,053	-	-	1,082,748
Other accrued liabilities	10,000	-	-	-	-	1,506,326
Total liabilities	<u>162,510</u>	<u>-</u>	<u>969,053</u>	<u>13,695</u>	<u>-</u>	<u>3,069,093</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - special assessments	83,602	-	874,164	-	-	957,766
Total deferred inflows of resources	<u>83,602</u>	<u>-</u>	<u>874,164</u>	<u>-</u>	<u>-</u>	<u>957,766</u>
<b>Fund Balances (deficits)</b>						
Nonspendable	-	-	-	-	1,102,916	1,102,916
Committed	-	9,570	-	1,825,000	1,388,084	51,423,615
Unassigned	(142,093)	-	(813,978)	-	-	(956,071)
Total fund balances (deficits)	<u>(142,093)</u>	<u>9,570</u>	<u>(813,978)</u>	<u>1,825,000</u>	<u>2,491,000</u>	<u>51,570,460</u>
Total liabilities, deferred inflows from resources, and fund balances (deficits)	<u>\$ 104,019</u>	<u>\$ 9,570</u>	<u>\$ 1,029,239</u>	<u>\$ 1,838,695</u>	<u>\$ 2,491,000</u>	<u>\$ 55,597,319</u>



**County of Oakland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Capital Project Funds**  
**Year Ended September 30, 2016**

	<b>Building Improvement</b>	<b>Project Work Orders</b>	<b>Facilities Management Infrastructure &amp; IT Projects</b>	<b>CMHA Building Renovation</b>	<b>Animal Control and Pet Adoption Center Construction</b>	<b>Major Dept. Support Projects</b>
<b>Revenues</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	373	-	-	-	-
Investment income	-	-	80,622	-	95,454	-
Other	-	-	-	4,189	-	-
Total revenues	-	373	80,622	4,189	95,454	-
<b>Expenditures</b>						
Capital outlay	-	6,635,087	2,607,352	5,554	1,843,070	1,086,894
Total expenditures	-	6,635,087	2,607,352	5,554	1,843,070	1,086,894
Excess (deficiency) of revenues over (under) expenditures	-	(6,634,714)	(2,526,730)	(1,365)	(1,747,616)	(1,086,894)
<b>Other financing sources (uses)</b>						
Transfers in	5,512,546	12,965,131	-	-	-	3,500,000
Transfers out	(1,806,236)	(53,493)	(6,658)	(4,160)	-	-
Issuance of bonds	-	-	-	-	15,450,000	-
Discount on bonds sold	-	-	-	-	(23,433)	-
Total other financing sources (uses)	3,706,310	12,911,638	(6,658)	(4,160)	15,426,567	3,500,000
Net change in fund balances	3,706,310	6,276,924	(2,533,388)	(5,525)	13,678,951	2,413,106
<b>Fund balances (deficit)</b>						
October 1, 2015	5,270,155	7,492,918	8,958,428	5,525	-	2,937,557
September 30, 2016	\$ 8,976,465	\$ 13,769,842	\$ 6,425,040	\$ -	\$ 13,678,951	\$ 5,350,663

(continued)

**County of Oakland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Capital Project Funds**  
**Year Ended September 30, 2016**

	<b>Lake Levels Act 146</b>	<b>Lake Improvements Act 345</b>	<b>Chapter 4 Drain Construction</b>	<b>Drain Commissioner Revolving</b>	<b>Long-term Revolving</b>	<b>Totals September 30, 2016</b>
<b>Revenues</b>						
Special assessments	\$ 20,981	\$ -	\$ 53,920	\$ -	\$ -	\$ 74,901
Charges for services	1,143	-	25,701	-	-	27,217
Investment income	197	87	1,735	-	-	178,095
Other	-	-	-	-	-	4,189
Total revenues	<u>22,321</u>	<u>87</u>	<u>81,356</u>	<u>-</u>	<u>-</u>	<u>284,402</u>
<b>Expenditures</b>						
Capital outlay	<u>1,795</u>	<u>-</u>	<u>32,255</u>	<u>-</u>	<u>-</u>	<u>12,212,007</u>
Total expenditures	<u>1,795</u>	<u>-</u>	<u>32,255</u>	<u>-</u>	<u>-</u>	<u>12,212,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,526</u>	<u>87</u>	<u>49,101</u>	<u>-</u>	<u>-</u>	<u>(11,927,605)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	21,977,677
Transfers out	-	-	-	-	-	(1,870,547)
Issuance of bonds	-	-	-	-	-	15,450,000
Discount on bonds sold	-	-	-	-	-	(23,433)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,533,697</u>
Net change in fund balances	20,526	87	49,101	-	-	23,606,092
<b>Fund balances (deficit)</b>						
October 1, 2015	<u>(162,619)</u>	<u>9,483</u>	<u>(863,079)</u>	<u>1,825,000</u>	<u>2,491,000</u>	<u>27,964,368</u>
September 30, 2016	<u>\$ (142,093)</u>	<u>\$ 9,570</u>	<u>\$ (813,978)</u>	<u>\$ 1,825,000</u>	<u>\$ 2,491,000</u>	<u>\$ 51,570,460</u>

# County of Oakland

## Internal Service Funds

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### **Internal Service Funds**

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

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

***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 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 to 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 Retiree Healthcare Refunding debt. Due to the nature of the fund serving as the mechanism for employee benefits, the entire Net Pension liability is also recorded in the Fringe Benefit fund.

**County of Oakland  
Combining Statement of Net Position  
Internal Service Funds  
September 30, 2016**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 9,604,714	\$ 12,174,277	\$ 7,124,256	\$ 2,821,204
Due from other governmental units	-	23,366	770,972	17,698
Due from component units	5,047	29,136	6,848	-
Accrued interest receivable	18,910	45,382	3,524	7,850
Accounts receivable (net of allowance for uncollectibles where applicable)	372,424	73,493	240,393	-
Due from other funds	1,273	-	14,252	-
Inventories and supplies	204,643	25,503	650,522	196,246
Prepayments and other assets	1,232	3,699,949	-	3,000
Total current assets	<u>10,208,243</u>	<u>16,071,106</u>	<u>8,810,767</u>	<u>3,045,998</u>
Noncurrent assets				
Capital assets, at cost				
Land	-	-	130,000	-
Buildings and improvements	525,283	-	1,867,642	424,860
Equipment and vehicles	2,121,769	59,710,825	6,643,108	17,736,043
Infrastructure	3,169,683	-	-	-
Construction in progress	-	7,236,694	4,344,885	-
	<u>5,816,735</u>	<u>66,947,519</u>	<u>12,985,635</u>	<u>18,160,903</u>
Less: Accumulated depreciation	5,570,824	55,299,856	5,652,831	11,934,990
Capital assets, net	<u>245,911</u>	<u>11,647,663</u>	<u>7,332,804</u>	<u>6,225,913</u>
Total assets	<u>10,454,154</u>	<u>27,718,769</u>	<u>16,143,571</u>	<u>9,271,911</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pension				
	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

**County of Oakland**  
**Combining Statement of Net Position (Continued)**  
**Internal Service Funds**  
**September 30, 2016**

	<b>Telephone Communications</b>	<b>Building and Liability Insurance</b>	<b>Fringe Benefits</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>				
Current assets				
Pooled cash and investments	\$ 4,439,931	\$ 10,052,260	\$ 76,495,950	\$ 122,712,592
Due from other governmental units	344	-	1,825	814,205
Due from component units	-	-	-	41,031
Accrued interest receivable	6,057	133,634	491,303	706,660
Accounts receivable (net of allowance for uncollectibles where applicable)	397	-	971,690	1,658,397
Due from other funds	504	-	63	16,092
Inventories and supplies	-	-	-	1,076,914
Prepayments and other assets	11,898	1,101,889	1,661,412	6,479,380
Total current assets	<u>4,459,131</u>	<u>11,287,783</u>	<u>79,622,243</u>	<u>133,505,271</u>
Noncurrent assets				
Capital assets, at cost				
Land	-	-	-	130,000
Buildings and improvements	-	-	-	2,817,785
Equipment and vehicles	4,838,959	-	-	91,050,704
Infrastructure	-	-	-	3,169,683
Construction in progress	-	-	-	11,581,579
	<u>4,838,959</u>	<u>-</u>	<u>-</u>	<u>108,749,751</u>
Less: Accumulated depreciation	<u>4,827,540</u>	<u>-</u>	<u>-</u>	<u>83,286,041</u>
Capital assets, net	<u>11,419</u>	<u>-</u>	<u>-</u>	<u>25,463,710</u>
Total assets	<u>\$ 4,470,550</u>	<u>\$ 11,287,783</u>	<u>\$ 79,622,243</u>	<u>\$ 158,968,981</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pension	<u>-</u>	<u>-</u>	<u>19,305,794</u>	<u>19,305,794</u>
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,305,794</u>	<u>\$ 19,305,794</u>

(continued)

**County of Oakland**  
**Combining Statement of Net Position (Continued)**  
**Internal Service Funds**  
**September 30, 2016**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>
<b>Liabilities</b>				
Current liabilities				
Vouchers payable	\$ 198,802	\$ 578,955	\$ 385,417	\$ 18,353
Due to other governmental units	-	-	-	-
Due to other funds	-	504	-	-
Unearned revenue	72,541	1,875	-	-
Current portion of compensated absences	-	-	-	-
Current portion of claims and judgments	-	-	-	-
Current portion of advances payable	-	-	12,883	-
Other accrued liabilities	374,461	730,850	586,125	4,589
Total current liabilities	<u>645,804</u>	<u>1,312,184</u>	<u>984,425</u>	<u>22,942</u>
Noncurrent liabilities				
Net pension liability	-	-	-	-
Accrued compensated absences	-	-	-	-
Claims and judgments	-	-	-	-
Advances payable	-	-	51,532	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>51,532</u>	<u>-</u>
Total liabilities	<u>645,804</u>	<u>1,312,184</u>	<u>1,035,957</u>	<u>22,942</u>
<b>Net Position</b>				
Net investment in capital assets	245,911	11,647,663	7,332,804	6,225,913
Restricted for programs	-	-	-	-
Unrestricted	9,562,439	14,758,922	7,774,810	3,023,056
Total net position	<u>\$ 9,808,350</u>	<u>\$ 26,406,585</u>	<u>\$ 15,107,614</u>	<u>\$ 9,248,969</u>

(continued)

**County of Oakland**  
**Combining Statement of Net Position (Continued)**  
**Internal Service Funds**  
**September 30, 2016**

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2016
<b>Liabilities</b>				
Current liabilities				
Vouchers payable	\$ 47,898	\$ 200,153	\$ 1,026,295	\$ 2,455,873
Due to other governmental units	-	-	241,114	241,114
Due to other funds	-	-	980	1,484
Unearned revenue	-	-	-	74,416
Current portion of compensated absences	-	-	1,274,937	1,274,937
Current portion of claims and judgments	-	1,253,279	3,130,881	4,384,160
Current portion of advances payable	-	-	-	12,883
Other accrued liabilities	2,125	7,078	4,180,313	5,885,541
Total current liabilities	<u>50,023</u>	<u>1,460,510</u>	<u>9,854,520</u>	<u>14,330,408</u>
Noncurrent liabilities				
Net pension liability	-	-	5,444,786	5,444,786
Accrued compensated absences	-	-	11,474,428	11,474,428
Claims and judgments	-	3,395,542	8,192,925	11,588,467
Advances payable	-	-	-	51,532
Total noncurrent liabilities	<u>-</u>	<u>3,395,542</u>	<u>25,112,139</u>	<u>28,559,213</u>
Total liabilities	<u>50,023</u>	<u>4,856,052</u>	<u>34,966,659</u>	<u>42,889,621</u>
<b>Net Position</b>				
Net investment in capital assets	11,419	-	-	25,463,710
Restricted for programs	-	-	-	-
Unrestricted	<u>4,409,108</u>	<u>6,431,731</u>	<u>63,961,378</u>	<u>109,921,444</u>
Total net position	<u>\$ 4,420,527</u>	<u>\$ 6,431,731</u>	<u>\$ 63,961,378</u>	<u>\$ 135,385,154</u>

**County of Oakland**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**Year Ended September 30, 2016**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>
<b>Operating revenues</b>				
Charges for services	\$ 25,703,634	\$ 26,202,032	\$ 35,959,643	\$ 8,084,718
Other	1,434	28,458	11,651	5,126
Total operating revenues	<u>25,705,068</u>	<u>26,230,490</u>	<u>35,971,294</u>	<u>8,089,844</u>
<b>Operating expenses</b>				
Salaries	7,799,280	9,522,377	16,161,698	810,293
Fringe benefits	4,871,916	4,891,942	9,840,149	511,461
Fringe benefits - pension	-	-	-	-
Contractual services	9,262,568	14,010,684	1,912,823	1,438,356
Commodities	1,649,931	706,314	1,441,519	2,493,705
Depreciation	77,825	1,984,400	566,782	2,735,938
Internal services	1,289,965	1,066,606	3,866,499	400,664
Total operating expenses	<u>24,951,485</u>	<u>32,182,323</u>	<u>33,789,470</u>	<u>8,390,417</u>
Operating income (loss)	<u>753,583</u>	<u>(5,951,833)</u>	<u>2,181,824</u>	<u>(300,573)</u>
<b>Nonoperating revenues (expenses)</b>				
Contributions	-	-	957,015	-
Interest revenue	88,706	92,219	42,728	18,325
Interest expense	-	-	(330)	-
Bonds maturing	-	-	-	-
Gain on sale of property and equipment	-	871	4,100	430,207
Net nonoperating revenues (expenses)	<u>88,706</u>	<u>93,090</u>	<u>1,003,513</u>	<u>448,532</u>
Income (loss) before transfers and contributions	<u>842,289</u>	<u>(5,858,743)</u>	<u>3,185,337</u>	<u>147,959</u>
Capital contributions	-	1,140,302	67,172	-
Transfers in	12,907	4,536,630	-	373,280
Transfers out	(27,908)	-	(194,238)	-
Change in net position	<u>827,288</u>	<u>(181,811)</u>	<u>3,058,271</u>	<u>521,239</u>
<b>Net position</b>				
October 1, 2015	<u>8,981,062</u>	<u>26,588,396</u>	<u>12,049,343</u>	<u>8,727,730</u>
September 30, 2016	<u>\$ 9,808,350</u>	<u>\$ 26,406,585</u>	<u>\$ 15,107,614</u>	<u>\$ 9,248,969</u>

(continued)



**County of Oakland**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**Internal Service Funds**  
**Year Ended September 30, 2016**

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2016
<b>Operating revenues</b>				
Charges for services	\$ 2,800,642	\$ 2,670,661	\$ 137,022,161	\$ 238,443,491
Other	123	13,479	2,775,398	2,835,669
Total operating revenues	<u>2,800,765</u>	<u>2,684,140</u>	<u>139,797,559</u>	<u>241,279,160</u>
<b>Operating expenses</b>				
Salaries	227,021	540,051	1,256,755	36,317,475
Fringe benefits	132,884	242,515	654,127	21,144,994
Fringe benefits - pension	-	-	13,666,033	13,666,033
Contractual services	1,681,049	3,208,162	96,168,014	127,681,656
Commodities	139,334	51,383	15,337	6,497,523
Depreciation	63,261	-	-	5,428,206
Internal services	519,884	97,510	250,537	7,491,665
Total operating expenses	<u>2,763,433</u>	<u>4,139,621</u>	<u>112,010,803</u>	<u>218,227,552</u>
Operating income (loss)	<u>37,332</u>	<u>(1,455,481)</u>	<u>27,786,756</u>	<u>23,051,608</u>
<b>Nonoperating revenues (expenses)</b>				
Contributions	-	-	-	957,015
Interest revenue	39,418	100,493	740,452	1,122,341
Interest expense	-	-	(11,799,138)	(11,799,468)
Bonds maturing	-	-	(22,200,000)	(22,200,000)
Gain on sale of property and equipment	-	-	-	435,178
Net nonoperating revenues (expenses)	<u>39,418</u>	<u>100,493</u>	<u>(33,258,686)</u>	<u>(31,484,934)</u>
Income (loss) before transfers and contributions	<u>76,750</u>	<u>(1,354,988)</u>	<u>(5,471,930)</u>	<u>(8,433,326)</u>
Capital contributions	-	-	-	1,207,474
Transfers in	-	-	-	4,922,817
Transfers out	-	-	-	(222,146)
Change in net position	<u>76,750</u>	<u>(1,354,988)</u>	<u>(5,471,930)</u>	<u>(2,525,181)</u>
<b>Net position</b>				
October 1, 2015	<u>4,343,777</u>	<u>7,786,719</u>	<u>69,433,308</u>	<u>137,910,335</u>
September 30, 2016	<u>\$ 4,420,527</u>	<u>\$ 6,431,731</u>	<u>\$ 63,961,378</u>	<u>\$ 135,385,154</u>

**County of Oakland**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Year Ended September 30, 2016**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>
<b>Cash flows from operating activities</b>				
Cash received from users	\$ 25,687,646	\$26,180,387	\$35,547,987	\$8,092,024
Cash paid to suppliers	(17,001,735)	(20,887,704)	(17,125,302)	(4,944,099)
Cash paid to employees	(7,799,280)	(9,522,377)	(16,161,698)	(810,293)
Net cash provided by (used in) operating activities	<u>886,631</u>	<u>(4,229,694)</u>	<u>2,260,987</u>	<u>2,337,632</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	-	1,144,728	-	-
Transfers to other funds	(27,908)	-	(194,238)	-
Contributions	-	-	957,015	-
Principal paid on debt	-	-	-	-
Interest paid on debt	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(27,908)</u>	<u>1,144,728</u>	<u>762,777</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers from other funds	11,634	3,391,902	-	373,280
Contributions for capital acquisitions	-	-	67,172	-
Proceeds from sale of capital assets	-	871	4,100	652,962
Acquisition of capital assets	(12,067)	(846,663)	(564,001)	(3,778,804)
Amount paid on advances	-	-	(12,883)	-
Interest paid on advances	-	-	(330)	-
Net cash provided by (used in) capital and related financing activities	<u>(433)</u>	<u>2,546,110</u>	<u>(505,942)</u>	<u>(2,752,562)</u>
<b>Cash flows from investing activities</b>				
Interest on investments	84,216	84,575	40,253	16,348
Net cash provided by investing activities	<u>84,216</u>	<u>84,575</u>	<u>40,253</u>	<u>16,348</u>
Net increase (decrease) in cash and cash equivalents	942,506	(454,281)	2,558,075	(398,582)
<b>Pooled cash and investments</b>				
October 1, 2015	<u>8,662,208</u>	<u>12,628,558</u>	<u>4,566,181</u>	<u>3,219,786</u>
September 30, 2016	<u>\$ 9,604,714</u>	<u>\$12,174,277</u>	<u>\$ 7,124,256</u>	<u>\$2,821,204</u>

(continued)

**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**Year Ended September 30, 2016**

	<b>Telephone Communications</b>	<b>Building and Liability Insurance</b>	<b>Fringe Benefits</b>	<b>Totals September 30, 2016</b>
<b>Cash flows from operating activities</b>				
Cash received from users	\$ 2,801,107	\$ 2,684,140	\$139,223,753	\$ 240,217,044
Cash paid to suppliers	(2,518,280)	(3,874,691)	(98,680,006)	(165,031,817)
Cash paid to employees	(227,021)	(540,051)	(1,256,755)	(36,317,475)
Net cash provided by (used in) operating activities	<u>55,806</u>	<u>(1,730,602)</u>	<u>39,286,992</u>	<u>38,867,752</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	-	-	-	1,144,728
Transfers to other funds	-	-	-	(222,146)
Contributions	-	-	-	957,015
Principal paid on debt	-	-	(22,200,000)	(22,200,000)
Interest paid on debt	-	-	(11,799,138)	(11,799,138)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(33,999,138)</u>	<u>(32,119,541)</u>
<b>Cash flows from capital and related financing activities</b>				
Transfers from other funds	-	-	-	3,776,816
Contributions for capital acquisitions	-	-	-	67,172
Proceeds from sale of capital assets	-	-	-	657,933
Acquisition of capital assets	-	-	-	(5,201,535)
Amount paid on advances	-	-	-	(12,883)
Interest paid on advances	-	-	-	(330)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(712,827)</u>
<b>Cash flows from investing activities</b>				
Interest on investments	36,326	84,169	681,503	1,027,390
Net cash provided by investing activities	<u>36,326</u>	<u>84,169</u>	<u>681,503</u>	<u>1,027,390</u>
Net increase (decrease) in cash and cash equivalents	92,132	(1,646,433)	5,969,357	7,062,774
<b>Pooled cash and investments</b>				
October 1, 2015	4,347,799	11,698,693	70,526,593	115,649,818
September 30, 2016	<u>\$ 4,439,931</u>	<u>\$ 10,052,260</u>	<u>\$ 76,495,950</u>	<u>\$ 122,712,592</u>

**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**Year Ended September 30, 2016**

	<b>Facilities Maintenance and Operations</b>	<b>Information Technology</b>	<b>Drain Equipment</b>	<b>Motor Pool</b>
Operating income (loss)	\$ 753,583	\$(5,951,833)	\$ 2,181,824	\$ (300,573)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	77,825	1,984,400	566,782	2,735,938
(Increase) decrease in due from other governmental units	5,586	(9,054)	(275,512)	1,809
(Increase) decrease in due from component units	-	(7,659)	(6,773)	-
(Increase) decrease in accounts receivable	(2,664)	(34,573)	(126,770)	371
(Increase) decrease in due from other funds	-	308	(14,252)	-
(Increase) decrease in inventories and supplies	324,864	-	(85,001)	34,236
(Increase) decrease in prepayments and other assets	(1,232)	250,597	-	1,208
(Increase) decrease in deferred outflows related to pension	-	-	-	-
Increase (decrease) in vouchers payable	(3,259)	(96,029)	189,432	(135,518)
Increase (decrease) in due to other governmental units	-	(42,156)	-	-
Increase (decrease) in due to component units	-	(495)	-	-
Increase (decrease) in due to other funds	(3,493)	(76,464)	-	-
Increase (decrease) in unearned revenue	(20,344)	875	-	-
Increase (decrease) in current portion of compensated absences	-	-	-	-
Increase (decrease) in current portion of claims and judgments	-	-	-	-
Increase (decrease) increase in other accrued liabilities	(244,235)	(247,611)	(168,743)	161
Increase (decrease) increase in net pension liability	-	-	-	-
Increase (decrease) in accrued compensated absences	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 886,631</u>	<u>\$(4,229,694)</u>	<u>\$ 2,260,987</u>	<u>\$ 2,337,632</u>

(continued)

**County of Oakland**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**Year Ended September 30, 2016**

	Telephone Communications	Building and Liability Insurance	Fringe Benefits	Totals September 30, 2016
Operating (loss) income	\$ 37,332	\$ (1,455,481)	\$ 27,786,756	\$ 23,051,608
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	63,261	-	-	5,428,206
(Increase) decrease in due from other governmental units	790	-	(1,505)	(277,886)
(Increase) decrease in due from component units	-	-	-	(14,432)
(Increase) decrease in accounts receivable	56	-	(572,238)	(735,818)
(Increase) decrease in due from other funds	(504)	-	(63)	(14,511)
(Increase) decrease in inventories and supplies	-	-	-	274,099
(Increase) decrease in prepayments and other assets	389	(541,327)	472,329	181,964
(Increase) decrease in deferred outflows related to pension	-	-	20,939,875	20,939,875
Increase (decrease) in vouchers payable	(22,703)	168,139	(217,347)	(117,285)
Increase (decrease) in due to other governmental units	-	-	3,044	(39,112)
Increase (decrease) in due to component units	-	-	-	(495)
Increase (decrease) in due to other funds	-	-	980	(78,977)
Increase (decrease) in unearned revenue	-	-	-	(19,469)
Increase (decrease) in current portion of compensated absences	-	-	24,385	24,385
Increase (decrease) in current portion of claims and judgments	-	74,384	(95,989)	(21,605)
Increase (decrease) in other accrued liabilities	(22,815)	2,848	1,101,349	420,954
Increase (decrease) increase in net pension liability	-	-	(7,273,842)	(7,273,842)
Increase (decrease) in accrued compensated absences	-	-	219,463	219,463
Increase (decrease) in claims and judgments	-	20,835	(3,100,205)	(3,079,370)
Net cash provided by (used in) operating activities	<u>\$ 55,806</u>	<u>\$ (1,730,602)</u>	<u>\$ 39,286,992</u>	<u>\$ 38,867,752</u>

**Noncash transactions:**

Noncash and capital related financing activities included contribution of capital assets in the amount of \$1,140,302 in the Information Technology fund.

Noncash and noncapital related financing activities included transfers from other funds in the amount of \$1,273 included in the Due from Other Funds asset account in the Facilities Maintenance and Operations fund.

## County of Oakland

### Non-Major Enterprise Funds

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#### **Enterprise Funds**

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

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

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

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

***The 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 Position  
Non-Major Enterprise Funds  
September 30, 2016**

	<b>Delinquent Personal Property Tax Administration</b>	<b>Fire Records Management</b>	<b>CLEMIS</b>	<b>Radio Communications</b>	<b>Huron- Rouge S.D.S.</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>						
Current assets						
Pooled cash and investments	\$ 119,105	\$ 970,176	\$ 12,231,737	\$ 19,522,499	\$ 8,060,169	\$ 40,903,686
Due from other governmental units	-	50,638	943,754	12,078	551,775	1,558,245
Accrued interest receivable	58,932	1,463	18,268	110,833	14,643	204,139
Accounts receivable (net of allowances for uncollectibles where applicable)	-	3,050	74,996	1,346,561	-	1,424,607
Inventories and supplies	-	-	-	301,887	-	301,887
Prepayments and other assets	-	24,671	626,221	240,528	-	891,420
Total current assets	<u>178,037</u>	<u>1,049,998</u>	<u>13,894,976</u>	<u>21,534,386</u>	<u>8,626,587</u>	<u>45,283,984</u>
Noncurrent assets						
Capital assets, at cost						
Land	-	-	-	-	19,749	19,749
Buildings and improvements	-	-	-	12,831,807	348,504	13,180,311
Equipment and vehicles	-	534,338	38,970,299	27,708,260	-	67,212,897
Infrastructure	-	-	-	8,585,770	2,962,297	11,548,067
Construction in progress	-	344,525	3,130,697	867,244	-	4,342,466
	-	878,863	42,100,996	49,993,081	3,330,550	96,303,490
Less: Accumulated depreciation	-	534,338	36,839,356	32,828,689	2,845,891	73,048,274
Capital assets, net	-	344,525	5,261,640	17,164,392	484,659	23,255,216
Total assets	<u>178,037</u>	<u>1,394,523</u>	<u>19,156,616</u>	<u>38,698,778</u>	<u>9,111,246</u>	<u>68,539,200</u>
<b>Liabilities</b>						
Current liabilities						
Vouchers payable	1,006	9,045	142,204	94,958	6,633	253,846
Due to other governmental units	-	-	292,005	9,918	517,990	819,913
Due to other funds	-	-	-	-	185	185
Unearned revenue	-	50	280,927	100,413	-	381,390
Other accrued liabilities	11,088	15,554	536,523	97,759	102,526	763,450
Total liabilities	<u>12,094</u>	<u>24,649</u>	<u>1,251,659</u>	<u>303,048</u>	<u>627,334</u>	<u>2,218,784</u>
<b>Net Position</b>						
Net investment in capital assets	-	344,525	5,261,640	17,164,392	484,659	23,255,216
Restricted for programs	-	-	-	-	6,087,413	6,087,413
Unrestricted	165,943	1,025,349	12,643,317	21,231,338	1,911,840	36,977,787
Total net position	<u>\$ 165,943</u>	<u>\$ 1,369,874</u>	<u>\$ 17,904,957</u>	<u>\$ 38,395,730</u>	<u>\$ 8,483,912</u>	<u>\$ 66,320,416</u>

**County of Oakland  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Non-Major Enterprise Funds  
Year Ended September 30, 2016**

	<b>Delinquent Personal Property Tax Administration</b>	<b>Fire Records Management</b>	<b>CLEMIS</b>	<b>Radio Communications</b>	<b>Huron- Rouge S.D.S.</b>	<b>Totals September 30, 2016</b>
<b>Operating revenues</b>						
Charges for services	\$ 462,946	\$ 207,433	\$ 6,531,760	\$ 7,430,671	\$ 6,553,178	\$ 21,185,988
Other	-	35	123,543	353	-	123,931
Total operating revenues	<u>462,946</u>	<u>207,468</u>	<u>6,655,303</u>	<u>7,431,024</u>	<u>6,553,178</u>	<u>21,309,919</u>
<b>Operating expenses</b>						
Salaries	188,733	256,811	1,383,996	566,848	-	2,396,388
Fringe benefits	95,566	144,684	678,341	310,374	-	1,228,965
Contractual services	99,034	154,702	5,218,940	1,696,094	6,484,496	13,653,266
Commodities	4,041	-	31,937	389,318	-	425,296
Depreciation	-	-	2,026,883	6,025,531	66,217	8,118,631
Internal services	33,627	63,903	612,989	1,161,312	68,872	1,940,703
Intergovernmental	-	-	-	50,000	-	50,000
Total operating expenses	<u>421,001</u>	<u>620,100</u>	<u>9,953,086</u>	<u>10,199,477</u>	<u>6,619,585</u>	<u>27,813,249</u>
Operating income (loss)	<u>41,945</u>	<u>(412,632)</u>	<u>(3,297,783)</u>	<u>(2,768,453)</u>	<u>(66,407)</u>	<u>(6,503,330)</u>
<b>Nonoperating revenues (expenses)</b>						
Interest revenue	827	6,084	110,948	171,471	70,750	360,080
Gain (loss) on sale of property and equipment	-	-	23	-	-	23
Total nonoperating revenues (expenses)	<u>827</u>	<u>6,084</u>	<u>110,971</u>	<u>171,471</u>	<u>70,750</u>	<u>360,103</u>
Income (loss) before contributions and transfers	<u>42,772</u>	<u>(406,548)</u>	<u>(3,186,812)</u>	<u>(2,596,982)</u>	<u>4,343</u>	<u>(6,143,227)</u>
Capital contributions	-	-	77,563	-	-	77,563
Transfers in	-	1,160,441	2,044,186	99,264	-	3,303,891
Transfers out	-	-	-	(486,000)	-	(486,000)
Change in net position	<u>42,772</u>	<u>753,893</u>	<u>(1,065,063)</u>	<u>(2,983,718)</u>	<u>4,343</u>	<u>(3,247,773)</u>
<b>Net position</b>						
October 1, 2015	<u>123,171</u>	<u>615,981</u>	<u>18,970,020</u>	<u>41,379,448</u>	<u>8,479,569</u>	<u>69,568,189</u>
September 30, 2016	<u>\$ 165,943</u>	<u>\$ 1,369,874</u>	<u>\$ 17,904,957</u>	<u>\$ 38,395,730</u>	<u>\$ 8,483,912</u>	<u>\$ 66,320,416</u>



**County of Oakland  
Combining Statement of Cash Flows  
Non-Major Enterprise Funds  
Year Ended September 30, 2016**

	<b>Delinquent</b>			<b>Radio</b>	<b>Huron-</b>	<b>Totals</b>
	<b>Personal Property</b>	<b>Fire Records</b>		<b>Communications</b>	<b>Rouge S.D.S.</b>	<b>September 30,</b>
	<b>Tax Administration</b>	<b>Management</b>	<b>CLEMIS</b>			<b>2016</b>
<b>Cash flows from operating activities</b>						
Cash received from users	\$ 462,946	\$ 283,393	\$ 6,830,972	\$ 7,460,479	\$ 7,033,005	\$ 22,070,795
Cash paid to suppliers	(224,287)	(398,142)	(6,364,575)	(3,571,725)	(6,404,218)	(16,962,947)
Cash paid to employees	(188,733)	(256,811)	(1,383,996)	(566,848)	-	(2,396,388)
Net cash provided by (used in) operating activities	49,926	(371,560)	(917,599)	3,321,906	628,787	2,711,460
<b>Cash flows from noncapital financing activities</b>						
Transfers from other funds	-	1,160,441	2,044,186	99,264	-	3,303,891
Transfers to other funds	-	-	-	(486,000)	-	(486,000)
Net cash provided by (used in) noncapital financing activities	-	1,160,441	2,044,186	(386,736)	-	2,817,891
<b>Cash flows from capital and related financing activities</b>						
Proceeds from sale of capital assets	-	-	23	-	-	23
Acquisition of capital assets	-	(103,454)	(856,175)	(596,229)	-	(1,555,858)
Net cash provided by (used in) capital and related financing activities	-	(103,454)	(856,152)	(596,229)	-	(1,555,835)
<b>Cash flows from investing activities</b>						
Interest on investments	722	5,704	101,958	157,948	65,050	331,382
Net cash provided by investing activities	722	5,704	101,958	157,948	65,050	331,382
Net increase (decrease) in cash and cash equivalents	50,648	691,131	372,393	2,496,889	693,837	4,304,898
<b>Pooled cash and investments</b>						
October 1, 2015	68,457	279,045	11,859,344	17,025,610	7,366,332	36,598,788
September 30, 2016	\$ 119,105	\$ 970,176	\$ 12,231,737	\$ 19,522,499	\$ 8,060,169	\$ 40,903,686

(continued)

**County of Oakland  
Combining Statement of Cash Flows (Continued)  
Non-Major Enterprise Funds  
Year Ended September 30, 2016**

	<b>Delinquent Personal Property Tax Administration</b>	<b>Fire Records Management</b>	<b>CLEMIS</b>	<b>Radio Communications</b>	<b>Huron- Rouge S.D.S.</b>	<b>Totals September 30, 2016</b>
Operating income (loss)	\$ 41,945	\$ (412,632)	\$ (3,297,783)	\$ (2,768,453)	\$ (66,407)	\$ (6,503,330)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation expense	-	-	2,026,883	6,025,531	66,217	8,118,631
(Increase) decrease in due from other governmental units	-	(923)	59,223	8,227	479,827	546,354
(Increase) decrease in accounts receivable	-	(170)	113,055	(79,589)	-	33,296
(Increase) decrease in due from other funds	-	76,968	1,152	404	-	78,524
(Increase) decrease in inventories and supplies	-	-	-	61,799	-	61,799
(Increase) decrease in prepayments and other assets	-	3,763	338,489	(1,774)	-	340,478
Increase (decrease) in vouchers payable	(3,107)	9,045	(59,746)	(39,032)	4,897	(87,943)
Increase (decrease) in due to other governmental units	-	-	(278,192)	5,032	43,506	(229,654)
Increase (decrease) in due to other funds	-	-	(404)	(1,152)	185	(1,371)
Increase (decrease) in unearned revenue	-	50	2,239	100,413	-	102,702
Increase (decrease) in other accrued liabilities	11,088	(47,661)	177,485	10,500	100,562	251,974
Net cash provided by (used in) operating activities	<u>\$ 49,926</u>	<u>\$ (371,560)</u>	<u>\$ (917,599)</u>	<u>\$ 3,321,906</u>	<u>\$ 628,787</u>	<u>\$ 2,711,460</u>

**Noncash transactions**

Noncash and capital related financing activities included contribution of capital assets in the amount of \$77,563 in the CLEMIS fund, and an adjustment (reduction) of capital asset value and accumulated depreciation in the amount of \$584 in the Radio Communications fund.

**County of Oakland**  
**Pension (and Other Postemployment Benefits) Trust Funds**  
**September 30, 2016**

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**Pension Trust Funds**

Employee Pension Trust funds accept payments made by the County, invests fund resources, and calculates and pays pensions and retirees' healthcare 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 OPEB (Other Postemployment Benefits) Trust Plan consists of the following subfunds:*

*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.

*The Superseding Trust Fund* - was created in 2014 to account for proceeds of debt issued to redeem outstanding Certificates of Participation bonds with surplus funds placed in the Trust to maintain retiree health services by keeping the VEBA Trust at full funding. This replaces the Interim Retiree Medical Benefits Trust Fund.

**County of Oakland  
Combining Statement of Net Position  
Pension (and Other Postemployment Benefits) Trust Funds  
September 30, 2016**

	<b>Oakland County Employees' Retirement</b>	<b>OPEB Plan</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>			
Pooled cash and investments	\$ 17,056,001	\$ 20,555,071	\$ 37,611,072
Investments, at fair value:			
Common stock	337,359,132	553,023,101	890,382,233
Preferred stock	49,354	46,012	95,366
Government agencies	35,718,236	55,046,374	90,764,610
Corporate bonds	89,926,592	126,689,516	216,616,108
Municipal bonds	1,733,347	1,159,813	2,893,160
Hedge funds	38,689,004	48,195,804	86,884,808
Limited partnerships	38,355,201	73,475,307	111,830,508
Asset-backed fixed income	6,941,800	9,954,585	16,896,385
Government bonds	34,947,392	50,891,537	85,838,929
Government mortgage-backed securities	25,267,829	34,926,465	60,194,294
Government-issued commercial mortgage-backed	623,649	475,889	1,099,538
Non-Government backed CMOs	899,008	868,102	1,767,110
Commercial mortgage-backed securities	9,186,327	11,954,918	21,141,245
Bank loans	1,970,193	2,180,479	4,150,672
Exchange traded funds	364,655	624,324	988,979
International common stock	28,630,450	37,787,006	66,417,456
Index linked government bonds	11,536,000	14,420,381	25,956,381
Real estate	75,027,961	107,002,871	182,030,832
Other fixed income	1,235,670	2,250,015	3,485,685
Other	631,067	-	631,067
Total investments	<u>739,092,867</u>	<u>1,130,972,499</u>	<u>1,870,065,366</u>
Receivables - interest and dividends	1,986,361	2,493,910	4,480,271
Receivables - other	7,635	23,226	30,861
Prepaid expenses	-	217,474	217,474
Total assets	<u>758,142,864</u>	<u>1,154,262,180</u>	<u>1,912,405,044</u>
<b>Liabilities</b>			
Vouchers payable	194,026	1,180,856	1,374,882
Other accrued liabilities	305,866	1,920,891	2,226,757
Total liabilities	<u>499,892</u>	<u>3,101,747</u>	<u>3,601,639</u>
<b>Net position</b>			
Restricted for employees' pension and other postemployment healthcare benefits	<u>\$ 757,642,972</u>	<u>\$ 1,151,160,433</u>	<u>\$ 1,908,803,405</u>

**County of Oakland  
Combining Statement of Changes in Net Position  
Pension (and Other Postemployment Benefits) Trust Funds  
Year Ended September 30, 2016**

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	<b>Oakland County Employees' Retirement</b>	<b>OPEB Plan</b>	<b>Totals September 30, 2016</b>
<b>Additions</b>			
Contributions			
Plan members	\$ 443,238	\$ 146,723	\$ 589,961
Investment income	67,944,603	101,598,028	169,542,631
Other revenue	25,142	2,586,853	2,611,995
Total additions	<u>68,412,983</u>	<u>104,331,604</u>	<u>172,744,587</u>
<b>Deductions</b>			
Benefits	53,925,525	31,635,863	85,561,388
Administrative expenses	2,504,315	3,216,203	5,720,518
Total deductions	<u>56,429,840</u>	<u>34,852,066</u>	<u>91,281,906</u>
Net increase	11,983,143	69,479,538	81,462,681
<b>Net position restricted for employees' pension and other postemployment healthcare benefits</b>			
October 1, 2015	<u>745,659,829</u>	<u>1,081,680,895</u>	<u>1,827,340,724</u>
September 30, 2016	<u>\$ 757,642,972</u>	<u>\$ 1,151,160,433</u>	<u>\$ 1,908,803,405</u>

**County of Oakland  
Combining Schedule of Net Position  
Other Postemployment Benefits Trust Funds  
September 30, 2016**

	<b>VEBA Trust</b>	<b>Superseding Trust</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>			
Pooled cash and investments	\$ 20,448,805	\$ 106,266	\$ 20,555,071
Investments, at fair value:			
Common stock	546,203,664	6,819,437	553,023,101
Preferred stock	46,012	-	46,012
Government agencies	54,496,006	550,368	55,046,374
Corporate bonds	124,932,700	1,756,816	126,689,516
Municipal bonds	1,159,813	-	1,159,813
Hedge funds	48,195,804	-	48,195,804
Limited partnerships	73,475,307	-	73,475,307
Asset-backed fixed income	9,751,452	203,133	9,954,585
Government bonds	50,177,952	713,585	50,891,537
Government mortgage-backed securities	34,461,234	465,231	34,926,465
Government-issued commercial-backed	475,889	-	475,889
Non-Government-backed CMOs	862,846	5,256	868,102
Commercial mortgage-backed securities	11,872,245	82,673	11,954,918
Bank loans	2,180,479	-	2,180,479
Exchange traded funds	624,324	-	624,324
International common stock	37,787,006	-	37,787,006
Index-linked government bonds	14,311,588	108,793	14,420,381
Real estate	107,002,871	-	107,002,871
Other fixed income	1,730,067	519,948	2,250,015
Total investments	<u>1,119,747,259</u>	<u>11,225,240</u>	<u>1,130,972,499</u>
Receivables - interest and dividends	2,465,147	28,763	2,493,910
Receivables - other	23,226	-	23,226
Prepaid expenses	217,474	-	217,474
Total assets	<u>1,142,901,911</u>	<u>11,360,269</u>	<u>1,154,262,180</u>
<b>Liabilities</b>			
Vouchers payable	1,178,960	1,896	1,180,856
Other accrued liabilities	1,918,748	2,143	1,920,891
Total liabilities	<u>3,097,708</u>	<u>4,039</u>	<u>3,101,747</u>
<b>Net position</b>			
Restricted for other postemployment healthcare benefits	<u>\$ 1,139,804,203</u>	<u>\$ 11,356,230</u>	<u>\$ 1,151,160,433</u>

**County of Oakland**  
**Combining Schedule of Changes in Net Position**  
**Other Postemployment Benefits Trust Funds**  
**Year Ended September 30, 2016**

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	<b>VEBA Trust</b>	<b>Superseding Trust</b>	<b>Totals September 30, 2016</b>
<b>Additions</b>			
Contributions			
Plan members	\$ 146,723	\$ -	\$ 146,723
Investment income	100,461,291	1,136,737	101,598,028
Other revenue	2,567,381	19,472	2,586,853
Total additions	<u>103,175,395</u>	<u>1,156,209</u>	<u>104,331,604</u>
<b>Deductions</b>			
Benefits	31,635,863	-	31,635,863
Administrative expenses	3,200,389	15,814	3,216,203
Total deductions	<u>34,836,252</u>	<u>15,814</u>	<u>34,852,066</u>
Net increase	68,339,143	1,140,395	69,479,538
<b>Net position restricted for other postemployment healthcare benefits</b>			
October 1, 2015	<u>1,071,465,060</u>	<u>10,215,835</u>	<u>1,081,680,895</u>
September 30, 2016	<u>\$ 1,139,804,203</u>	<u>\$ 11,356,230</u>	<u>\$ 1,151,160,433</u>

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

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### **Investment Trust Funds**

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

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



**County of Oakland  
Statement of Net Position  
Investment Trust Funds  
September 30, 2016**

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	<b>Local Government Investment Pool</b>
<b>Assets</b>	
Pooled cash and investments	<u>\$ 518,237,579</u>
Total assets	<u>\$ 518,237,579</u>
<b>Net position</b>	
Held in trust for investment pool participants	<u>\$ 518,237,579</u>

**County of Oakland**  
**Statement of Changes in Net Position**  
**Investment Trust Funds**  
**Year Ended September 30, 2016**

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	<b>Local Government Investment Pool</b>
<b>Additions</b>	
Contributions from pool participants	\$ 783,171,209
Investment income	4,325,308
Total additions	<u>787,496,517</u>
<b>Deductions</b>	
Distribution to pool participants	<u>769,684,160</u>
Net increase	17,812,357
<b>Net position held in trust for pool participants</b>	
October 1, 2015	<u>500,425,222</u>
September 30, 2016	<u>\$ 518,237,579</u>

# County of Oakland

## Agency Funds

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### Agency Funds

These funds account for assets held by the County in a custodial capacity. Disbursements from these funds are contingent upon 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 Account* - 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 Net Position  
Agency Funds  
September 30, 2016**

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	<b>District Court Investments</b>	<b>Undistributed Taxes</b>	<b>Register of Deeds Trust</b>	<b>Sheriff NET Forfeiture</b>	<b>Circuit Court Trust</b>	<b>Escheats Trust</b>	<b>Legatee Trust</b>
<b>Assets</b>							
Pooled cash and investments	\$ 150,000	\$ 263,535,324	\$ 256,194	\$ 1,435,983	\$ 2,105,280	\$ 83,821	\$ 839,955
Cash and cash equivalents	-	-	-	-	-	-	-
Accrued interest receivable	866	-	-	23,847	112,851	-	1,701
Total assets	<u>\$ 150,866</u>	<u>\$ 263,535,324</u>	<u>\$ 256,194</u>	<u>\$ 1,459,830</u>	<u>\$ 2,218,131</u>	<u>\$ 83,821</u>	<u>\$ 841,656</u>
<b>Liabilities</b>							
Vouchers payable	\$ -	\$ -	\$ 104,386	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	263,535,324	-	-	-	83,821	-
Other accrued liabilities	150,866	-	151,808	1,459,830	2,218,131	-	841,656
Total liabilities	<u>\$ 150,866</u>	<u>\$ 263,535,324</u>	<u>\$ 256,194</u>	<u>\$ 1,459,830</u>	<u>\$ 2,218,131</u>	<u>\$ 83,821</u>	<u>\$ 841,656</u>

(continued)

**County of Oakland**  
**Combining Statement of Net Position (Continued)**  
**Agency Funds**  
**September 30, 2016**

	<b>Special Trust</b>	<b>Contractor's Retainage</b>	<b>Public Library Trust</b>	<b>District Court Trust Accounts</b>	<b>Jail Inmate Trust Account</b>	<b>Totals September 30, 2016</b>
<b>Assets</b>						
Pooled cash and investments	\$ 3,350,573	\$ 3,938,923	\$ 729,887	\$ -	\$ -	\$276,425,940
Cash and cash equivalents	-	-	-	681,823	222,603	904,426
Accrued interest receivable	12,900	24,592	2,699	-	-	179,456
Total assets	<u>\$ 3,363,473</u>	<u>\$ 3,963,515</u>	<u>\$ 732,586</u>	<u>\$ 681,823</u>	<u>\$ 222,603</u>	<u>\$277,509,822</u>
<b>Liabilities</b>						
Vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	104,386
Due to other governmental units	-	-	-	-	-	263,619,145
Other accrued liabilities	3,363,473	3,963,515	732,586	681,823	222,603	13,786,291
Total liabilities	<u>\$ 3,363,473</u>	<u>\$ 3,963,515</u>	<u>\$ 732,586</u>	<u>\$ 681,823</u>	<u>\$ 222,603</u>	<u>\$277,509,822</u>

**County of Oakland**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year Ended September 30, 2016**

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<b>District Court Investments</b>				
Assets				
Pooled cash and investments	\$ 150,000	\$ 1,443	\$ 1,443	\$ 150,000
Accrued interest receivable	709	277	120	866
Total	<u>\$ 150,709</u>	<u>\$ 1,720</u>	<u>\$ 1,563</u>	<u>\$ 150,866</u>
Liabilities				
Other accrued liabilities	<u>\$ 150,709</u>	<u>\$ 1,720</u>	<u>\$ 1,563</u>	<u>\$ 150,866</u>
<b>Undistributed Taxes</b>				
Assets				
Pooled cash and investments	<u>\$ 222,587,488</u>	<u>\$ 842,092,528</u>	<u>\$ 801,144,692</u>	<u>\$ 263,535,324</u>
Liabilities				
Vouchers payable	\$ 337,675	\$ 531,607,211	\$ 531,944,886	\$ -
Due to other governmental units	222,249,813	905,701,767	864,416,256	263,535,324
Total	<u>\$ 222,587,488</u>	<u>\$ 1,437,308,978</u>	<u>\$ 1,396,361,142</u>	<u>\$ 263,535,324</u>
<b>Register of Deeds Trust</b>				
Assets				
Pooled cash and investments	<u>\$ 438,225</u>	<u>\$ 5,052,577</u>	<u>\$ 5,234,608</u>	<u>\$ 256,194</u>
Liabilities				
Vouchers payable	\$ -	\$ 5,338,973	\$ 5,234,587	\$ 104,386
Other accrued liabilities	438,225	5,385,845	5,672,262	151,808
Total	<u>\$ 438,225</u>	<u>\$ 10,724,818</u>	<u>\$ 10,906,849</u>	<u>\$ 256,194</u>
<b>Sheriff NET Forfeiture</b>				
Assets				
Pooled cash and investments	\$ 1,047,458	\$ 1,823,637	\$ 1,435,112	\$ 1,435,983
Accrued interest receivable	23,044	1,519	716	23,847
Total	<u>\$ 1,070,502</u>	<u>\$ 1,825,156</u>	<u>\$ 1,435,828</u>	<u>\$ 1,459,830</u>
Liabilities				
Vouchers payable	\$ -	\$ 988,210	\$ 988,210	\$ -
Other accrued liabilities	1,070,502	1,829,755	1,440,427	1,459,830
Total	<u>\$ 1,070,502</u>	<u>\$ 2,817,965</u>	<u>\$ 2,428,637</u>	<u>\$ 1,459,830</u>

(continued)

**County of Oakland**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**Agency Funds**  
**Year Ended September 30, 2016**

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<b>Circuit Court Trust</b>				
Assets				
Pooled cash and investments	\$ 3,696,264	\$ 4,195,072	\$ 5,786,056	\$ 2,105,280
Accrued interest receivable	112,851	4,057	4,057	112,851
Total	<u>\$ 3,809,115</u>	<u>\$ 4,199,129</u>	<u>\$ 5,790,113</u>	<u>\$ 2,218,131</u>
Liabilities				
Vouchers payable	\$ -	\$ 5,483,097	\$ 5,483,097	\$ -
Other accrued liabilities	3,809,115	4,183,139	5,774,123	2,218,131
Total	<u>\$ 3,809,115</u>	<u>\$ 9,666,236</u>	<u>\$ 11,257,220</u>	<u>\$ 2,218,131</u>
<b>Escheats Trust</b>				
Assets				
Pooled cash and investments	\$ 50,247	\$ 401,687	\$ 368,113	\$ 83,821
Liabilities				
Vouchers payable	\$ -	\$ 366,266	\$ 366,266	\$ -
Due to other governmental units	50,247	401,687	368,113	83,821
Total	<u>\$ 50,247</u>	<u>\$ 767,953</u>	<u>\$ 734,379</u>	<u>\$ 83,821</u>
<b>Legatee Trust</b>				
Assets				
Pooled cash and investments	\$ 728,188	\$ 250,772	\$ 139,005	\$ 839,955
Accrued interest receivable	1,178	1,214	691	1,701
Total	<u>\$ 729,366</u>	<u>\$ 251,986</u>	<u>\$ 139,696</u>	<u>\$ 841,656</u>
Liabilities				
Vouchers payable	\$ -	\$ 126,603	\$ 126,603	\$ -
Other accrued liabilities	729,366	251,987	139,697	841,656
Total	<u>\$ 729,366</u>	<u>\$ 378,590</u>	<u>\$ 266,300</u>	<u>\$ 841,656</u>
<b>Special Trust</b>				
Assets				
Pooled cash and investments	\$ 2,274,679	\$ 4,491,767	\$ 3,415,873	\$ 3,350,573
Accrued interest receivable	11,034	4,232	2,366	12,900
Total	<u>\$ 2,285,713</u>	<u>\$ 4,495,999</u>	<u>\$ 3,418,239</u>	<u>\$ 3,363,473</u>
Liabilities				
Vouchers payable	\$ -	\$ 1,958,548	\$ 1,958,548	\$ -
Other accrued liabilities	2,285,713	4,519,742	3,441,982	3,363,473
Total	<u>\$ 2,285,713</u>	<u>\$ 6,478,290</u>	<u>\$ 5,400,530</u>	<u>\$ 3,363,473</u>

(continued)

**County of Oakland**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**Agency Funds**  
**Year Ended September 30, 2016**

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<b>Contractor's Retainage</b>				
Assets				
Pooled cash and investments	\$ 5,113,818	\$ 2,849,468	\$ 4,024,363	\$ 3,938,923
Accrued interest receivable	20,912	8,841	5,161	24,592
Total	<u>\$ 5,134,730</u>	<u>\$ 2,858,309</u>	<u>\$ 4,029,524</u>	<u>\$ 3,963,515</u>
Liabilities				
Vouchers payable	\$ 69,928	\$ 3,864,488	\$ 3,934,416	\$ -
Other accrued liabilities	5,064,802	2,863,126	3,964,413	3,963,515
Total	<u>\$ 5,134,730</u>	<u>\$ 6,727,614</u>	<u>\$ 7,898,829</u>	<u>\$ 3,963,515</u>
<b>Public Library Trust</b>				
Assets				
Pooled cash and investments	\$ 821,010	\$ 2,454,598	\$ 2,545,721	\$ 729,887
Accrued interest receivable	1,567	2,399	1,267	2,699
Total	<u>\$ 822,577</u>	<u>\$ 2,456,997</u>	<u>\$ 2,546,988</u>	<u>\$ 732,586</u>
Liabilities				
Vouchers payable	\$ -	\$ 2,543,106	\$ 2,543,106	\$ -
Other accrued liabilities	822,577	2,457,638	2,547,629	732,586
Total	<u>\$ 822,577</u>	<u>\$ 5,000,744</u>	<u>\$ 5,090,735</u>	<u>\$ 732,586</u>
<b>District Court Trust Accounts</b>				
Assets				
Cash and cash equivalents	\$ 418,335	\$ 3,140,089	\$ 2,876,601	\$ 681,823
Liabilities				
Other accrued liabilities	\$ 418,335	\$ 3,140,089	\$ 2,876,601	\$ 681,823
<b>Jail Inmate Trust Account</b>				
Assets				
Cash and cash equivalents	\$ 313,741	\$ 2,612,557	\$ 2,703,695	\$ 222,603
Liabilities				
Other accrued liabilities	\$ 313,741	\$ 2,612,557	\$ 2,703,695	\$ 222,603

(continued)



**County of Oakland**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**Agency Funds**  
**Year Ended September 30, 2016**

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	<b>Balance October 1, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2016</b>
<b>Total All Agency Funds</b>				
Assets				
Pooled cash and investments	\$ 236,907,377	\$ 863,613,549	\$ 824,094,986	\$ 276,425,940
Cash and cash equivalents	732,076	5,752,646	5,580,296	904,426
Accrued interest receivable	171,295	22,539	14,378	179,456
Total	<u>\$ 237,810,748</u>	<u>\$ 869,388,734</u>	<u>\$ 829,689,660</u>	<u>\$ 277,509,822</u>
Liabilities				
Vouchers payable	\$ 407,603	\$ 552,276,502	\$ 552,579,719	\$ 104,386
Due to other governmental units	222,300,060	906,103,454	864,784,369	263,619,145
Other accrued liabilities	15,103,085	27,245,598	28,562,392	13,786,291
Total	<u>\$ 237,810,748</u>	<u>\$ 1,485,625,554</u>	<u>\$ 1,445,926,480</u>	<u>\$ 277,509,822</u>

## **County of Oakland**

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

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#### **Drainage Districts**

This component unit consists of many individual districts (currently 174) 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 30 debt issues) of the individual drainage districts.

**County of Oakland  
Combining Balance Sheet  
Governmental Funds – Component Unit – Drainage Districts  
September 30, 2016**

	<b>Drainage Districts</b>			<b>Totals September 30, 2016</b>
	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Assets</b>				
<b>Current assets</b>				
Pooled cash and investments	\$ 23,606,455	\$ 3,245,429	\$ 16,661,825	\$ 43,513,709
Receivables (net of allowance for uncollectibles where applicable)				
Accounts receivable	54,199	-	8,527	62,726
Special assessments receivable	107,470	194,431,822	-	194,539,292
Due from other governmental units	4,350,781	29,038	-	4,379,819
Accrued interest receivable	79,745	18,204	-	97,949
Due from primary government	35,000	-	-	35,000
Due from other funds	2,103,069	-	425,000	2,528,069
Total assets	<u>\$ 30,336,719</u>	<u>\$ 197,724,493</u>	<u>\$ 17,095,352</u>	<u>\$ 245,156,564</u>
<b>Liabilities</b>				
Vouchers payable	\$ 6,305,824	\$ 2,225,615	\$ 630,233	\$ 9,161,672
Due to other governmental units	7,144,059	36,411	160,000	7,340,470
Due to other funds	428,069	-	2,100,000	2,528,069
Due to primary government	666,422	-	84,478	750,900
Unearned revenue	-	597,645	-	597,645
Accrued interest payable	-	-	14,071	14,071
Other accrued liabilities	702,448	172,785	1,366,341	2,241,574
Total liabilities	<u>15,246,822</u>	<u>3,032,456</u>	<u>4,355,123</u>	<u>22,634,401</u>
<b>Deferred Inflow of Resources</b>				
Unavailable revenue - special assessments	107,470	193,834,177	-	193,941,647
Unavailable revenue - grants	137,327	-	-	137,327
Unavailable revenue - other	5,000	-	-	5,000
Total deferred inflows of resources	<u>249,797</u>	<u>193,834,177</u>	<u>-</u>	<u>194,083,974</u>
<b>Fund Balances</b>				
Restricted	14,840,100	857,860	-	15,697,960
Committed	-	-	12,740,229	12,740,229
Total fund balances	<u>14,840,100</u>	<u>857,860</u>	<u>12,740,229</u>	<u>28,438,189</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,336,719</u>	<u>\$ 197,724,493</u>	<u>\$ 17,095,352</u>	<u>\$ 245,156,564</u>

**County of Oakland**  
**Reconciliation of the Balance Sheet – Governmental Funds to the**  
**Statement of Net Position**  
**Component Unit – Drainage Districts**  
**September 30, 2016**

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Total fund balances of governmental funds		\$ 28,438,189
Amounts reported for governmental activities in the Statement of Net Position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land and other nondepreciable assets	\$190,174,255	
Buildings, net of \$6,233,743 depreciation	51,014,913	
Equipment, net of \$69,355 depreciation	304,202	
Infrastructure, net of \$105,201,985 depreciation	<u>394,289,704</u>	
		635,783,074
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		194,083,974
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 Position. This is the net effect of these balances on the statement.		
Bonds and notes payable		<u>(264,786,488)</u>
Net position of governmental activities		<u>\$ 593,518,749</u>

**County of Oakland**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds – Component Unit – Drainage Districts**  
**Year Ended September 30, 2016**

	<b>Drainage Districts</b>			<b>Totals September 30, 2016</b>
	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Revenues</b>				
Special assessments	\$13,800,003	\$26,052,554	\$ -	\$ 39,852,557
State grants	920,344	-	937,312	1,857,656
Charges for services	72,133,297	7,100	488,308	72,628,705
Investment income	160,767	37,447	193,857	392,071
Other	175,090	7,264	-	182,354
Total revenues	<u>87,189,501</u>	<u>26,104,365</u>	<u>1,619,477</u>	<u>114,913,343</u>
<b>Expenditures</b>				
Salaries	428	-	42	470
Contractual services	79,982,282	123,879	27,633,753	107,739,914
Commodities	251,750	-	10,914	262,664
Principal payments	-	26,399,800	-	26,399,800
Interest	-	7,240,004	-	7,240,004
Paying agent fees	-	7,250	-	7,250
Intergovernmental	187,158	180,848	-	368,006
Internal services	2,074,365	-	616,314	2,690,679
Total expenditures	<u>82,495,983</u>	<u>33,951,781</u>	<u>28,261,023</u>	<u>144,708,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,693,518</u>	<u>(7,847,416)</u>	<u>(26,641,546)</u>	<u>(29,795,444)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	425,000	425,000
Transfers out	(425,000)	-	-	(425,000)
Insurance recovery	-	-	6,300,000	6,300,000
Issuance of bonds	-	-	19,169,814	19,169,814
Issuance of refunding bonds	-	7,450,000	-	7,450,000
Federal grant interest recovery	-	184,963	-	184,963
Premiums on bonds sold	-	226,649	-	226,649
Total other financing sources (uses)	<u>(425,000)</u>	<u>7,861,612</u>	<u>25,894,814</u>	<u>33,331,426</u>
Net change in fund balances	4,268,518	14,196	(746,732)	3,535,982
<b>Fund balances</b>				
October 1, 2015	<u>10,571,582</u>	<u>843,664</u>	<u>13,486,961</u>	<u>24,902,207</u>
September 30, 2016	<u>\$14,840,100</u>	<u>\$ 857,860</u>	<u>\$12,740,229</u>	<u>\$ 28,438,189</u>

**County of Oakland**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances – Governmental Funds to the Statement of Activities**  
**Component Unit – Drainage Districts**  
**Year Ended September 30, 2016**

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Net change in fund balance - total governmental funds		\$ 3,535,982
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	\$ 25,420,825	
Infrastructure	4,312,200	
Depreciation expense	<u>(7,430,853)</u>	
		22,302,172
Revenue from special assessments reported in the Statement of Activities in previous years that provided current financial resources in the governmental funds		(26,399,800)
Current year special assessments will be reported in the Statement of Activities because they did not provide current year financial resources in the governmental funds		25,298,542
Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term bonded debt in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Position. This is the amount that proceeds exceed repayments		
Bond proceeds	(26,619,814)	
Repayment of debt	<u>26,399,800</u>	
		<u>(220,014)</u>
Change in net position of governmental activities		<u>\$ 24,516,882</u>

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**III. STATISTICAL SECTION – UNAUDITED**

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County of Oakland  
Statistical Section

**Statistical Section**

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

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

- Net Position by Component - Last Ten Fiscal Years
- Changes in Net Position - Last Ten 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:

- Ratio 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 Position by Component – Unaudited Table 1  
Last Ten Fiscal Years**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (1)	2010	2009	2008	2007
Governmental activities:										
Net invested in capital assets	\$ 147,744,764	\$ 156,456,894	\$ 145,910,667	\$ 137,512,571	\$ 148,709,168	\$ 150,330,717	\$ 151,764,265	\$ 150,871,035	\$ 156,516,704	\$ 154,181,303
Restricted	35,931,987	39,591,712	53,896,914	72,467,130	92,918,321	98,366,070	6,480,807	7,414,537	9,714,922	14,207,504
Unrestricted	266,394,220	228,425,269	180,545,856	191,318,485	157,152,392	149,221,428	230,165,706	226,807,427	275,919,598	398,345,388
Total governmental activities net assets	<u>\$ 450,070,971</u>	<u>\$ 424,473,875</u>	<u>\$ 380,353,437</u>	<u>\$ 401,298,186</u>	<u>\$ 398,779,881</u>	<u>\$ 397,918,215</u>	<u>\$ 388,410,778</u>	<u>\$ 385,092,999</u>	<u>\$ 442,151,224</u>	<u>\$ 566,734,195</u>
Business-type activities:										
Net invested in capital assets	\$ 299,224,229	\$ 284,732,715	\$ 268,982,184	\$ 264,682,840	\$ 289,004,302	\$ 247,997,936	\$ 246,550,290	\$ 231,574,926	\$ 224,691,371	\$ 230,313,458
Restricted	98,337,169	89,643,864	78,286,471	73,813,076	77,418,640	77,825,011	15,802,201	13,250,044	11,217,873	10,426,567
Unrestricted	345,130,207	333,831,563	354,280,212	367,673,527	337,479,877	324,574,011	380,611,469	380,765,211	379,297,755	360,917,225
Total business-type activities net assets	<u>\$ 742,691,605</u>	<u>\$ 708,208,142</u>	<u>\$ 701,548,867</u>	<u>\$ 706,169,443</u>	<u>\$ 703,902,819</u>	<u>\$ 650,396,958</u>	<u>\$ 642,963,960</u>	<u>\$ 625,590,181</u>	<u>\$ 615,206,999</u>	<u>\$ 601,657,250</u>
Primary government:										
Net invested in capital assets	\$ 446,968,993	\$ 441,189,609	\$ 414,892,851	\$ 402,195,411	\$ 437,713,470	\$ 398,328,653	\$ 398,314,555	\$ 382,445,961	\$ 381,208,075	\$ 384,494,761
Restricted	134,269,156	129,235,576	132,183,385	146,280,206	170,336,961	176,161,081	22,283,008	20,664,581	20,932,795	24,634,071
Unrestricted	611,524,427	562,256,832	534,826,068	558,992,012	494,632,269	473,795,439	610,777,175	607,572,638	655,217,353	759,262,613
Total primary government net assets	<u>\$ 1,192,762,576</u>	<u>\$ 1,132,682,017</u>	<u>\$ 1,081,902,304</u>	<u>\$ 1,107,467,629</u>	<u>\$ 1,102,682,700</u>	<u>\$ 1,048,285,173</u>	<u>\$ 1,031,374,738</u>	<u>\$ 1,010,683,180</u>	<u>\$ 1,057,358,223</u>	<u>\$ 1,168,391,445</u>

(1) Implementation of GASB Statement No. 54 resulted in reclassification of several funds. The Delinquent Personal Property Tax Administration fund was reclassified from Special Revenue (Governmental) fund type to Enterprise (Business) fund type, and the Interim Retirees Medical Benefits Trust fund was reclassified from Special Revenue (Governmental) to Pension Trust fund type, no longer reported on entity-wide statements.

# County of Oakland

## Changes in Net Position – Unaudited Table 2

### Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (1)	2010	2009	2008	2007
<b>Expenses</b>										
Governmental activities:										
General government, administrative	\$ 36,922,795	\$ 69,539,633	\$ 23,850,091	\$ 24,802,464	\$ 24,883,201	\$ 36,769,153	\$ 64,661,974	\$ 65,190,329	\$ 55,917,104	\$ 55,832,272
Public safety	186,368,098	186,050,353	201,580,810	195,275,037	203,647,570	169,055,162	173,410,126	187,538,293	193,657,522	195,973,792
Justice administration	88,190,032	86,238,778	93,496,165	90,873,460	91,355,151	82,995,986	85,663,267	88,190,975	94,185,884	93,118,766
Citizen services	77,513,361	83,738,255	87,214,484	82,502,384	83,141,703	78,697,492	84,616,509	87,111,105	89,557,378	89,823,473
Public works	53,585,849	38,300,439	42,267,177	29,008,606	29,173,892	23,972,731	21,638,989	21,098,772	33,657,302	24,816,124
Recreation and leisure	1,346,384	1,322,395	1,448,875	1,551,035	1,747,878	1,393,680	1,717,720	2,537,737	2,500,868	2,778,168
Commerce and community development	42,667,769	44,364,348	48,411,360	48,895,303	53,775,460	61,663,939	67,785,938	59,391,426	49,522,895	47,168,210
Unallocated depreciation	3,527,266	3,164,143	2,083,460	1,911,473	1,912,755	1,976,521	1,990,978	1,959,201	1,900,360	1,515,755
Interest on debt	3,222,007	3,273,505	3,244,225	2,626,856	4,041,393	13,447,625	35,876,728	40,013,064	48,251,563	8,077,576
<b>Total governmental activities expenses</b>	<b>493,343,561</b>	<b>515,991,849</b>	<b>503,596,647</b>	<b>477,446,618</b>	<b>493,679,003</b>	<b>469,972,289</b>	<b>537,362,229</b>	<b>553,030,902</b>	<b>569,150,876</b>	<b>519,104,136</b>
Business-type activities:										
Airports	6,630,136	7,023,922	6,910,625	6,653,186	9,016,461	5,957,174	5,819,585	6,224,009	6,607,247	5,743,493
Community safety support	20,772,663	21,312,944	21,277,821	17,084,677	17,370,233	16,303,359	14,469,036	11,812,058	14,885,712	12,268,777
Community tax financing	988,159	1,230,707	1,278,589	1,399,607	1,615,467	1,746,776	1,446,745	2,233,942	2,682,543	1,951,128
Community water and sewer	82,330,145	81,572,797	77,684,287	77,371,824	53,137,399	48,504,467	41,891,865	43,447,751	43,094,681	46,460,504
Jail commissary	-	-	-	-	-	-	-	648,125	1,439,198	1,390,752
Recreation and leisure	23,460,676	23,741,356	22,860,691	21,181,725	20,108,609	20,061,315	21,635,614	20,446,250	20,841,960	21,818,894
Sewage disposal systems	132,107,791	129,927,356	128,252,681	126,797,005	121,129,202	111,655,907	93,373,475	102,123,883	95,836,418	91,710,019
Skilled nursing care	-	-	-	-	-	-	-	-	-	6,549,117
<b>Total business-type activities expenses</b>	<b>266,289,570</b>	<b>264,809,082</b>	<b>258,264,694</b>	<b>250,488,024</b>	<b>222,377,371</b>	<b>204,228,998</b>	<b>178,636,320</b>	<b>186,936,018</b>	<b>185,387,759</b>	<b>187,892,684</b>
<b>Total primary government expenses</b>	<b>\$ 759,633,131</b>	<b>\$ 780,800,931</b>	<b>\$ 761,861,341</b>	<b>\$ 727,934,642</b>	<b>\$ 716,056,374</b>	<b>\$ 674,201,287</b>	<b>\$ 715,998,549</b>	<b>\$ 739,966,920</b>	<b>\$ 754,538,635</b>	<b>\$ 706,996,820</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government, administrative	\$ 23,078,190	\$ 24,225,570	\$ 25,879,090	\$ 28,230,087	\$ 24,431,514	\$ 27,107,546	\$ 26,766,446	\$ 17,820,281	\$ (52,389,036)	\$ 42,194,952
Public safety	64,274,890	64,625,234	63,007,666	60,741,916	60,028,240	50,912,265	64,847,767	49,231,699	49,174,229	47,917,916
Justice administration	32,064,235	31,830,801	31,711,482	31,730,104	31,950,808	31,017,405	38,414,451	30,403,131	31,465,349	30,874,119
Citizen services	9,488,715	8,414,435	7,310,429	6,448,453	5,829,293	6,682,817	12,948,266	8,906,620	6,345,201	8,429,521
Public works	34,566,771	12,855,569	19,090,066	22,030,824	16,293,669	3,988,963	13,972,441	4,075,870	8,973,627	19,046,950
Recreation and leisure	15,468	14,686	39,934	38,154	79,342	91,273	178,753	703,665	118,119	92,490
Commerce and community development	18,361,879	17,646,879	17,158,997	18,967,967	14,240,342	12,231,135	15,254,871	13,744,979	15,163,579	17,685,622
Operating grants and contributions:										
General government, administrative	600,500	4,448,510	786,094	812,900	1,972,545	1,019,348	1,785,795	911,378	854,210	721,109
Public safety	18,302,689	17,630,677	17,770,136	23,147,123	28,147,900	21,723,458	22,185,332	23,627,427	26,927,251	26,315,543
Justice administration	680,004	741,357	508,391	456,013	662,382	675,133	629,776	344,724	674,877	694,496
Citizen services	15,731,575	14,728,273	23,545,171	21,776,402	20,364,604	21,940,379	22,734,748	20,900,530	19,547,323	18,828,828
Public works	1,069,022	362,098	261,174	930,304	2,635,398	836,666	1,483,907	68,125	313,462	207,259
Recreation and leisure	8,000	-	14,965	72,414	254,812	7,700	11,500	3,700	1,300	20,400
Commerce and community development	20,163,033	22,065,499	23,443,405	24,638,978	30,484,781	41,374,879	46,056,662	36,598,640	25,301,094	22,355,911
Capital grants and contributions:										
Public safety	282,049	163,231	193,234	965,065	618,415	1,869,849	259,795	3,061,210	2,179,783	794,290
Justice administration	39,190	-	-	-	-	-	-	-	-	-
Public works	1,207,474	5,761,319	3,557,413	-	1,961,591	1,992,056	493,320	1,905,878	3,294,672	678,109
<b>Total governmental activities program revenues</b>	<b>239,933,684</b>	<b>225,514,138</b>	<b>234,277,647</b>	<b>240,986,704</b>	<b>239,955,636</b>	<b>223,470,872</b>	<b>268,023,830</b>	<b>212,307,857</b>	<b>137,945,040</b>	<b>236,857,515</b>

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (1)	2010	2009	2008	2007
<b>Program Revenues (Continued)</b>										
Business-type activities:										
Charges for services:										
Airports	\$ 4,624,215	\$ 4,421,496	\$ 4,294,902	\$ 4,381,999	\$ 4,502,884	\$ 4,510,925	\$ 3,747,657	\$ 4,088,960	\$ 4,896,123	\$ 5,395,837
Community safety support	14,293,818	12,833,963	13,085,553	11,417,222	13,242,926	12,266,838	11,486,639	11,562,650	9,305,150	9,434,447
Community tax financing	15,872,925	16,657,070	18,306,142	21,845,093	21,965,251	27,731,753	26,195,224	56,665,158	20,471,957	16,165,463
Community water and sewer	92,591,784	80,058,849	80,597,277	80,223,019	59,090,782	50,721,103	48,741,135	45,494,838	45,216,075	42,025,496
Jail commissary	-	-	-	-	-	-	-	648,781	1,403,706	1,465,779
Recreation and leisure	9,981,419	9,978,385	8,525,094	8,430,978	8,751,064	8,029,370	7,931,012	7,712,091	8,728,377	8,858,117
Sewage disposal systems	133,611,778	137,441,935	126,670,775	121,781,246	118,951,504	110,808,669	107,752,414	65,648,219	88,241,160	90,448,987
Skilled nursing care	-	-	-	-	-	-	-	-	-	4,489,554
Operating grants and contributions:										
Airports	-	287,991	-	-	-	-	59,892	-	-	-
Community water and sewer	1,398,631	807,591	48,319	-	13,301,375	-	-	-	-	-
Recreation and leisure	77,079	69,032	92,689	96,241	25,385	31,579	42,723	52,752	282,469	7,819
Sewage disposal systems	727,072	518,864	-	21,783	-	300,000	22,389	16,208	-	-
Skilled nursing care	-	-	-	-	-	-	-	-	-	5,795
Capital grants and contributions:										
Airports	915,522	485,207	1,252,591	778,548	17,054,233	3,510,611	1,988,314	1,217,057	95,525	4,022,511
Community safety support	77,563	761,013	2,255,765	2,189,506	786,768	6,710,663	1,076,608	4,089,196	3,599,133	3,062,610
Community water and sewer	1,057,973	1,294,332	1,206,737	-	-	-	-	-	-	973,039
Recreation and leisure	-	308,000	-	288,141	38,796	1,506,000	-	-	240,734	2,158,361
Sewage disposal systems	27,520,966	8,219,302	93,399	1,476,762	103,635	136,314	78,531	-	233,497	535,477
Total business-type activities program revenues	<u>302,750,745</u>	<u>274,143,030</u>	<u>256,429,243</u>	<u>252,930,538</u>	<u>257,814,603</u>	<u>226,263,825</u>	<u>209,122,538</u>	<u>197,195,910</u>	<u>182,713,906</u>	<u>189,049,292</u>
Total primary government program revenues	<u>\$ 542,684,429</u>	<u>\$ 499,657,168</u>	<u>\$ 490,706,890</u>	<u>\$ 493,917,242</u>	<u>\$ 497,770,239</u>	<u>\$ 449,734,697</u>	<u>\$ 477,146,368</u>	<u>\$ 409,503,767</u>	<u>\$ 320,658,946</u>	<u>\$ 425,906,807</u>
<b>Net (Expenses) Revenues</b>										
Governmental activities	\$ (253,409,877)	\$ (290,477,711)	\$ (269,319,000)	\$ (236,459,914)	\$ (253,723,367)	\$ (246,501,417)	\$ (269,338,399)	\$ (340,723,045)	\$ (431,205,836)	\$ (282,246,621)
Business-type activities	<u>36,461,175</u>	<u>9,333,948</u>	<u>(1,835,451)</u>	<u>2,442,514</u>	<u>35,437,232</u>	<u>22,034,827</u>	<u>30,486,218</u>	<u>10,259,892</u>	<u>(2,673,853)</u>	<u>1,156,608</u>
Total primary government net expenses	<u>\$ (216,948,702)</u>	<u>\$ (281,143,763)</u>	<u>\$ (271,154,451)</u>	<u>\$ (234,017,400)</u>	<u>\$ (218,286,135)</u>	<u>\$ (224,466,590)</u>	<u>\$ (238,852,181)</u>	<u>\$ (330,463,153)</u>	<u>\$ (433,879,689)</u>	<u>\$ (281,090,013)</u>
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 210,219,877	\$ 204,218,641	\$ 206,256,326	\$ 199,808,014	\$ 200,634,390	\$ 208,006,331	\$ 217,789,968	\$ 243,995,434	\$ 260,528,403	\$ 346,416,928
State-shared revenue (unrestricted)	42,849,430	39,238,141	14,066,100	12,789,988	11,128,237	8,976,908	9,104,897	9,902,653	10,687,879	10,289,585
Unrestricted investment earnings	3,894,824	3,589,453	4,917,507	2,553,617	2,955,907	4,865,609	7,243,074	832,681	18,827,633	16,553,783
Gain on sale of capital assets	435,178	135,786	205,284	270,885	213,451	331,629	-	91,828	123,665	568,634
Other revenues	3,765,977	5,623,075	3,397,021	3,752,043	6,513,306	3,514,883	4,045,007	5,859,798	1,714,661	1,308,488
Transfers in (out)	<u>17,841,687</u>	<u>17,940,753</u>	<u>19,532,013</u>	<u>19,803,672</u>	<u>33,139,742</u>	<u>34,901,063</u>	<u>34,473,232</u>	<u>22,982,426</u>	<u>14,740,624</u>	<u>9,714,755</u>
Total governmental activities	<u>279,006,973</u>	<u>270,745,849</u>	<u>248,374,251</u>	<u>238,978,219</u>	<u>254,585,033</u>	<u>260,596,423</u>	<u>272,656,178</u>	<u>283,664,820</u>	<u>306,622,865</u>	<u>384,852,173</u>

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (1)	2010	2009	2008	2007
<b>General Revenues and Other Changes in Net Position (Continued)</b>										
Business-type activities:										
Property taxes	\$ 12,246,824	\$ 11,832,814	\$ 11,567,251	\$ 11,398,103	\$ 11,664,549	\$ 12,696,436	\$ 14,506,403	\$ 15,128,620	\$ 15,124,023	\$ 14,636,020
Unrestricted investment earnings	3,617,151	2,914,365	5,179,637	1,758,041	2,050,923	3,015,229	6,854,390	7,977,096	15,840,203	17,586,698
Special items - Contr. Pontiac W&S	-	-	-	6,471,638	37,492,899	-	-	-	-	-
Transfers in (out)	(17,841,687)	(17,940,753)	(19,532,013)	(19,803,672)	(33,139,742)	(34,901,063)	(34,473,232)	(22,982,426)	(14,740,624)	(9,714,755)
Total business-type activities	<u>(1,977,712)</u>	<u>(3,193,574)</u>	<u>(2,785,125)</u>	<u>(175,890)</u>	<u>18,068,629</u>	<u>(19,189,398)</u>	<u>(13,112,439)</u>	<u>123,290</u>	<u>16,223,602</u>	<u>22,507,963</u>
Total primary government	<u>\$ 277,029,261</u>	<u>\$ 267,552,275</u>	<u>\$ 245,589,126</u>	<u>\$ 238,802,329</u>	<u>\$ 272,653,662</u>	<u>\$ 241,407,025</u>	<u>\$ 259,543,739</u>	<u>\$ 283,788,110</u>	<u>\$ 322,846,467</u>	<u>\$ 407,360,136</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 25,597,096	\$ (19,731,862)	\$ (20,944,749)	\$ 2,518,305	\$ 861,666	\$ 14,095,006	\$ 3,317,779	\$ (57,058,225)	\$ (124,582,971)	\$ 102,605,552
Business-type activities	<u>34,483,463</u>	<u>6,140,374</u>	<u>(4,620,576)</u>	<u>2,266,624</u>	<u>53,505,861</u>	<u>2,845,429</u>	<u>17,373,779</u>	<u>10,383,182</u>	<u>13,549,749</u>	<u>23,664,571</u>
Total primary government	<u>\$ 60,080,559</u>	<u>\$ (13,591,488)</u>	<u>\$ (25,565,325)</u>	<u>\$ 4,784,929</u>	<u>\$ 54,367,527</u>	<u>\$ 16,940,435</u>	<u>\$ 20,691,558</u>	<u>\$ (46,675,043)</u>	<u>\$ (111,033,222)</u>	<u>\$ 126,270,123</u>

(1) Implementation of GASB Statement No. 54 resulted in reclassification of several funds. The Delinquent Personal Property Tax Administration fund was reclassified from Special Revenue (Governmental) fund type to Enterprise (Business) fund type, and the Interim Retirees Medical Benefits Trust fund was reclassified from Special Revenue (Governmental) to Pension Trust fund type, no longer reported on entity-wide statements.

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (1)	2010	2009	2008	2007
General Fund (1):										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,793	\$ 384,218	\$ 401,491	\$ 399,108
Unreserved:										
Designated	-	-	-	-	-	-	148,109,832	105,531,347	81,211,880	77,600,450
Unassigned	-	-	-	-	-	-	516,356	351,088	2,713,991	797,382
Nonspendable	534,766	490,499	221,975	258,647	1,100,141	292,698	-	-	-	-
Restricted	5,884,980	15,190,786	28,453,511	20,201,133	11,555,148	5,287,071	-	-	-	-
Assigned	245,859,255	242,777,177	222,979,095	221,222,041	209,683,648	194,082,115	-	-	-	-
Unassigned	2,962,467	1,745,931	2,329,993	1,091,218	1,090,503	1,500,000	-	-	-	-
<b>Total General Fund</b>	<b>\$ 255,241,468</b>	<b>\$ 260,204,393</b>	<b>\$ 253,984,574</b>	<b>\$ 242,773,039</b>	<b>\$ 223,429,440</b>	<b>\$ 201,161,884</b>	<b>\$ 149,005,981</b>	<b>\$ 106,266,653</b>	<b>\$ 84,327,362</b>	<b>\$ 78,796,940</b>
All Other Governmental Funds (1):										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,622,280	\$ 365,269,937	\$ 437,653,323	\$ 575,350,044
Unreserved:										
Designated:										
Special Revenue Funds	-	-	-	-	-	-	147,349,425	179,637,943	195,940,244	210,965,492
Capital Projects Funds	-	-	-	-	-	-	6,175,010	7,063,814	9,238,783	3,260,193
Undesignated:										
Special Revenue Funds	-	-	-	-	-	-	(91,342)	(96,051)	(286,530)	(83,268)
Capital Projects Funds	-	-	-	-	-	-	11,756,867	12,518,053	9,460,642	6,176,092
Nonspendable	1,102,916	1,176,207	991,206	441,135	547,459	445,125	-	-	-	-
Restricted	25,721,135	19,294,296	25,443,403	51,418,485	81,363,173	97,920,945	-	-	-	-
Committed	51,423,615	27,813,859	39,973,683	46,332,071	18,432,389	16,530,640	-	-	-	-
Assigned	-	-	-	-	7,732	17,254	-	-	-	-
Unassigned	(3,010,629)	(4,080,095)	(2,708,371)	(606,542)	(462,247)	(366,963)	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 75,237,037</b>	<b>\$ 44,204,267</b>	<b>\$ 63,699,921</b>	<b>\$ 97,585,149</b>	<b>\$ 99,888,506</b>	<b>\$ 114,547,001</b>	<b>\$ 512,812,240</b>	<b>\$ 564,393,696</b>	<b>\$ 652,006,462</b>	<b>\$ 795,668,553</b>

(1) Prior year amounts have not been restated for the implementation of GASB Statement No. 54. In addition, the implementation of Statement No. 54 resulted in reclassification of two funds as follows: Interim Retirees Medical Benefits Trust fund from Special Revenue to Pension Trust fund type; Delinquent Personal Tax Administration fund from Special Revenue to Enterprise Fund type. Also, three Special Revenue funds were absorbed into the County's General Fund: Public Health, Property Tax Forfeiture, and CCIRF funds.

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (2)	2010	2009	2008	2007
<b>Revenues</b>										
Property taxes	\$ 214,229,960	\$ 206,368,131	\$ 207,034,582	\$ 200,842,221	\$ 200,943,790	\$ 209,290,437	\$ 221,271,719	\$ 244,919,383	\$ 257,609,031	\$ 339,186,628
Special assessments	5,384,564	19,429,154	5,712,490	24,639,181	8,873,964	7,915,855	10,420,745	11,402,826	15,300,494	12,328,089
Federal grants	29,637,348	32,135,507	37,110,198	43,875,848	58,364,646	61,433,127	64,410,483	58,228,883	52,411,295	45,171,607
State grants	26,846,548	27,853,475	28,778,014	28,716,151	27,523,160	28,874,320	30,803,568	28,607,917	24,217,563	24,983,592
Other intergovernmental revenue	56,868,569	53,124,504	26,659,052	26,724,815	25,341,493	22,790,048	12,857,979	14,605,183	16,484,867	15,608,558
Charges for services	123,644,292	120,992,621	117,882,404	121,147,370	112,904,076	99,927,910	108,984,759	105,195,473	106,125,199	108,053,350
Contributions	221,578	276,151	373,184	207,200	718,965	443,866	400,252	257,986	154,072	164,776
Investment income	2,772,483	2,580,784	3,604,765	1,862,818	2,223,477	3,824,350	42,828,295	(1,661,180)	(55,451,203)	33,469,520
Indirect cost recovery	7,846,289	7,946,958	8,415,107	7,610,932	8,275,669	8,770,800	9,141,312	9,315,137	8,661,578	9,042,090
Other	930,308	1,019,667	2,498,909	3,637,920	6,364,199	1,067,822	4,045,007	5,859,798	1,714,661	3,779,533
<b>Total revenues</b>	<b>468,381,939</b>	<b>471,726,952</b>	<b>438,068,705</b>	<b>459,264,456</b>	<b>451,533,439</b>	<b>444,338,535</b>	<b>505,164,119</b>	<b>476,731,406</b>	<b>427,227,557</b>	<b>591,787,743</b>
<b>Expenditures</b>										
County Executive	150,905,047	152,940,829	177,990,015	177,867,738	174,957,912	181,369,381	188,031,969	183,553,752	184,687,193	174,673,131
Clerk/Register of Deeds	10,844,437	10,688,410	11,478,209	11,504,787	12,078,679	10,643,080	11,423,907	12,114,081	12,501,908	13,391,336
Treasurer	8,286,497	8,897,706	8,715,059	8,371,074	8,322,889	8,003,249	8,480,363	7,879,361	7,773,390	6,714,071
Justice administration	75,811,521	75,627,179	76,112,761	74,360,297	78,443,609	78,704,797	81,915,294	84,794,618	87,876,040	86,443,531
Law enforcement	164,741,810	159,354,251	159,070,684	154,364,056	160,228,557	146,921,316	148,473,341	152,303,740	156,911,223	157,003,268
Legislative	3,960,835	3,864,960	3,955,467	4,073,210	4,478,413	4,223,183	4,549,812	5,222,130	5,315,075	5,350,336
Water resource commissioner	35,142,209	14,748,645	15,737,892	12,362,273	10,755,550	9,088,423	11,131,024	9,346,814	13,285,960	12,250,179
Non-departmental	21,079,507	29,905,627	18,528,670	18,778,041	17,164,651	16,674,594	74,017,143	80,683,771	80,617,850	33,622,480
Capital outlay	13,469,248	16,394,718	1,668,488	3,154,872	8,124,757	13,125,733	9,440,401	9,721,942	11,014,119	18,630,192
Intergovernmental	4,508	13,592	24,718	107,184	14,363	3,035	1,598,530	134,838	465,075	81,815
Debt service:										
Principal payments	8,610,000	19,730,000	11,215,000	24,095,000	22,275,000	8,535,000	11,655,000	11,955,000	13,720,000	13,000,000
Interest and fiscal charges	3,070,416	3,301,677	3,406,901	4,096,185	4,176,896	4,917,688	5,194,504	5,524,573	6,071,386	6,463,708
<b>Total expenditures</b>	<b>495,926,035</b>	<b>495,467,594</b>	<b>487,903,864</b>	<b>493,134,717</b>	<b>501,021,276</b>	<b>482,209,479</b>	<b>555,911,288</b>	<b>563,234,620</b>	<b>580,239,219</b>	<b>527,624,047</b>
Excess of revenues over (under) expenditures	(27,544,096)	(23,740,642)	(49,835,159)	(33,870,261)	(49,487,837)	(37,870,944)	(50,747,169)	(86,503,214)	(153,011,662)	64,163,696

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (2)	2010	2009	2008	2007
<b>Other Financing Sources (Uses)</b>										
Transfers in	\$ 75,470,868	\$ 67,778,233	\$ 88,060,822	\$ 79,499,398	\$ 93,460,173	\$ 91,581,408	\$ 128,102,839	\$ 119,914,896	\$ 125,322,659	\$ 199,214,389
Transfers out	(62,329,852)	(59,866,546)	(75,126,053)	(64,468,826)	(59,410,852)	(58,902,434)	(93,179,568)	(99,307,651)	(112,182,037)	(197,228,012)
Insurance recoveries	-	222,022	183,718	-	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	(348,800,000)	-	(29,840,000)	(12,488,453)	(2,699,858)	-	-
Issuance of bonds	40,475,488	2,331,098	10,126,377	33,825,000	9,300,000	1,200,000	6,942,148	174,208	1,739,371	562,485,000
Issuance of refunding bonds	-	-	2,875,000	350,000,000	13,620,000	28,485,000	10,990,000	2,710,000	-	-
Premiums on bonds sold	20,870	-	206,732	1,702,443	203,846	1,488,907	1,592,775	38,144	-	-
Discount on bonds sold	(23,433)	-	(12,642)	-	(76,269)	(17,993)	(54,700)	-	-	(2,085,301)
<b>Total other financing sources (uses)</b>	<u>53,613,941</u>	<u>10,464,807</u>	<u>26,313,954</u>	<u>51,758,015</u>	<u>57,096,898</u>	<u>33,994,888</u>	<u>41,905,041</u>	<u>20,829,739</u>	<u>14,879,993</u>	<u>562,386,076</u>
<b>Net change in fund balances</b>	<u>\$ 26,069,845</u>	<u>\$ (13,275,835)</u>	<u>\$ (23,521,205)</u>	<u>\$ 17,887,754</u>	<u>\$ 7,609,061</u>	<u>\$ (3,876,056)</u>	<u>\$ (8,842,128)</u>	<u>\$ (65,673,475)</u>	<u>\$ (138,131,669)</u>	<u>\$ 626,549,772</u>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	2.40%	4.72%	3.05%	5.73%	5.30%	2.82%	3.06%	3.11%	3.45%	3.78%

(1) Noncapital expenditures are total governmental expenditures less capital expenditures (Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances).

(2) Implementation of GASB Statement No. 54 resulted in reclassification of several funds. The Delinquent Personal Property Tax Administration fund was reclassified from Special Revenue (Governmental) fund type to Enterprise (Business) fund type, and the Interim Retirees Medical Benefits Trust fund was reclassified from Special Revenue (Governmental) to Pension Trust fund type, no longer reported on entity-wide statements.

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

		Real Property (1)							
		Residential Property		Commercial Property		Industrial Property		Other Property (2)	
Fiscal Year (4)		Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value
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
2011		35,954,354,243	35,166,132,285	10,795,035,520	10,054,370,362	1,928,636,700	1,842,489,880	88,804,690	50,723,170
2012		35,547,089,465	34,593,300,582	9,790,228,900	9,237,144,077	1,713,799,360	1,651,432,130	80,814,920	48,663,123
2013		36,689,706,285	35,101,766,037	9,272,424,780	8,747,850,059	1,607,003,900	1,555,458,630	70,288,210	44,390,050
2014		40,589,040,038	36,222,002,217	9,183,062,325	8,592,084,460	1,596,788,260	1,543,801,500	64,213,910	40,619,450
2015		45,768,414,870	37,726,099,014	9,416,529,950	8,668,179,912	1,670,792,580	1,575,950,217	67,583,600	42,908,710
2016		49,933,653,218	38,997,799,934	9,867,734,909	8,731,176,989	1,806,943,546	1,606,675,259	67,420,325	42,597,045

		Personal Property		Total Property		Total
Fiscal Year (4)		Assessed and Equalized Value	Taxable Value	Assessed and Equalized Value	Taxable Value	Direct Tax Rate (3)
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
2011		3,686,629,190	3,684,824,560	52,453,460,343	50,798,540,257	4.4315
2012		3,707,092,321	3,705,414,081	50,839,024,966	49,235,953,993	4.4315
2013		3,790,500,640	3,785,645,530	51,429,923,815	49,235,110,306	4.4315
2014		3,651,502,760	3,650,142,460	55,084,607,293	50,048,650,087	4.4315
2015		3,882,782,774	3,882,203,584	60,806,103,774	51,895,341,437	4.3315
2016		3,409,099,116	3,407,953,246	65,084,851,114	52,786,202,473	4.2810

**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 statements. 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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>County direct rates</b>										
County operating	4.0400	4.0900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900
Parks and Recreation	0.2410	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415
<b>Total rate</b>	<b>4.2810</b>	<b>4.3315</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4315</b>	<b>4.4315</b>
<b>Overlapping rates</b>										
Huron-Clinton Metro Authority (a)	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Intermediate school districts (5)										
Median rate	3.3398	3.3633	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690
Low range	2.9115	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295	2.9295
High range	5.4643	5.5341	5.5341	5.5341	5.5341	5.5341	5.5341	5.5341	5.5341	5.5341
Community colleges (3)										
Median rate	1.7880	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967	1.7967
Low range	1.5707	1.5819	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844
High range	2.8096	2.8596	2.8596	2.8596	2.8596	2.8596	2.6796	2.6796	2.6796	2.6796
Cities (31)										
Median rate	16.8995	17.5854	17.5856	16.7929	16.0541	16.1905	15.5898	14.8121	14.8179	15.1084
Low range	7.8332	7.8600	7.8600	7.3600	8.8200	9.7060	9.0500	8.3000	8.3000	8.3000
High range	39.1859	39.2669	38.1191	37.4634	30.4298	29.1461	25.3589	25.2763	25.2604	24.4050
Villages (10)										
Median rate	15.4412	15.6106	15.9168	15.2286	14.4597	14.6508	14.1182	14.1182	14.1036	14.1036
Low range	7.8250	8.8020	9.5000	8.8900	8.8900	8.5900	7.9900	7.3525	7.2249	7.3670
High range	18.4744	18.4701	18.5025	17.9756	20.0210	18.3610	18.1386	17.8196	18.1020	18.1120
Townships (21)										
Median rate	8.1787	7.6106	7.9168	7.2786	7.2685	6.7444	6.7444	6.5876	6.5876	6.2652
Low range	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.5000	0.5000	0.5500
High range	14.6987	14.6712	15.1064	13.8002	13.8002	13.8002	13.1777	11.7112	11.7112	11.2223
School districts (35) (b)										
Homestead:										
Median rate	15.3000	15.4086	14.3880	13.9513	13.9513	13.7550	13.6410	13.4161	13.5105	13.2455
Low range	8.8700	6.0000	9.8700	9.8700	9.0500	8.2500	8.1800	7.8500	7.7400	7.3500
High range	26.2618	26.2068	26.8868	26.8868	26.4868	26.4868	25.8868	25.8868	23.5993	27.8925
Non-Homestead:										
Median rate	31.0000	31.0000	31.0000	31.0000	30.7000	30.5400	30.4000	29.5200	29.6931	29.6061
Low range	25.6739	24.0000	25.6974	26.4420	26.4420	26.1800	14.4500	25.8000	24.9243	25.3500
High range	40.8512	41.0000	37.4500	35.3610	34.8500	34.8500	34.5000	33.3410	33.2310	32.8410
DDAs (9) (c)										
Median rate	1.8046	1.8787	1.8978	1.8978	1.8978	1.8008	1.7470	1.7470	1.7470	1.8768
Low range	1.3549	1.3794	1.3794	1.3794	1.3794	1.3794	1.3000	1.3000	1.3000	1.3794
High range	1.9516	1.9732	1.9734	1.9734	1.9734	1.9734	1.9734	1.9734	1.9734	1.9734
Public Transportation Authority (d)	0.9998	1.0000	1.0000	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
Zoological Authority (e)	0.0998	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	-
Art Institute Authority (f)	0.1996	0.2000	0.2000	0.2000	0.2000	-	-	-	-	-

**Notes**

The County's maximum allowable operating millage levy for 2016 was 4.1868.

- (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.
- (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 18 cities, 3 villages, and 3 townships only. Included in CVT rates above starting in FY2007.
- (e) Zoological Authority added FY 2008.
- (f) Art Institute Authority added FY 2012

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 2016			Fiscal Year 2007		
	Taxable Valuation*	Rank	Percentage County Taxable Valuation	Taxable Valuation*	Rank	Percentage County Taxable Valuation
Detroit Edison Company/DTE	\$ 555,571,295	1	1.05%	\$ 475,009,890	3	0.73%
Consumers Energy	300,826,979	2	0.57%	185,904,660	4	0.29%
FCA Auburn Hills Owner LLC (formerly Chrysler)	164,630,200	3	0.31%	513,883,120	2	0.79%
Enbridge Energy	121,746,620	4	0.23%	-	-	-
SP III West Bloomfield LLC	111,168,900	5	0.21%	-	-	-
Frankel/Forbes/Cohn	86,905,570	6	0.16%	145,616,300	5	0.22%
International Transmission (ITC)	84,114,201	7	0.16%	62,205,600	13	0.10%
SL Town Etal	76,509,990	8	0.14%	-	-	-
Taubman/Great Lakes Crossing	75,742,270	9	0.14%	141,803,730	6	0.22%
General Motors	69,642,320	10	0.13%	782,748,642	1	-
Oakland Management	63,868,650	11	0.12%	-	-	-
Garber Family Properties	59,502,740	12	0.11%	-	-	-
Twelve Oaks Mall LLC	50,183,360	13	0.10%	-	-	-
Ramco Lion Venture	48,913,860	14	0.09%	78,535,910	10	0.12%
Hartman Tyner	47,975,880	15	0.09%	-	-	-
Verizon Wireless	44,295,900	16	0.08%	-	-	-
Comcast	43,316,690	17	0.08%	56,642,160	14	0.09%
Redwood-ERC Novi LLC	41,921,070	18	0.08%	-	-	-
Meijer	41,856,230	19	0.08%	70,904,410	11	0.11%
VHS Huron Valley-Sinai Hospital	36,849,620	20	0.07%	-	-	-
<b>Total</b>	<b>\$ 2,125,542,345</b>		<b>4.03%</b>	<b>\$ 2,513,254,422</b>		<b>2.67%</b>

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

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

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

Year of Levy (1)	Fiscal Year	Collected within the Fiscal Year of the Levy		Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
		Tax Levy (2)	Amount			Amount	Percentage of Levy
2006	W 2007	\$ 85,765,677	\$ 83,915,557	97.84 %	\$ 1,849,843	\$ 85,765,400	100.00 %
2007	S 2007	262,814,606	225,336,018	85.74 %	37,477,102	262,813,120	100.00 %
2008	2008	262,899,380	228,260,470	86.82 %	34,634,741	262,895,211	100.00 %
2009	2009	253,987,318	219,099,614	86.26 %	34,871,879	253,971,493	99.99 %
2010	2010	223,423,779	198,172,603	88.70 %	25,227,341	223,399,944	99.99 %
2011	2011	206,524,166	187,107,837	90.60 %	19,273,648	206,381,485	99.93 %
2012	2012	200,442,426	179,242,176	89.42 %	20,972,458	200,214,634	99.89 %
2013	2013	201,089,193	179,700,449	89.36 %	20,977,439	200,677,888	99.80 %
2014	2014	204,966,211	181,910,042	88.75 %	21,973,798	203,883,840	99.47 %
2015	2015	207,429,739	186,742,691	90.03 %	18,222,150	204,964,841	98.81 %
2016	2016	204,956,782	186,750,930	91.12 %	-	186,750,930	91.12 %

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 Activities	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)	Bonds & Tax Notes (e)			
2007	\$ 627,990,000	0.97 %	\$ 523.39	\$ 70,580,000	\$ 7,504,834	\$ 25,000,000	\$ 731,074,834	11.46 %	\$ 609.30
2008	601,400,000	0.93 %	501.36	64,424,371	6,269,408	25,000,000	697,093,779	10.99 %	581.13
2009	579,780,000	0.93 %	482.79	57,663,579	3,860,661	50,000,000	691,304,240	11.85 %	575.66
2010	562,030,000	1.02 %	467.22	52,350,727	4,485,830	50,000,000	668,866,557	11.16 %	556.03
2011	538,995,000	1.06 %	445.01	48,375,727	4,650,725	54,060,000	646,081,452	9.86 %	533.42
2012	515,605,000	1.05 %	422.15	52,865,727	61,636,190	44,589,279	674,696,196	9.63 %	552.40
2013	428,985,000	0.87 %	348.00	46,625,727	61,001,062	59,705,962	596,317,751	8.40 %	483.74
2014	402,340,000	0.80 %	324.49	53,557,104	59,761,071	46,443,351	562,101,526	7.46 %	453.35
2015	375,630,000	0.72 %	302.37	41,458,202	74,737,111	46,260,612	538,085,925	6.83 %	433.14
2016	363,425,000	0.69 %	292.54	63,328,690	74,771,128	51,807,354	553,332,172	7.02 %	445.41

**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 - Debt. Special Assessment debt is shown with governmental commitment.
- (d) See Notes to Basic Financial Statements, Note 8 - Debt. Special Assessment debt for Drainage Districts Component Unit, General Obligation (owed by Primary Government).
- (e) See Notes to Basic Financial Statements, Note 4 Short-Term Note & Note 8 - Long-Term Debt

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

**County of Oakland**  
**Net County Direct and Overlapping Debt – Unaudited Table 10**  
**September 30, 2016**

	<b>Gross Amount Outstanding</b>	<b>Self-supporting or Paid by Benefiting Entity</b>	<b>Net Amount Outstanding</b>
<b>Direct debt</b>			
Building authority bonds	\$ 73,360,000	\$ 16,325,000	\$ 57,035,000
Retirees Health Care Bonds	306,390,000	-	306,390,000
Water and sewer debt (Special assessment)	47,003,690	47,003,690	-
Drainage Districts bonds and notes	264,786,488	190,015,360	74,771,128
Road Commission debt (no County credit)	<u>75,240,205</u>	<u>75,240,205</u>	<u>-</u>
Net direct debt	<u>\$ 766,780,383</u>	<u>\$ 328,584,255</u>	<u>438,196,128</u>
<b>Overlapping debt</b>			
Cities			565,202,602
Townships			378,842,118
Villages			15,454,656
School districts			2,166,772,568
Intermediate school districts			45,890,660
Community colleges			3,688,419
County-issued debt paid by local municipalities			<u>328,584,255</u>
Net overlapping debt			<u>3,504,435,278</u>
<b>Net direct and overlapping debt</b>			<u>\$ 3,942,631,406</u>

**Overlapping Debt:**

Property in the County is currently taxed for a proportionate share of outstanding debt obligations of overlapping governmental entities including school districts, cities, villages and townships within the County.

The table above shows the County's outstanding tax supported overlapping debt as of FY end.

Source: Oakland County Treasurer and Municipal Advisory Council of Michigan

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

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<b>Year</b>	<b>State Equalized Valuation</b>	<b>Debt Limit 10% of SEV</b>	<b>Amount of Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Debt Applicable to Limit as a Percentage of Debt Limit</b>
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%
2011	52,453,460,343	5,245,346,034	798,634,635	4,446,711,399	15.23%
2012	50,839,024,966	5,083,902,496	823,206,612	4,260,695,884	16.19%
2013	51,429,923,815	5,142,992,382	1,168,123,578	3,974,868,804	22.71%
2014	55,084,607,293	5,508,460,729	737,931,143	4,770,529,586	13.40%
2015	60,806,103,774	6,080,610,377	727,915,288	5,352,695,089	11.97%
2016	65,084,851,114	6,508,485,111	743,347,532	5,765,137,579	11.42%

Sources:

Equalized Valuations = Oakland County Department of Management and Budget, Equalization Division  
 General Obligation Debt = Oakland County Department of Management and Budget, Fiscal Services Division  
 Tax Notes = Oakland County Department of Management and Budget, Fiscal Services Division

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

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<b>Year</b>	<b>Population</b>	<b>Personal Income</b> (thousands of dollars)	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2007	\$ 1,199,862	\$ 63,815,107	\$ 53,185	5.80 %
2008	1,199,545	63,436,227	52,884	6.60 %
2009	1,200,890	58,335,550	48,577	13.00 %
2010	1,202,930	59,931,707	49,821	11.80 %
2011	1,211,211	65,538,124	54,110	9.50 %
2012	1,221,391	70,059,248	57,360	8.20 %
2013	1,232,713	71,010,281	57,605	7.90 %
2014	1,239,897	75,349,173	60,771	6.60 %
2015	1,242,304	78,829,158	63,454	5.00 %
2016	1,242,304 (a)	78,829,158 (a)	63,454 (a)	3.70 %

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

**Sources:**

Population = U.S. Department of Commerce, Bureau of Census and Oakland County  
Department of Planning & Economic Development  
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 2016			Fiscal Year 2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Beaumont Health System	17,896	1	3.01%	12,588	2	2.13%
FCA US LLC (formerly Chrysler)	12,564	2	2.12%	10,113	3	1.71%
General Motors Corporation	9,242	3	1.56%	15,555	1	2.63%
Ascension Michigan (formerly St John Providence Hospital)	4,408	4	0.74%	4,139	6	0.70%
U.S. Postal Service	4,195	5	0.71%	3,970	8	0.67%
Oakland County Government	3,432	6	0.58%	4,573	4	0.77%
Henry Ford Health System	3,405	7	0.57%	n/a	n/a	n/a
Trinity Health (formerly St. Joseph Mercy)	3,098	8	0.52%	3,707	9	0.63%
Magna International of America Inc.	2,199	9	0.37%	n/a	n/a	n/a
Comerica Bank	2,163	10	0.36%	n/a	n/a	n/a
Electronic Data Systems (EDS)	n/a	n/a	n/a	4,396	5	0.74%
Blue Cross Blue Shield of Michigan	n/a	n/a	n/a	4,051	7	0.69%
Zieger Health Care Corp	n/a	n/a	n/a	2,442	10	0.41%
	<u>62,602</u>		<u>10.54%</u>	<u>65,534</u>		<u>11.08%</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)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government										
County Executive Administration	60	60	60	47	47	47	50	52	66	66
Management & Budget	188	188	189	204	203	205	205	203	203	207
Central Services	61	60	59	59	58	66	68	68	66	66
Human Resources	48	48	46	46	47	49	50	50	50	51
Board of Commissioners	30	30	30	34	34	34	34	34	34	34
Clerk/Register of Deeds	112	112	112	112	116	118	118	121	128	128
County Treasurer	46	47	47	46	46	44	44	48	48	48
Public Safety										
Sheriff	1,169	1,117	1,107	1,088	1,119	1,024	1,054	1,117	1,129	1,135
Community Corrections	59	59	59	60	58	59	60	60	65	67
Animal Control	38	37	36	36	33	26	26	26	24	24
Justice Administration										
Circuit Court	415	412	410	410	409	431	442	471	469	469
District Court	190	188	186	188	185	184	186	197	200	201
Probate Court	52	51	49	49	49	54	57	59	61	61
Prosecuting Attorney	169	170	171	170	172	175	177	185	189	189
Medical Examiner	26	26	26	26	26	26	26	26	28	34
Citizens Services										
Administration	2	2	2	2	2	2	5	5	5	5
Health	365	366	369	370	373	378	378	387	404	404
Homeland Security	11	11	12	12	16	13	13	13	n/a	n/a
Medical Care Facility (2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	104
Children's Village	203	201	192	192	189	185	185	178	161	161
Veterans' Services	16	16	16	16	16	16	16	16	18	18
MSU Extension-Oakland County	13	13	15	15	15	15	15	15	14	13
Public Works										
Water Resources Commissioner	370	314	266	263	263	264	264	266	270	271
Facilities Management	194	190	189	187	188	189	193	196	204	204
Information Technology	166	160	159	161	161	164	164	167	167	169
Recreation and Leisure										
Library Board	6	7	7	7	10	10	12	17	17	18
Parks and Recreation	441	425	421	378	379	376	376	376	341	341
Commerce and Community Development										
Administration	14	12	12	12	12	12	12	12	12	12
Planning and Economic Development Services	48	49	48	46	46	47	48	49	44	43
Community and Home Improvement	22	22	22	23	23	23	22	22	21	21
Workforce Development	9	9	9	9	9	9	9	9	9	9
Totals	<u>4,543</u>	<u>4,402</u>	<u>4,326</u>	<u>4,268</u>	<u>4,304</u>	<u>4,245</u>	<u>4,309</u>	<u>4,445</u>	<u>4,447</u>	<u>4,573</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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Law Enforcement										
Dispatched Calls	333,680	292,131	286,235	272,066	197,767	168,685	145,090	125,987	133,402	179,563
Arrests	13,727	11,355	11,943	11,525	12,126	10,999	8,906	8,513	8,466	8,900
Inmate bookings	18,236	18,789	19,317	19,913	19,796	19,889	19,608	21,866	24,053	25,809
Judicial										
Circuit Court civil/criminal cases disposed	11,132	10,981	11,742	12,442	13,147	14,212	15,752	15,927	15,849	16,108
District Court cases filed	119,077	122,934	119,347	118,307	119,643	123,860	134,077	145,465	144,933	152,710
Citizen Services										
Veteran benefits claims filed	5,544	5,697	5,461	6,202	6,805	6,848	7,220	6,870	7,546	7,071
Deeds/Mortgages	107,252	101,807	90,969	119,116	109,403	86,034	84,048	85,478	84,866	110,600
Jobs retained and created	19,053	10,057	11,332	8,866	9,269	8,365	14,522	4,187	10,311	10,842
Immunizations	51,086	59,156	54,600	61,141	62,309	80,741	143,839	102,893	94,038	82,347
Community Development										
BFC/EDC Loans	13	26	34	40	28	26	21	16	28	33
Applications for home improvement	519	393	533	500	387	384	276	601	609	457
Single family homes rehabilitated	183	206	198	183	163	165	186	276	218	198
Parks and Recreation										
Participants-Parks/County Market	999,654	913,524	1,147,845	1,358,617	1,221,658	942,019	843,600	775,683	815,097	778,616
Participants-Golf Courses	160,895	164,067	104,492	95,531	130,281	116,804	126,727	148,747	172,783	178,444
Participants-Recreation, Facilities	456,053	492,530	485,981	437,407	411,068	390,106	370,355	291,917	365,310	373,214
Participants-Banquet Facilities	75,449	89,888	87,436	90,915	125,008	109,420	125,592	147,365	154,594	161,678
Airports										
Takeoffs and landings	125,132	126,070	111,672	117,981	128,766	119,347	119,581	144,678	162,283	202,345
Public Works										
Water and sewer customers	119,630	78,432	79,312	78,096	77,280	76,784	76,435	76,413	76,050	75,613
Water main breaks	133	156	123	128	79	85	90	104	94	115
Water permits issued	734	884	921	902	626	337	220	164	232	370

**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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Justice and Law Enforcement										
Correction facilities capacities	1,653	1,653	1,653	1,653	1,653	1,666	1,594	1,750	1,768	1,984
Substations	13	13	13	13	14	14	12	12	12	12
Parks and Recreation										
Number of county parks	13	13	13	13	14	13	13	13	13	13
Park acreage	6,743	6,756	6,756	6,756	6,643	6,643	6,456	6,398	6,378	6,378
Airport										
Number of runways	5	5	5	5	5	5	5	5	5	5
Number of T-Hangars	646	646	646	650	738	738	738	738	738	738
Facilities										
Buildings	40	40	40	40	41	40	40	40	40	41
County facilities square footage	1,885,019	1,891,804	1,888,888	1,890,262	1,936,042	1,913,681	1,881,125	1,881,130	1,877,780	1,925,118
Public Works										
Combined Sewer Overflow Retention										
Treatment Facilities	4	4	4	4	4	4	4	4	3	3
Water mains (miles)	441.61	439.71	515.79	160.63	136.41	133.03	132.99	123.60	161.51	165.83
Water storage capacity (millions of gallons)	15.07	15.07	15.07	3.07	3.07	3.07	3.07	3.07	2.07	2.07
Sewers (miles)	144.93	138.34	138.41	138.42	138.29	137.32	137.22	137.22	135.08	131.81
Permitted Sewer treatment capacity (millions of gallons)	15,566.91	15,579.69	15,579.69	15,567.62	15,594.90	15,594.90	15,594.90	15,594.90	15,594.90	15,594.90

**Sources**

Various County departments

**County of Oakland  
Building Authority Data – Unaudited Table 17  
September 30, 2016**

	City of Oak Park Project	Facilities Infrastructure & IT Projects	CMHA Building Renovation	Animal Control & Pet Adoption Center Debt	City of Keego Harbor Debt
Cash	\$ 57	\$ -	\$ 3,992	\$ 6,867,000	\$ 33
Lease receivable	2,220,000	-	9,640,000	-	975,000
Other assets	114,196	-	741,113	2,540	-
Deferred inflows - contracts	2,220,000	-	9,640,000	-	975,000
Other liabilities	335	-	685	-	85
Current year activity:					
Transfers in	-	2,275,625	4,160	7,000,000	-
Leases and other income	153,753	-	886,143	52,876	65,233
Debt service:					
Principal	70,000	1,825,000	575,000	-	25,000
Interest	79,372	448,875	297,825	182,836	39,938
Fiscal charges	300	250	250	500	300
Contractual services	-	1,500	500	-	-
Principal and interest requirements:					
2017	152,560	2,243,750	880,200	1,032,806	64,187
2018	150,685	2,237,500	862,200	1,035,656	63,438
2019	153,747	2,229,750	868,825	1,033,256	67,687
2020	151,748	2,220,500	850,075	1,035,606	66,788
2021	149,747	2,220,500	855,950	1,037,656	65,887
Thereafter	2,490,869	4,419,000	7,421,700	15,468,248	1,227,963
	<u>\$ 3,249,356</u>	<u>\$ 15,571,000</u>	<u>\$ 11,738,950</u>	<u>\$ 20,643,228</u>	<u>\$ 1,555,950</u>

(continued)

**County of Oakland**  
**Building Authority Data – Unaudited Table 17 (Continued)**  
**September 30, 2016**

	<b>CMHA Housing Project Refunding</b>	<b>52/3 District Court Bldg. Refunding</b>	<b>Work Release JailMgt/Video Refunding</b>	<b>Office Bldg. Renovation Refunding</b>	<b>Sheriff Substation Refunding</b>	<b>Totals</b>
Cash	\$ 5	\$ 5	\$ 5	\$ 5	\$ 183	\$ 6,871,285
Lease receivable	2,375,000	-	-	-	1,115,000	16,325,000
Other assets	152	-	-	-	27	858,028
Deferred inflows - contracts	2,375,000	-	-	-	1,115,000	16,325,000
Other liabilities	-	-	-	-	-	1,105
Current year activity:						
Transfers in	-	1,328,300	1,596,500	1,862,100	-	14,066,685
Leases and other income	331,733	-	-	-	333,712	1,823,450
Debt service:						
Principal	250,000	950,000	1,220,000	1,460,000	305,000	6,680,000
Interest	80,950	378,000	376,200	401,800	28,400	2,314,196
Fiscal charges	500	300	300	300	250	3,250
Contractual services	-	-	-	-	-	2,000
Principal and interest requirements:						
2017	319,775	1,310,500	1,582,400	1,877,200	317,300	9,780,678
2018	337,050	1,301,500	1,587,200	1,866,100	331,400	9,772,729
2019	324,025	1,300,500	1,569,800	1,864,050	315,100	9,726,740
2020	340,700	1,297,000	1,546,000	1,890,900	204,000	9,603,317
2021	322,150	1,311,000	1,566,000	1,865,800	-	9,394,690
Thereafter	1,093,575	1,291,500	1,508,000	5,053,156	-	39,974,011
	<u>\$ 2,737,275</u>	<u>\$ 7,812,000</u>	<u>\$ 9,359,400</u>	<u>\$ 14,417,206</u>	<u>\$ 1,167,800</u>	<u>\$ 88,252,165</u>



# OAKLAND COUNTY, MICHIGAN

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