



OAKLAND COUNTY MICHIGAN



2007

Financial Summary

Fiscal Year ending September 30, 2007



Prepared by

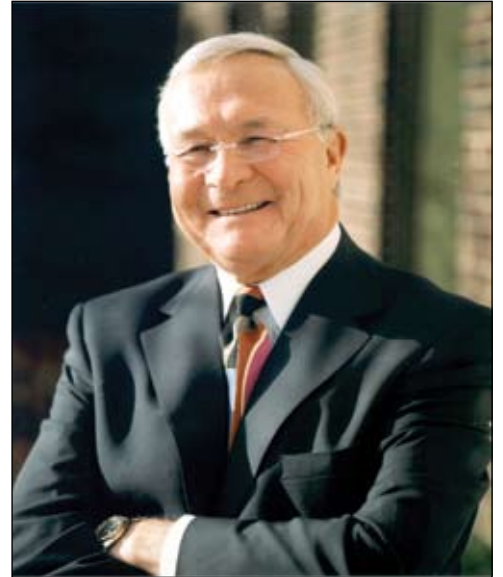
Department of Management & Budget

Laurie Van Pelt, Director



To the Citizens of Oakland County:

I am pleased to present the Financial Summary for Fiscal Year 2007. Each year the County of Oakland publishes a document called the Comprehensive Annual Financial Report (CAFR). This report contains financial statements for the County, which are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the standards and guidelines set by the Governmental Accounting Standards Board. The CAFR also includes an independent auditor's report which states the



information contained in the financial statements has been reviewed by the firm, and with reasonable assurance, the financial information is complete, presented accurately, and in the correct format. To meet GAAP requirements, much of the information in the report is technical and complex, resulting in a document that is not very user friendly for the average person. This financial summary has been prepared to provide a less technical discussion of County finances. It also includes a brief discussion of select County programs and initiatives. Hopefully, this document will help Oakland's residents gain a better understanding of County government.

I am also pleased to announce Oakland County's Financial Summary for 2006 has received the prestigious Popular Annual Financial Report Award from the Government Finance Officers Association of the United States and Canada, which is detailed on page two of this document.

Once again, the intent of this report is to portray financial information presented in the CAFR using more easily understood terms. It is not intended to replace the CAFR, which is available from the Department of Management and Budget. It is designed to assist those who want or need a less technical overview of the County's financial activities.

L. Brooks Patterson
Oakland County Executive

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**Oakland County
Michigan**

for the Fiscal Year Ended
September 30, 2006



Charles S. Cox
President
Jeffrey L. Esser
Executive Director

GFOA Award Presented

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Oakland County for its Popular Annual Financial Report for the fiscal year ended September 30, 2006. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Oakland County has received a popular award for the last ten consecutive years (fiscal years ending 1997-2006). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

BOARD OF COMMISSIONERS FOR FISCAL YEAR 2007



Bill Bullard, Jr.
Chairperson
Highland



Hugh D. Crawford
Vice-Chairperson
Novi

Commissioners	City/Twp. of Residence
Tim Burns	Clawson
Eric Coleman	Southfield
David Coulter	Ferndale
Sue Ann Douglas.....	Rochester
Marcia Gershenson	Bloomfield Hills
Michael J. Gingell.....	Lake Orion
Robert Gosselin.....	Troy
Vincent Gregory	Southfield
Tim Greimel.....	Rochester Hills
Mattie M. Hatchett	Pontiac
Bradford C. Jacobsen	Oxford
Eileen T. Kowall.....	White Lake
Christine A. Long.....	Commerce
Thomas F. Middleton	Clarkston
Jim Nash.....	Farmington Hills
Jeff Potter	South Lyon
David W. Potts.....	Bloomfield Hills
Mike Rogers.....	Farmington Hills
John A. Scott	Waterford
Karen Spector.....	West Bloomfield
George W. Suarez.....	Madison Heights
Dave Woodward.....	Royal Oak
Helaine Zack	Huntington Woods

AN OVERVIEW OF OAKLAND COUNTY



Incorporated in 1820, Oakland County covers an area of approximately 910 square miles with a population over 1.2 million. The County's reputation as a world class community is due not only to its renowned business environment, but to many attributes that contribute to an excellent quality of life. Oakland enjoys the variety of four distinct seasons with average temperatures ranging from 77°F in July to 23°F in January. The County's eclectic environment includes the diverse cultural, ethnic and religious backgrounds of its citizens who have come from all over the world to pursue the American dream.

Oakland has a reputation as home to many of the region's top educational facilities. There are 15 institutions of higher learning located in the County, including the highly regarded Oakland University. More than 41% of County residents have earned bachelor, graduate or professional degrees in comparison to 25% for the State of Michigan and 27% nationally. In addition, Oakland County's International Academy is ranked 7th in the nation on Newsweek's 100 Best High Schools list.

Cultural entertainment venues include the popular Meadow Brook Theatre as well as the Meadow Brook and DTE Energy Music Theaters. For sports fans, the Palace of Auburn Hills is home to the NBA's Detroit Pistons and the WBNA's Detroit Shock. The Palazzo di Bocce offers 10 championship quality Bocce courts as well as a fine Italian restaurant. The County's museums include the world-renowned Cranbrook Academy of Art Museum, the Cranbrook Institute of Science and the W. P. Chrysler Automotive Museum. The Detroit Zoo is also located in Oakland County with 125 acres of naturalistic exhibits including one of the world's largest polar bear exhibits, the "Arctic Ring of Life." Golf enthusiasts enjoy 56 public and 26 private golf courses, some of which have hosted the prestigious Ryder Cup, PGA U.S. Open and LPGA U.S. Open. In addition, three major downhill ski areas operate within the County. Shopping opportunities also abound - Oakland County has an extensive collection of malls and shopping centers ranging from the small village shopping district to multi-floor enclosed malls found in most major cities.



The Michigan Renaissance Festival is a favorite end-of-summer activity where actors in Renaissance-period clothing entice visitors to merrymaking in a historic carnival atmosphere. Another popular event, the Woodward Dream Cruise, is the world's largest one-day celebration of the car culture. More than 1 million visitors come to watch 40,000 muscle cars, street rods, custom and special interest vehicles cruise the 16-mile route down Woodward Avenue through nine County cities. Oakland County is also home to the Meadow Brook Concours d'Elegance where over 250 of the world's finest antique and classic automobiles are displayed in a lavish outdoor exhibition at scenic Meadow Brook Hall, a historic auto baron's mansion on the campus of Oakland University. In addition, Arts, Beats & Eats, a four-day food, arts and entertainment festival is held each Labor Day weekend. Approximately 1.3 million visitors pack the streets of downtown Pontiac to enjoy 200 musical acts, more than 150 fine artists and over 50 restaurants. Net proceeds from the event, \$2 million to date, are donated to metro-Detroit charities.



Oakland County is home to a mix of urban and rural communities. With 30 downtown areas and many scenic natural settings, it provides a high quality of life for any lifestyle. Oakland's communities range from villages, like Milford, with quaint downtown shopping districts to cities like Birmingham with upscale shops, restaurants, art galleries, theatres and nightclubs. For those enjoying a quieter pace, the County has many rural areas and lake communities. No matter where they live, residents are never more than a 20-minute drive or walk from the nearest park, nature trail or lake. Oakland County packs more than 89,000 acres of recreational property, more than 1,400 lakes and the headwaters of five major rivers within its borders.

Oakland County's Economy

Oakland County is traditionally one of the most prosperous local economies in the United States. However, sluggish economic situations existing from 2000 through 2006 cost the County a large segment of its automotive workforce and tested the County's ability to diversify its economic strength. Sparked by the creation of innovative programs such as Automation Alley and Emerging Sectors, Oakland County is successfully transforming from a traditional industrial economy to a knowledge-based economy.

Consequently, restructuring of the domestic automotive industry combined with a severe slump in residential construction resulted in over 18,000 jobs lost in 2006. This drop was the largest annual loss in at least 27 years for which such data has been kept. Based on an employment forecast for 2009, the local motor vehicle manufacturing industry will employ exactly half the workforce it did in 2003.

EMPLOYMENT SHIFT

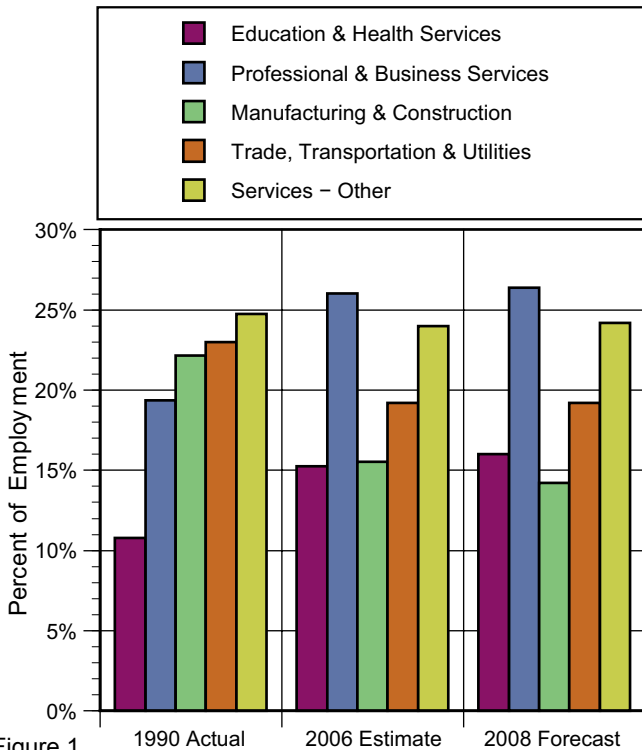


Figure 1

Despite recent job losses, certain sectors show promise as the County continues to transition away from an industrial economy, specifically the areas of health care and education. Figure 1 presents this shift in employment sectors.

Additionally, forecasted job losses for the County are expected to slow to 4,400 in 2007 and nudge into positive territory with 200 new jobs in 2008 and 2,500 in 2009. Figure 2 illustrates this employment trend and a forecast for 2008 and 2009.

EMPLOYMENT TRENDS

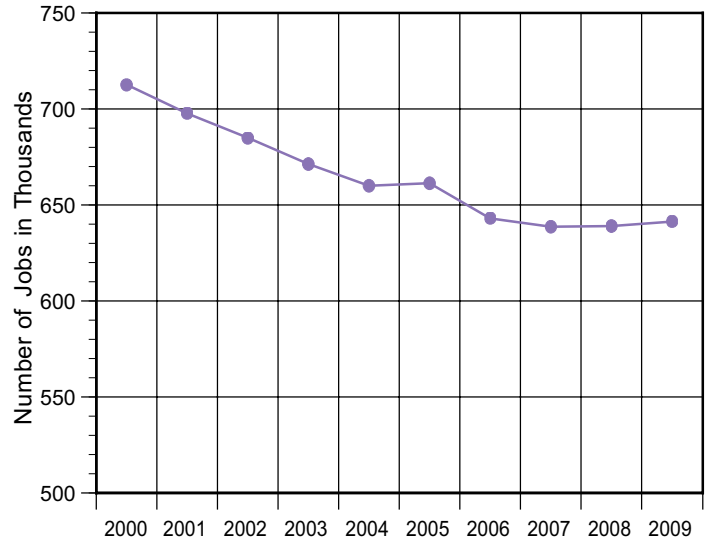


Figure 2

(Private non-farm employment)

In September 2007, Oakland's unemployment rate was 6.5%, substantially higher than the national average of 4.7%, yet lower when compared to Michigan's 7.0%. Unemployment rates for the past decade are illustrated in Figure 3.

Enhanced by Oakland's dynamic economic development programs and despite recent downturns in the local economy, Oakland County remains a favorable location for businesses. Currently, 60% of Fortune 500 companies and 50% of Global Fortune 500 companies have business locations in the County. Oakland County is also Michigan's leading center for international commercial activity with over 700 companies representing 33 countries. Of the foreign-owned firms in southeast Michigan, 67% are located in Oakland County.

UNEMPLOYMENT RATES

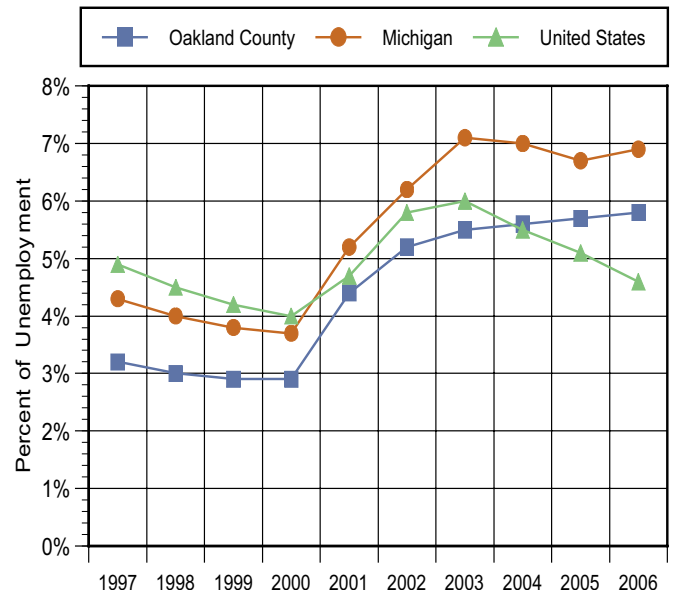


Figure 3

Oakland's per capita income of \$52,274 is the highest among Michigan's 83 counties. The County is ranked 4th among the nation's counties having more than one million in population and 26th among all counties.

Oakland County's Tax Base

Despite recent downturns in the local economy, the past decade has produced an 80% increase in the true cash value and a 66% increase in the taxable value of real and personal property in the County since 1998. During this period of growth, the County exercised a prudent and conservative approach to tax revenues by controlling the millage rate levied on the tax base. In fact, the County millage rate for the July 1, 2007 property tax levy remained at 4.19 mills for operations, the third lowest county tax rate in the State of Michigan. In spite of several reductions in the millage rate since 1991, moderate increases to the tax levy, as illustrated by Figures 4, 5 and 6, have resulted from the County's rising tax base. This increase in tax revenue has allowed the County to keep pace with current programs and technology.

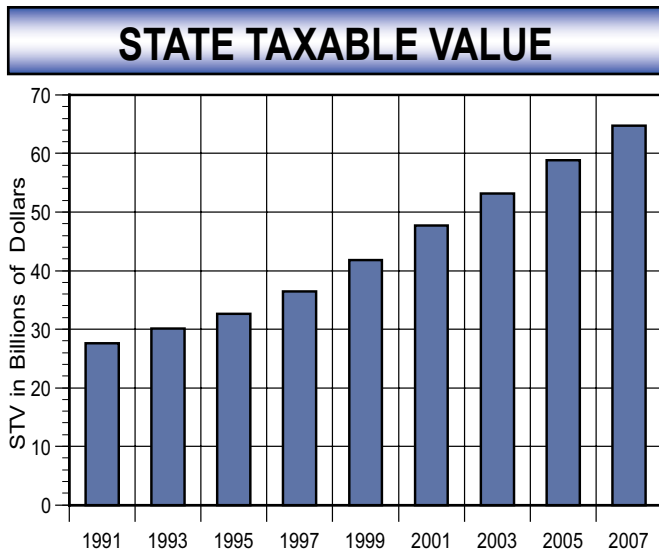


Figure 4

Oakland County's Financial Condition

The County's elected officials and staff have developed policies and procedures to ensure Oakland County government has the fiscal stability to maintain quality services, regardless of the local economic composition. It is County policy to fund ongoing operations with recurring revenues, rather than through the use of fund balance or issuance of debt. Expenditures in any particular fiscal year for salaries and fringe benefits, contractual services, commodities, capital replacement, and internal services are covered by revenues received in that fiscal year from taxes, charges for services, investments and other governments. This prudent discipline ensures that structural budget difficulties do not develop. If annual revenues decrease, annual expenditures decrease.

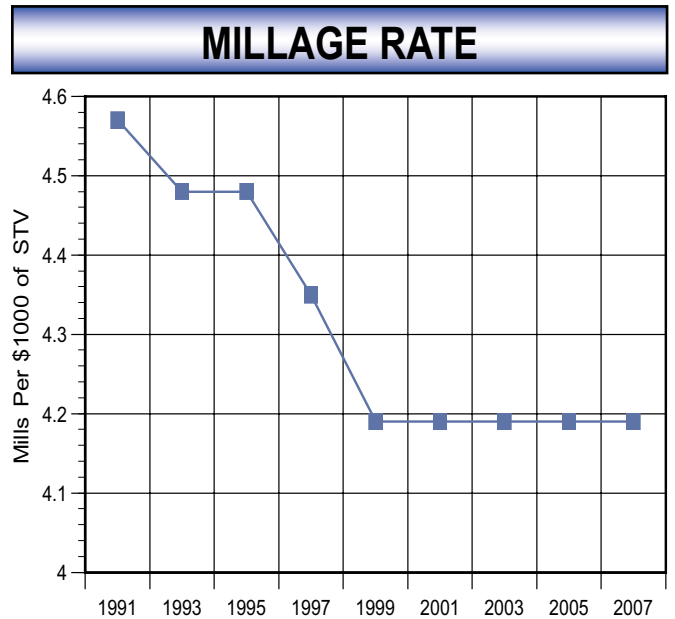


Figure 5

Additionally, fiscal stability is enhanced through the annual budget process which appropriates for full utilization of the County's 4,487 authorized positions. Should vacancies occur or positions be filled at a level lower than authorized, the resulting favorable variance falls to fund balance.

Not only do these policies and practices maintain the quality of ongoing services, but they have secured a level of General Fund balance which can be used to support extraordinary, onetime expenditures. The General Fund is the County's principal operating fund, recording the operations of typical governmental functions. A favorable General Fund balance is an indicator of a healthy operating environment. Figure 7, on the following page, provides a historical view of the County's General Fund balance.

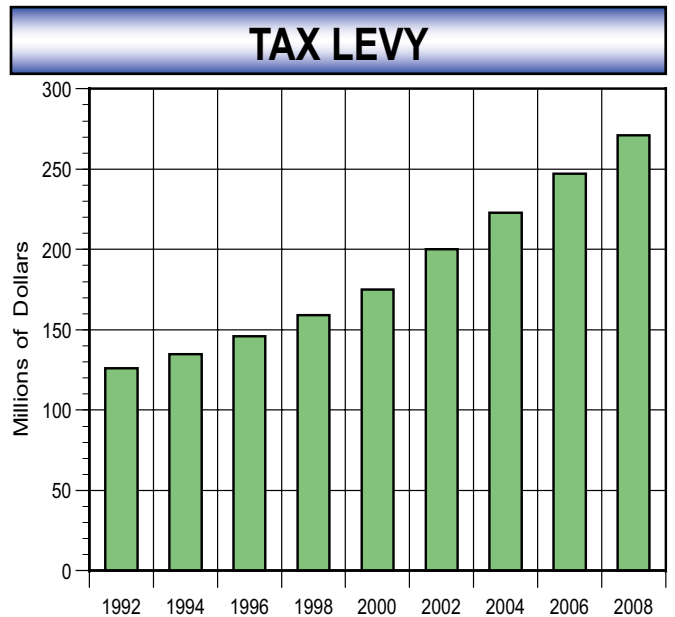


Figure 6

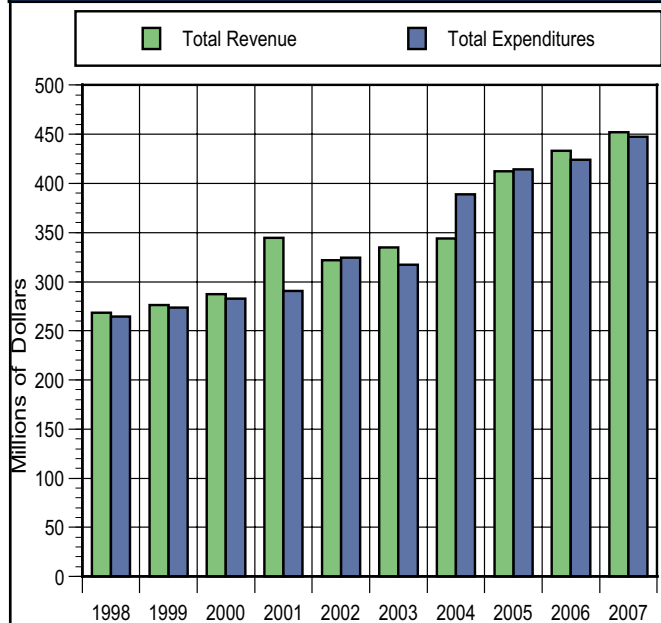
Since 1998, Oakland County's general fund balance has increased by a total of \$42.8 million. The increase is primarily attributable to the County's effort to limit spending while maintaining services. This is accomplished by analyzing vacant positions for possible elimination or filling with part-time non-eligible employees, limiting contractual services and commodity expenditures as well as requiring internal service funds to absorb rate increases instead of relying on the General Fund.

The County's practice of limiting the use of General Fund balance to extraordinary one-time items has reinforced the fiscal discipline of funding annual costs from annual revenues. The issuance of debt is also limited. The use of debt is limited to those projects which are significant in cost and which will have a long useful life. Debt is only issued after other sources of funding (operating budget, existing fund balance, etc.) have been explored. The County has the authority to issue up to \$7.7 billion in debt (10% of its State Equalized Value); however, the actual outstanding debt is \$886.9 million, 11.52% of the permissible amount.

The County's diverse economic base, strong financial operations and financial management, coupled with strong reserves, high income levels and a moderate debt burden, allowed the County to receive the highest bond rating achievable, AAA, from both Standard & Poors and Moody's Investor Services, Incorporated. This rating allows the County to borrow at the lowest possible interest rate, saving the County millions of dollars in future borrowing costs. Local municipalities can also utilize the County's bond rating to borrow funds, passing the benefit to its citizens in the form of reduced taxes. Not only has the County created a pro-business environment, it has directly lowered the cost of doing business in Oakland County.

Many other types of funds are used in accordance with Generally Accepted Accounting Principles (GAAP) to record the programs and services provided by the County. Special Revenue funds are used to record the activities that receive monies for restricted purposes such as Public Health, Friend of the Court and all grant-funded activities. Debt Service funds record the transactions related to the assessment of tax levies and payment of principal and interest of long-term debt,

GENERAL FUND REVENUES AND EXPENDITURES



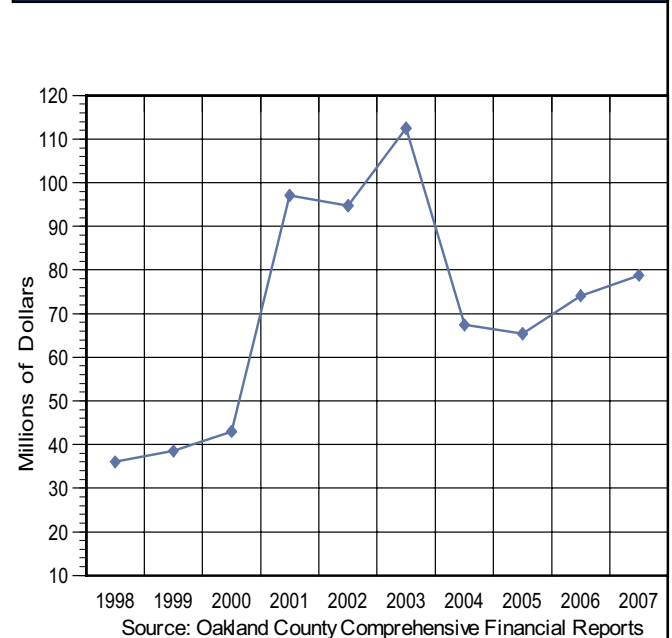
Revenue and Expenditures (millions):

	1998	1999	2000	2001(a)	2002	2003	2004(b)	2005(c)	2006(c)	2007
Total Revenue	\$268.4	\$276.4	\$287.4	\$344.7	\$322.0	\$334.8	\$343.8	\$412.4	\$432.9	\$452.1
Total Expenditures	<u>264.7</u>	<u>273.9</u>	<u>282.9</u>	<u>290.6</u>	<u>324.4</u>	<u>317.0</u>	<u>388.9</u>	<u>414.4</u>	<u>424.2</u>	<u>447.4</u>
Excess (Shortfall)	3.7	2.5	4.5	54.1	(2.4)	17.8	(45.1)	(2.0)	8.7	4.7
Beginning Equity	<u>32.3</u>	<u>36.0</u>	<u>38.5</u>	<u>43.0</u>	<u>97.1</u>	<u>94.7</u>	<u>112.5</u>	<u>67.4</u>	<u>65.4</u>	<u>74.1</u>
Ending Equity	\$36.0	\$38.5	\$43.0	\$97.1	\$94.7	\$112.5	\$67.4	\$65.4	\$74.1	\$78.8
As a % of Revenue	13.41%	13.93%	14.96%	28.17%	29.41%	33.60%	19.60%	15.86%	17.12%	17.43%

(a) 2001 increase in fund equity reflects recognition of \$41.7 million in property tax revenue due to change in State reporting requirements.
 (b) 2004 decrease in fund equity due to \$50.9 million transfer to Retiree Health Care Trust Fund to help reduce the unfunded liability of the Trust.
 (c) 2005 and 2006 revenues/expenditures reflect an increase in the July levy due to an acceleration in the collection of County property taxes pursuant to Michigan Public Act 357 of 2004.

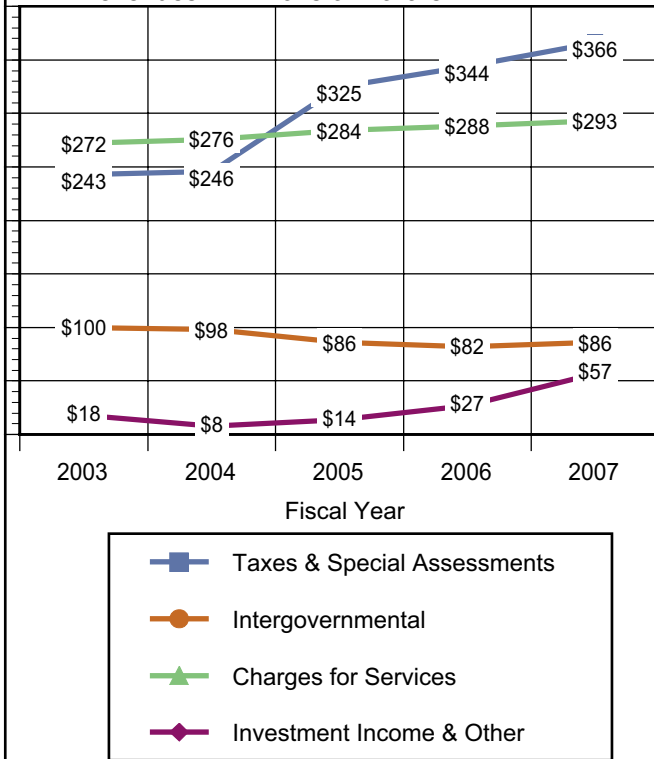
Figure 7

CHANGE IN GENERAL FUND EQUITY



FIVE YEAR REVENUE AND EXPENDITURE TRENDS

Revenues in Millions of Dollars



Expenditures in Millions of Dollars

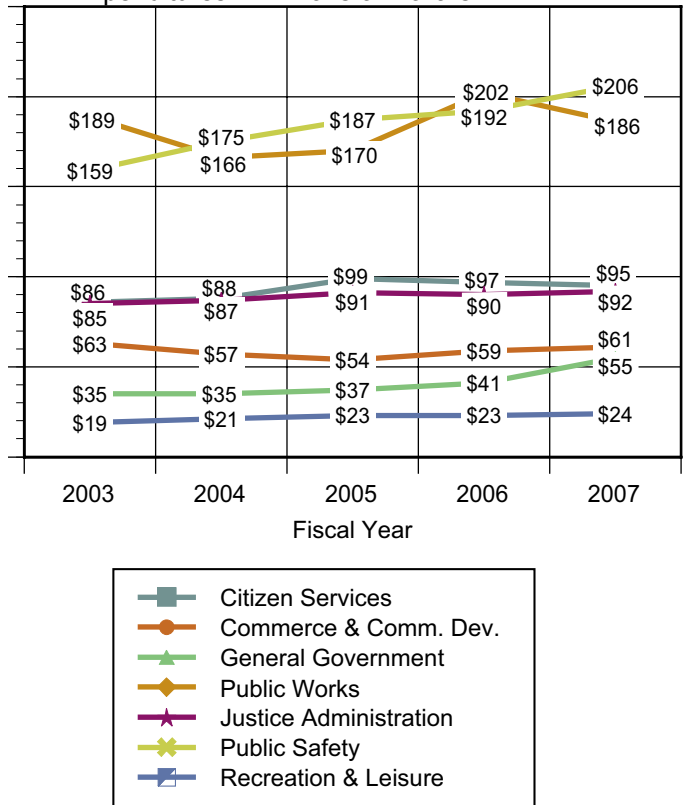


Figure 8

Note: 2005 and 2006 revenues/expenditures reflect an increase in the July levy due to an acceleration in the collection of County property taxes pursuant to Michigan Public Act 357 of 2004.

usually bonds. Capital Project funds account for the purchase or construction of major capital facilities, like buildings, drains and sewer projects. Enterprise funds account for functions that are financed primarily through user charges and operate similar to businesses, such as the airports, water and sewer operations and the parks.

The overall revenues and expenditures for County functions illustrated in Figure 8 are derived from Governmental and Proprietary Fund Statements presented in the Comprehensive Annual Financial Report (CAFR). The Revenue Trends graph provides a 5-year history on County revenue sources. Please note that Intergovernmental Revenue includes federal and state grants as well as other intergovernmental revenue. The Expenditure Trends graph shows expenditures by major activities within the County. Internal Service fund revenues and expenditures have not been included in these totals. Also, the funds of the component units (Road Commission and Chapters 20 & 21 Drainage Districts) are not presented as these services are provided by other County entities. However, General Fund transfers to the Internal Service funds are included as expenditures to more accurately reflect the use of County tax revenues.

REVENUES

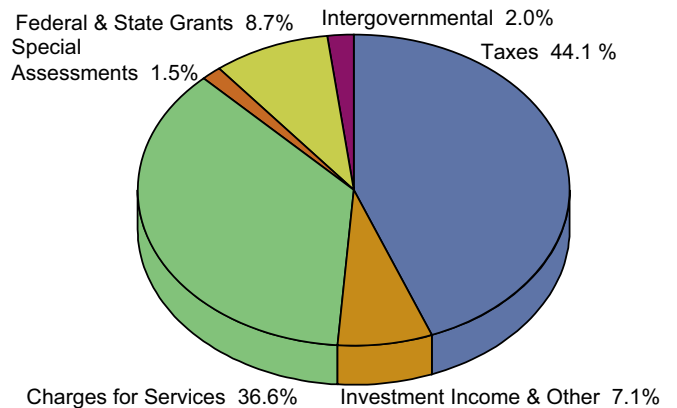


Figure 9

Revenues

The distribution of County revenues are illustrated in Figure 9 and defined as follows:

Taxes: \$353,822,648 - The County's actual property tax for General Fund operations is based on a rate of 4.19 mills which is less than the maximum authorized millage rate of 4.2240 mills. Parks and Recreation is also supported by taxes of .2415 mills and is reported as an Enterprise fund.

Special Assessments: \$12,328,089 - Funds received from charges to parties benefiting from the County's drainage systems, lake level controls and lake improvements.

Federal and State Grants: \$70,155,199 - Restricted funding provided by federal or state governments.

Other Intergovernmental: \$15,608,557 - Revenue from state or local governments in the form of shared revenue or reimbursements.

Charges for Services: \$293,373,633 - Revenue from fees received for purchased services.

Investment Income and Other: \$56,995,693 - Interest on investments, revenue from rebates, refunds of prior year's expenditures, transfers in from other funds and miscellaneous sources.

MAJOR PROGRAM EXPENDITURES

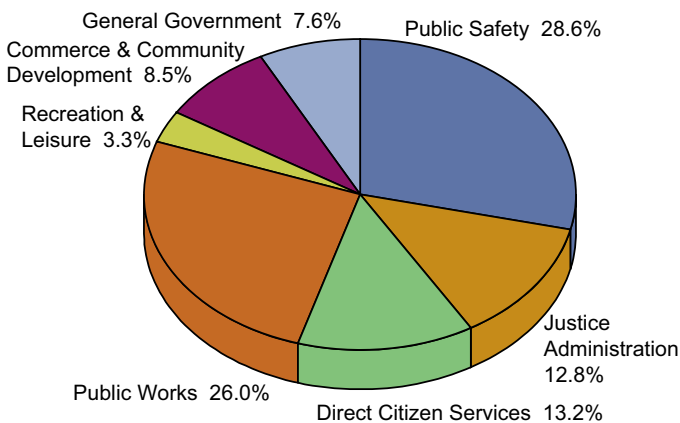


Figure 10

Expenditures

For presentation purposes, County expenditures were broken into seven broad program areas: General Government, Public Safety, Justice Administration, Recreation and Leisure, Direct Citizen Services, Commerce and Community Development and Public Works.

General Government: \$54,880,836, includes all areas of the County involved in the administration and financial aspects of County business. Included in this program are

the County Executive, Board of Commissioners, Treasurer, Management and Budget, Human Resources and Central Services Departments. The Election Division, which oversees countywide elections and records Board of Commissioners' minutes, is also included.

Public Safety: \$206,181,906, consists of all aspects of law enforcement including the Sheriff's Office, Community Corrections, Probation, Children's Village, Emergency Response and Preparedness and some Circuit Court programs. It also includes Animal Control, which has investigative, and enforcement responsibilities, and Information Technology programs that support local community law enforcement.

Justice Administration: \$92,127,227, includes the Circuit, 52nd District and Probate Courts as well as the Prosecuting Attorney's Office. The County Clerk, the official recorder of County records and Clerk to the Circuit Court, is also included.

Recreation and Leisure: \$24,064,610, includes services that promote recreational, leisure and cultural activities for County citizens which are provided by Parks and Recreation, the Libraries and Arts & Culture.

Direct Citizen Services: \$95,317,506, represents all areas which provide direct services to individual citizens. Included in this program are Health and Human Services and Public Services Departments and various County Clerk, Prosecutor and Circuit Court family services.

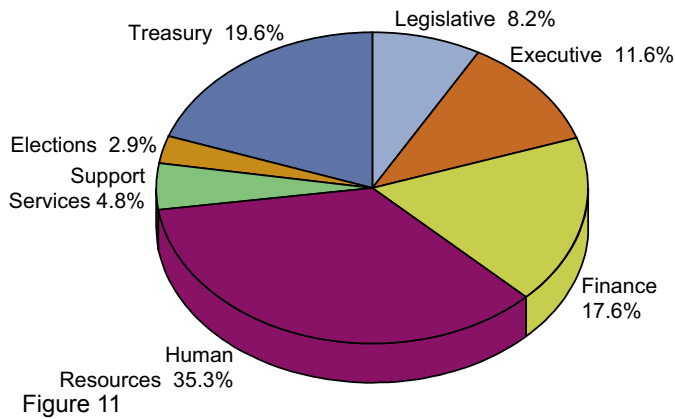
Commerce and Community Development: \$61,267,053, reflects all efforts to promote and sustain a strong business and economic climate, a healthy environment and vibrant communities. The Department of Economic Development and Community Affairs, Drain Commissioner, Register of Deeds and Equalization provide services in this area.

The final program, **Public Works:** \$186,378,490, refers to all operating systems that form the infrastructure of basic County functions. Included are Facilities Management, Airport, Drain Commissioner, Information Technology, the majority of capital projects and all debt service expenditures associated with each program.

General Government

Treasury: The Treasurer is custodian of all County funds. There are three guiding factors in the investment of these funds: ensuring the safety of Oakland County's funds, maintaining sufficient cash flow to meet the County's payment requirements and maximizing the investment return. These objectives have been consistently met by the Treasurer's Office. Through prudent investment practices, the County's short-term portfolio consistently exceeds the short-term U.S. Treasury market by .5 to 1.5 percent, and was, in fact, 1.39% at fiscal year end September 30, 2007.

GENERAL GOVERNMENT



Executive / Legislative / Finance / Human Resources: Oakland County's strong financial position reflects strict adherence to policies and practices that insure a balanced budget, healthy fund balances and low debt. Much of its success is a result of a focus on long-term financial planning. In addition to operating under a two-year budget plan, the County projects longer-term revenue and expenditure trends so action can be taken to prevent a potentially negative trend from becoming an actual budget crisis.

One significant area of concern has been the growing liability for retiree health care benefits. The County's focused effort to address this concern has resolved the majority of funding challenges in this area. Future retiree health care cost increases were mitigated by closing the traditional defined benefit retiree health plan for new employees. A fixed cost, defined contribution health savings plan was implemented for new employees hired on or after January 1, 2006. The new plan provides \$50 per pay period or \$1,300 per year for each eligible employee which is placed in a retirement health savings account. When those employees are vested and either separate or retire, the funds are available for the employee to utilize for any IRS approved health related expense. The entire retiree health care liability for new employees will be paid during their employment with Oakland County. When the employee retires, no additional County contributions will be required.

Even more significant is the County's approach to funding the future costs of the traditional retiree health care plan. Over the past 22 years, Oakland County has obtained an actuarial analysis and, based on the actuary's recommendation, paid an annual required contribution (ARC) to pre-fund future costs. As a result of this long-standing practice, approximately \$391 million in assets have accumulated over the past two decades in an irrevocable trust fund, a Voluntary Employees' Beneficiary Association (VEBA), that can only be used to pay retiree health care costs. Due to a low amount of debt and excellent credit rating, in 2007 the County was able to issue Trust Certificates of Participation (COPs), a unique debt instrument, to fully fund the remaining amount of unfunded accrued liability. Proceeds from the COPs were deposited in

a separate irrevocable trust fund, the Interim Retiree Medical Benefits Trust (IRMBT), which will provide future annual ARC payments to the VEBA. Together, the VEBA and IRMBT have total combined assets of \$951.3 million which more than satisfies the estimated liability as determined in the most recent actuary study. As a result of the County's foresight and long-term planning, it will be one of very few governments in the United States that will have fully funded its accrued retiree health care promise.

While the issue of funding retiree health care has been resolved, concerns remain related to controlling on-going health care costs for active employees. The County has taken steps to mitigate cost increases for active employees as well, including the implementation of a Wellness Initiative program in 2007. The program is designed to assist County employees with establishing and maintaining healthy behaviors to improve their overall quality of life, enhance productivity and ultimately reduce long-term health care costs for both the employee and Oakland County. Programs implemented as part of the initiative include Weight Watchers at Work, Health Screening and Health Risk Assessments as well as a website to promote wellness related activities.



Elections: In 2007, the elections staff was trained and is currently programming ballots for all elections, a costly service previously performed by an outside vendor. By performing this service in-house, the need for multiple ballot revisions has been eliminated allowing ballot proofs to be sent to local clerks much earlier and virtually free of mistakes. The total cost savings to Oakland County and local communities is over \$150,000 annually.

An online Campaign Finance System was also implemented in 2007 and allows easy access to political contribution records. Voters can view and print reports for local, school, and county candidates as well as political action and ballot question committees. The reports include who is donating money and the amount of their contributions. Previously, these records could only be viewed in person at the elections office. This service is free and is available at www.oakgov.com/clerkrod/.

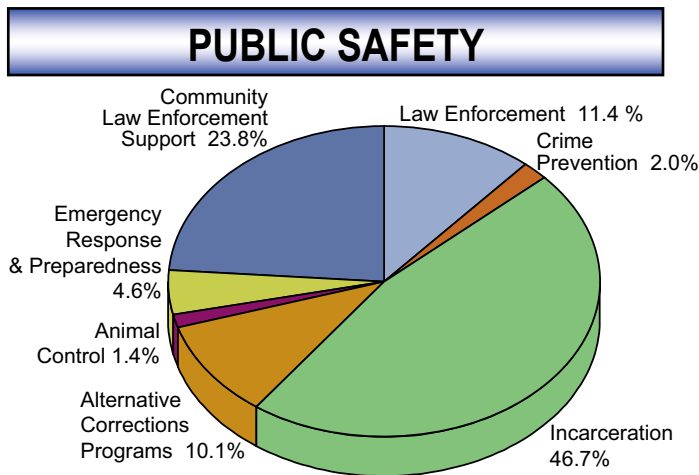


Figure 12

Public Safety

A major goal for the County is to insure a safe environment for residents. As a result of this focus, many initiatives have been implemented to protect citizens and their communities.

Law Enforcement: The Court and Law Enforcement Management Information System (CLEMIS) is state-of-the-art computer technology used by 125 criminal justice and public safety agencies. By serving as a technical link among multiple agencies, CLEMIS promotes communication and sharing of criminal justice information. Agencies in Oakland, Macomb, Wayne, Genesee, Washtenaw and Livingston Counties currently use CLEMIS systems for the processing of arrest records, mugshots and fingerprints, resulting in a truly regional system.

In 2007, CLEMIS completed a three-year design process and fully implemented the first AFIS (Automated Fingerprint Identification System) in the State of Michigan capable of storing, analyzing and reporting data on palm prints and palm latent impressions. This system, known as CAPFIS (CLEMIS Automated Palm & Fingerprinting Identification System), is capable of analyzing over 625,000 fingerprint impressions per second and was populated with records from the Michigan State Police (MSP) and Department of Homeland Security. This new CLEMIS component will allow, for the first time, arrest records to be linked together by both demographic and biometric information. Through a data sharing agreement with the Michigan State Police, CLEMIS will receive all fingerprint arrest records and mugshot images submitted by law enforcement agencies across the State of Michigan. In addition, 43 CLEMIS agencies received state-of-the-art live scan equipment capable of electronically capturing fingerprints and palm print impressions of suspects that have been arrested for crimes in their communities. These impressions will be sent to the CAPFIS for storing and comparison against the unsolved crimes database. The goal is to quickly and positively identify perpetrators of crimes committed in other communities across the region while they remain in the custody of law enforcement personnel.

Community Law Enforcement Support: The Oakland County Sheriff's Office serves over 278,000 County residents through patrol contracts with 14 communities and dispatch services for 4 police agencies and 10 fire departments. The police contract concept allows municipalities to customize police services to best suit the needs of their community. These contracted services include uniform patrol, traffic enforcement, weigh master enforcement, patrol investigator and school liaison officers. Contract services are also provided in various County communities for special public events such as the Renaissance Festival, Arts, Beats and Eats, Woodward Dream Cruise as well as the Meadow Brook Music Festival and DTE Energy Music Theater.

In 2007, the Fugitive Apprehension Team continued its partnership with the Wayne and Macomb County Sheriff's Offices to allow investigations of parole absconders to continue across county lines. The partnership provides the benefit of combined resources during lean financial times, to seek and arrest persons who are repeat offenders and responsible for numerous crimes. To date, over 750 absconders have been arrested.

Alternatives to Incarceration: A number of alternatives to incarceration have been developed for the punishment and rehabilitation of nonviolent offenders. Some of the programs are in lieu of jail time and assist in reducing prison and jail overcrowding.

The StepForward program uses a day reporting center concept to provide extensive services to help offenders and their families, while ensuring public safety through intensive supervision. Services include onsite substance abuse and mental health counseling, women in crisis, domestic violence and anger management groups as well as intensive case management. The program has offices in Waterford and Troy and provided services to 779 defendants/offenders in 2007. Of these, 301 were involved in the Cognitive Restructuring program. This program helps individuals analyze thought processes leading to destructive behavior and develop strategies to restructure their thoughts leading to more positive choices.

The RESULTS Drug and Alcohol Testing Program helps offenders maintain sobriety through frequent and random drug testing. This program utilizes EMIT (Enzyme Multiplied Immunoassay Technique) technology to measure metabolites in human biological fluid. Currently, this equipment provides the most consistently accurate testing method available, ensuring that illegal drug use is detected. Clients pay a fee for each alcohol or drug test which helps to offset the operational costs of the program.

Emergency Response and Preparedness: The Oakland County Emergency Operations Center (EOC) was activated five times during 2007 to provide support, communications and coordination during emergency situations and critical events such as the Woodward Dream Cruise, NBA Playoffs and the Health Division's Mass Vaccination Clinic. The EOC was also activated when a late summer tornado touched down in Holly and during a chemical release at a Wixom business.

The Amateur Radio Public Service Corps (ARPS)/Ham Radio System, used for emergency back-up communication, includes all 14 Oakland County hospitals and one Genesee County hospital became fully operational in 2007. The Oakland County Emergency Operations Center now has direct communications with the hospitals, in the event of a major catastrophe or communications failure, through its Amateur Radio Station, W8OAK.

The Urban Area Security Initiative (UASI) for Southeast Michigan became fully operational in 2007. This UASI Region includes Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne Counties as well as the City of Detroit. The UASI program provides the opportunity to enhance regional preparedness efforts throughout the area. Oakland County Emergency Response and Preparedness has been actively involved in this initiative to ensure the SE Region and Oakland County receives and executes their appropriate share of Federal Homeland Security grant funding which totaled \$19 million in 2007.

Crime Prevention: The Early Truancy Intervention program is the result of a collaborative partnership between the Prosecutor’s Office, 28 school superintendents and Oakland Schools. Truancy is one of the first signs that a student is in trouble at home or school and an early indicator of juvenile delinquency. This program targets students who are not attending school regularly and are exhibiting early warning signs for school failure. By promptly intervening on behalf of these “at risk” students using a coordinated approach involving parents, many students have successfully resumed school attendance without requiring involvement by the Family Court. In 2007, 129 students were referred by Oakland Schools for participation in this program.

Judicial Process: An eFiling project requiring attorneys to file Circuit Court documents electronically was implemented in 2007. The program will affect about 800 current cases and some new cases assigned to judges participating in the program. Only certain types of civil cases are included in the program such as negligence, medical malpractice, personal injury cases, labor relations cases and contract disputes. The system, provided by Wiznet, allows documents to be both filed and served on opposing parties electronically with the goal of creating “paperless” courtrooms. To date, more than 1,500 documents have been filed electronically. More than 2,500 attorneys and their staff members, from 800 law firms, are registered to use the eFiling system. Training is offered online, at the County or off-site at legal firms.

Estates and Mental Health: For a \$25 fee, residents can store their wills with Probate Court to prevent loss or destruction of the document. The Court currently holds about 88,000 wills for safekeeping.

In 2007, free training sessions for guardians were implemented. The “Basic Training for Guardians” program, sponsored by the Citizens Alliance for Oakland County Probate and Circuit Courts, is designed to eliminate confusion and provide guardians the information and tools necessary to manage their duties and fulfill their legal responsibilities. The class is taught by a Public Administrator and has a Probate Court staff member available to answer questions. The Probate Court also continued to support its “Basic Training for Conservators” class, which began in 2006, and provides similar training for court appointed conservators.

Litigation: The Prosecutor’s Bad Check Restitution Program has resulted in the recovery of more than \$2 million for Oakland County businesses without any cost to taxpayers. Since its inception, more than 7,500 offenders have successfully completed the program by reimbursing business owners and completing an educational component designed to reduce recidivism. To date, more than 55,000 bad checks have been addressed through this program and prevented the need for court involvement. This program provides a win-win solution for the business owner, who receives restitution; the defendant, who avoids prosecution; and the taxpayer, who does not have to pay for prosecution.

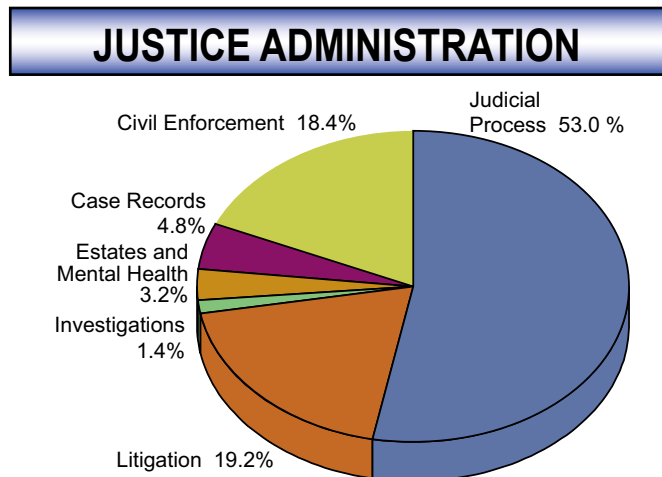


Figure 13

Justice Administration

Oakland County’s justice administration services have undergone major changes in the past few years to address the ever changing issues facing the criminal justice system.

Recreation and Leisure

Oakland County has both abundant and diverse recreational resources, including an expansive network of trails, parks, and open space that provide a unique recreational experience for its residents and visitors. In 2007, Oakland County updated its trail inventory with local community sidewalks in order to see the complete pathway network. In many areas of the county, residents are connected by these sidewalks to larger regional trails such as the Paint Creek, Huron Valley, West Bloomfield, Polly Ann and Clinton River Trails. Many of these trails provide access to surrounding counties, links to historic downtown business districts, safe routes to school, non-motorized transportation routes to work, recreational

events such as marathons and National Trails Day as well as an entryway into many of the 57,000 acres of parkland found in Oakland County.

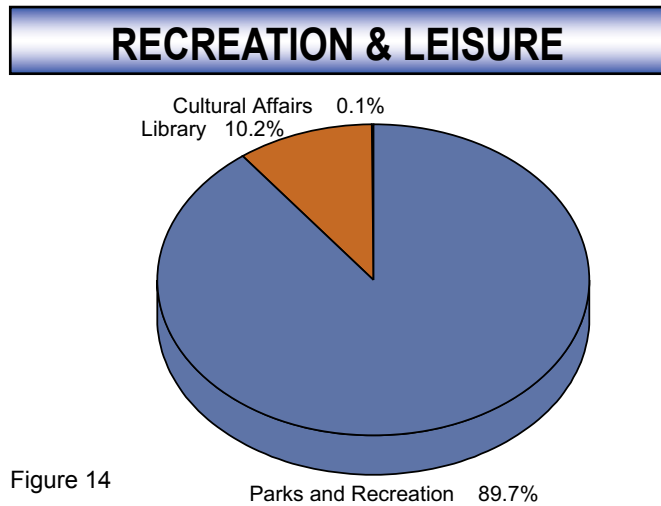


Figure 14

The award-winning Oakland Trail Advisory Council (OTAC), in partnership with Oakland County Parks and Oakland County Planning, has been working to promote the benefits of trails and paths in Oakland County and southeastern Michigan since 2003. Creation of a countywide trail master plan is currently underway and will highlight the history of trails, funding sources, quality of life benefits among other objectives for future trail development. To date, 95 miles of the primary system are completed, 13 miles are in the planning and development stage and another 146 miles are under consideration. Overall, the network of trails promotes a healthy lifestyle by providing users an opportunity to bike, walk, run, horseback ride and cross-country ski.

Parks and Recreation: In 2007, Catalpa Oaks in Southfield became the 12th County Park and features 6 soccer fields, a baseball diamond and softball field. Also in 2007, a \$1.4 million grant from the Michigan Natural Resources Trust Fund, matched by Parks and Recreation Commission funds, made possible the acquisition of 18 additional acres for Rose Oaks County Park and 264 acres in Highland Township, now Highland Oaks, and the 13th County Park. This new,



undeveloped park offers hiking, mountain biking, cross-country skiing and limited archery deer hunting. The Oakland County Parks offer year-round recreation with 5 golf courses, 2 waterparks, 2 campgrounds and 2 nature centers. For more information, visit their website www.oakgov.com/parksrec.

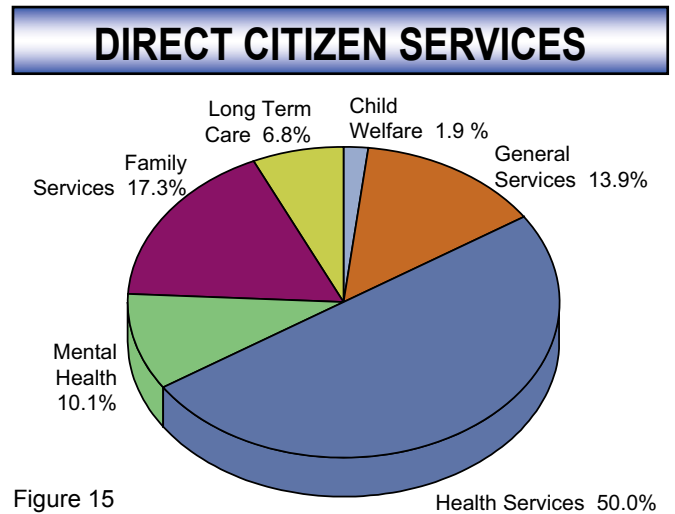


Figure 15

Direct Citizen Services

General Services: The rising cost of health care and prescription drugs had an adverse effect on many County residents. The County Board of Commissioners and the National Association of Counties continue to offer a Prescription Discount Card Program for uninsured and underinsured residents of Oakland County. The card can be used to purchase prescription drugs that may not be covered by other health insurance providers. Program savings average 20% off drug purchases at 57,000 participating pharmacies and up to 50% on mail-order purchases. There are no age or income requirements and no enrollment fees. To date, 3,500 people have taken advantage of the discount program for a savings of over \$400,000. Residents can obtain cards from their local city, township and village offices, libraries, senior centers and select County offices or from their County Commissioner.

Another program sponsored by the Board of Commissioners, the Oakland County Discount Dental Program, is designed to help the uninsured and underinsured save on out-of-pocket dental care expenses. Since June 2007, county residents have been able to apply for the discount card which costs \$6.95 per month or \$69 per year. The program gives members access to nearly 70,000 participating dentists nationwide with savings of 20% to 50% on most dental procedures. There are no age requirements, benefit maximums or claim forms to submit. Additional information can be found at www.ocdiscountdental.com.

Veterans' Services: Oakland County Veterans' Services strives to maximize the benefits received by County veterans and their families, reduce the frustration and confusion involved in the application process and insure maintenance of benefits. As a result, \$78.3 million in benefits were granted to County veterans and their dependents by the U.S. Department

of Veteran Affairs during 2007. From offices in Pontiac, Troy and Walled Lake, the Division also assists veterans to enroll for medical care at the VA Medical Centers in Detroit and Ann Arbor and the Community Based Outpatient Clinic in Pontiac. In addition, wheelchair accessible transportation to the Detroit and Ann Arbor Centers is available from each office. The County continues to work closely with the Great Lakes National Cemetery to keep the community informed and provide access to those eligible for burial at this great national shrine. Since opening in October 2005, the cemetery has provided approximately 3,400 burials.



County Clerk/Register of Deeds: FRAUDCHECK is a free service available to help homeowners protect themselves from deed and mortgage fraud. The service allows homeowners to go online, enter their name and check to see whether any unauthorized documents have been recorded with the Oakland County Clerk/Register of Deeds Office in the past 12 months. FRAUDCHECK can be accessed at www.landaccess.com, by selecting MI-Oakland, then Fraud Check on the tool bar.

Public Health: The Oakland County Health Division protects the community through health promotion, disease prevention and protection of the environment. Health programs benefit every Oakland County resident, as well as countless visitors.

Each year, as part of their public health emergency response plan, the Health Division tests their ability to quickly activate a medication dispensing clinic. In 2007, their annual Mass Flu Immunization Exercise operated in seven sites throughout the County. An enhanced online registration system offered the convenience of reserving and paying for flu shots in advance. Approximately 5,688 individuals pre-registered using this system, a significant increase from 2006, and received their flu shot within 5 to 8 minutes of arrival. Over 12,000 people were vaccinated within a five-hour period, a 26% increase over 2006. This type of exercise tests the Health Division's ability to respond to a significant public health emergency such as a disease outbreak or natural disaster.

In 2007, the Health Division implemented a series of interactive classes called Crib Notes. This innovative program targets infant

mortality prevention efforts and is offered at local middle schools and community sites. Crib Notes educates young adults about personal care, health habits, including tobacco prevention and nutrition, as well as caring for infants, siblings and other children. Since its inception, approximately 216 students have completed the program which continues to expand.

The County continues to address the epidemic of childhood obesity with a program designed to get children and their families moving and eating right. In 2007, the County Executive's Count Your Steps program provided close to 23,000 pedometers to students in 180 of the County's public, private and charter elementary schools who logged over 2 billion steps.

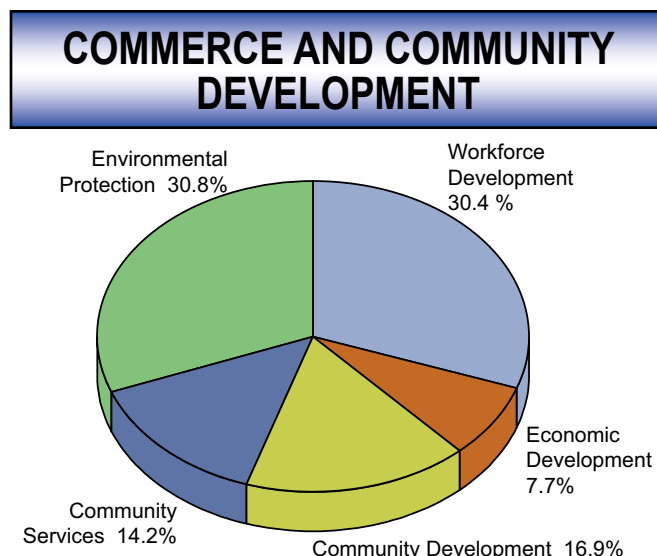


Figure 16

Commerce and Community Development

The Commerce and Community Development function contributes significantly to the quality of life for County residents and creates an environment beneficial to business and industry.

Economic Development: The County Executive's Emerging Sectors program has identified innovative industry and technology sectors that have high growth rates and businesses in those sectors that might expand into Oakland County. The top companies in each sector were then prioritized based on potential, profitability, size, location, market customer base, employee occupation profiles and their likely attraction to southeast Michigan and Oakland County. Select calling teams consisting of both political and corporate officials have been formed to meet with decision makers within each corporation.

Since the program's inception in late 2004, 64 emerging sector businesses have chosen to locate or expand their facilities in Oakland County. These firms invested over \$939 million

with 9,097 new jobs created and 3,102 jobs retained. The sectors with the majority of activity are alternative energy, advanced electronics, financial services, communications and information technology. Meetings were held with companies in Anaheim, New York, Boston, Germany, Sweden and India in addition to meetings with existing emerging sector businesses in Oakland County. For more information, visit the emerging sector website at www.emergingsectors.org. Profiles on each sector have also been completed and are available on the website.

The nationally acclaimed Automation Alley, founded by the Oakland County Executive, has spread throughout Southeast Michigan. The consortium's primary purpose is to drive the growth and image of SE Michigan's technology economy through a collaborative culture that focuses on workforce and business development initiatives. The Consortium is a partnership between business, government and education. Automation Alley has grown to more than 850 members, gaining local, national, and global recognition as a technology consortium capable of competing with the world's best and brightest. For more information, visit their website at www.automationalley.com.

The County Financial Services Unit helps businesses grow by providing loan programs designed specifically for expanding companies and organizations. The Oakland County Business Finance Corporation and the Oakland County Economic Development Corporation assist companies in obtaining fixed asset financing at favorable rates through the U.S. Small Business Administration (SBA) 504 Loan program and through the use of tax exempt revenue bonds. In 2007, program loans representing over \$78 million in investments were processed for 33 companies who created and retained 1,231 jobs. To obtain additional information regarding Financial Services, call (248) 858-0765.

Business counseling services are also provided by the Economic Development division via one-on-one counseling or various workshops and seminars covering topics such as How to Start a Business, How to Write a Business Plan, Legal Business Basics and other business issues. In 2007, over 1,700 entrepreneurs received counseling and 500 individuals attended various workshops.

Community Development: For more than 32 years, the Community and Home Improvement Division has delivered federally funded programs to meet the housing and community needs of low-income residents in Oakland County. The Community Development Block Grant Program allocates funds to 50 communities to improve infrastructures, public facilities and neighborhoods, as well as provide basic human services. The Division also funds emergency shelter operations and services to help the homeless.

The Home Improvement Program provides home improvement loans to low-income homeowners and is designed to improve the condition of existing housing. To qualify, the homeowner must meet income guidelines and live in one of 50 participating

communities. Depending on household size and income, the interest rate for the loan will range from a 0% deferred loan to a 3% installment loan or combination of the two. Loans up to \$18,000 can be used for a wide variety of home improvements including repairs for purposes of health and safety, energy conservation and structural preservation. Call (248) 858-0493 to obtain additional information.

The HOME program strives to increase the supply of decent, safe and affordable housing for low-income persons through public-private partnerships. Since 1992, it made home ownership a reality for 46 low-income residents. The American Dream Downpayment Initiative provides financial help to low-income first-time homebuyers by providing down payment and closing costs for home purchases. The federally funded program provides qualified homebuyers a \$10,000 deferred payment loan with 0% interest to help defray the upfront cost of purchasing their first home.

Housing Counseling services help housing consumers meet the responsibilities of home ownership and tenancy. Counselors offer free pre and post home purchase education, mortgage delinquency and foreclosure assistance, Home Equity Conversion Mortgage counseling for seniors, landlord/tenant responsibility information, subsidized housing referrals, home improvement and rehabilitation resources, fair housing information as well as displacement and relocation resources.



The County is home to the first countywide National Main Street Program in the United States. The downtown revitalization program, now in its 8th year, helps communities develop their central business districts which are a symbol of historic development, economic health and community pride. The economic return on investment generated by the program continues to build. During the most recent program year, downtown areas in the Main Street program generated over \$45 million in public and private investments, created 300 new jobs and 25 new businesses. A total of \$450 million in new investments have taken place since 2001. Currently, twelve communities (Farmington, Ferndale, Highland, Holly, Keego Harbor, Lake Orion, Ortonville, Oxford, Pontiac,

Rochester, Royal Oak and Walled Lake) are participating in this comprehensive economic development and community planning program. Architectural design assistance is also provided to business and building owners to spur additional economic development while preserving the integrity of historic buildings.

The Planning and Economic Development Services Division continues to expand services to local governments. The Land Use and Zoning Program reviews community master plans and township rezonings as mandated by State law. As an additional service, the County prepares estimates on the amount of future development that could occur in a community by comparing land use information with local master plans. Local governments use this information to gain a better understanding of future public service needs as well as road and infrastructure requirements.

Workforce Development: As Oakland County’s economy becomes increasingly knowledge-based, high-paying, low-skill jobs are being replaced with career opportunities that require technical skills and a good education. Not all of these jobs require a four or even a two-year college degree. Another option, apprenticeships, can prepare employees for good paying jobs that provide excellent benefits. An apprentice, for example, can qualify for jobs in the skilled trades, culinary arts, health care or social service sector while working, earning wages, receiving on-the-job training and attending classes at a community college or an apprenticeship school. A booklet entitled “Apprenticeships in Oakland County and Southeastern Michigan” provides information about many occupations for which apprenticeships are available. The booklet is available on the website at <http://www.oakgov.com/exec/assets/docs/apprenticeships07sm.pdf>.

Environmental Protection: Oakland County is rich in natural resources. Abundant water resources and pristine natural areas are essential components of Oakland County’s natural heritage, and make a strong contribution to the County’s quality of life and economic vitality. The County partnered with the Natural Areas Advisory Group to create a community-based countywide Green Infrastructure Visioning project. In 2007, communities were awarded \$2.3 million in Michigan



Natural Resources Trust Fund grant monies for acquisition and conservation management of high quality natural areas within the Oakland County Green Infrastructure network. The Green Infrastructure initiative compliments the County’s extensive trails and recreation lands network by working to preserve and connect the remaining natural areas that exist within the County.

In 2007, Oakland County launched the Oak Rivers Initiative. The Environmental Stewardship Program, in partnership with the Drain Commissioner’s Office, engaged over 90 stakeholders, including residents and community officials, to identify and map priority river corridors within the county that could be maximized as community assets. The initiative will provide local communities and groups with technical assistance services to promote proper use and encourage protection of these valuable resources. The Oak Rivers Initiative also works in cooperation with other local, county and regional water resources planning initiatives.

The County’s NO HAZ program strives to protect the environment through the proper disposal of hazardous waste. NO HAZ provides a regular, reliable and easily accessible collection service allowing residents a safe and environmentally responsible way to dispose of household hazardous waste. Three collections were held in 2007 resulting in record numbers for the program, including more than 226,000 pounds of waste, an increase of 123% over 2006. The three most collected items were computer/electronic equipment, motor oil and oil-based paint which accounted for 62% of the total. Additional information, such as participating communities and future collection dates, can be found on the website at www.nohaz.com.

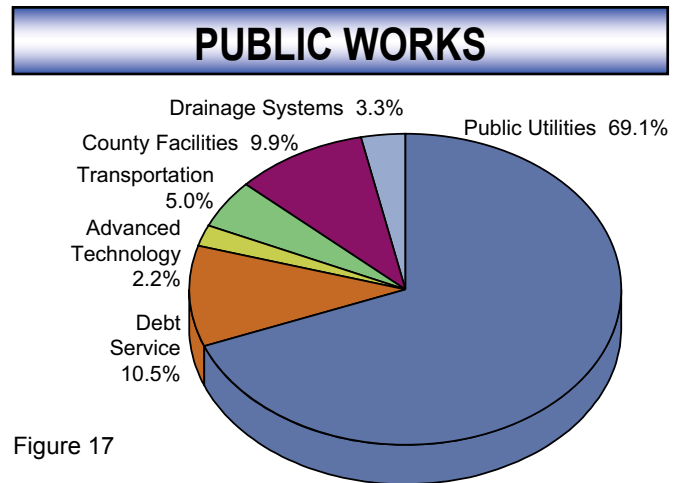


Figure 17

Public Works

Dependable public works systems and a solid infrastructure are necessary to support a growing economy and community. Oakland County has been at the forefront of implementing systems to meet these needs.

Water: Services are provided to 39,844 customers through 23 municipal water systems, 23 distribution systems, 6

water treatment plants, 27 well houses, 70 wells, 25 pressure reducing valves, 3 booster stations, 3 ground storage tanks and 3 elevated storage tanks.

Sewer: Services are provided to 35,769 customers through 16 municipal sewer systems, 127 municipal sewage pumping stations, 10 storm water pumping stations and 2,036 individual sewage grinder pump stations. Four interceptors carry sewage to Detroit and Wayne County for treatment. Four retention treatment basins capture combined sewage and storm water to prevent contamination of rivers and basement flooding.

Rates are adjusted annually for both water and sewer to give customers credit for any operating surplus.



County Facilities: Renovations to the new Executive Office building were completed in 2007. The facility includes a conference center and is occupied by the County Executive, his staff and several departments under his authority. In early 2007, construction of 185 new T-Hangar units for aircraft storage was completed to meet backlogged demand. Of these, 158 were constructed at the Oakland County International Airport and 27 at the Oakland/Troy Airport.

Transportation: Oakland County is the only local government in Michigan to own and operate three airports. Oakland County International Airport ranks as the 80th busiest airport in the nation with 202,973 takeoffs and landings. It is ranked as the nation's tenth busiest general aviation airport and second to Detroit Metro in Michigan. The total based aircraft at the three County-owned airports exceeds all other towered airports in Michigan combined.

Advanced Technology: Oakland County continues to focus on the development of its eGovernment initiative using state-of-the-art technology to bring government together with citizens, businesses and educational communities. The County's online portal placed 2nd of over 3,000 county government websites in the Center for Digital Government's 2007 Best of Web competition. They also named Oakland the sixth most digitally advanced county in America for counties with populations of 500,000 or more. Through this eGovernment initiative, County information and services are available through the website. By providing "online" services rather than "in line" services,

costs are reduced and customer satisfaction is improved. There are 32 enhanced access services currently available via the County's website. Citizens can submit online payments for tickets issued by the 52nd District Court, search and print Sixth Circuit Court Legal Records, pay property taxes, order certified copies of birth, death and marriage certificates, apply for well and septic permits as well as purchase park permits, maps and aerial photographs. The system processes all financial transactions in a "secure" environment ensuring privacy and security for the customer. With over 19 million pages viewed by 2.6 million visitors per year, the County website delivers substantial content to citizens and businesses. Over 958,000 files were downloaded in 2007, with a net benefit to County taxpayers estimated at \$2.3 million. As eGovernment grows, additional services will be offered resulting in additional savings for Oakland County website visitors and residents.

In early 2007, as part of the eGovernment initiative, Oakland County launched a new series of informational podcasts featuring topics of interest to people who live, work, play, and do business in Oakland County. Citizens can listen to the podcasts on the County's web site or by downloading the podcasts to a portable MP3 player. An online subscription option allows users to automatically receive new County podcasts as soon as they are published. The County plans to produce new podcasts on a regular basis. Each podcast will cover a different topic, including new services, programs, seasonal activities, special events and other news.

Oakland County Website

A wealth of information on County services is available on the website at www.oakgov.com. Copies of this document as well as the County's Line Item Budget, Biennial Program Budget and Comprehensive Annual Financial Report are also available in pdf format on the website.

Comprehensive Annual Financial Report

Complete financial statements of Oakland County, with additional demographic and economic information, are provided in the County's Comprehensive Annual Financial Report. The document is available in pdf format on the County website. A printed version of this report can be viewed at the following location:

Oakland County Research Library

1200 North Telegraph

Building 14 East

Pontiac, MI 48341-0453

Photo credits:

Jeffrey C. Phelps

Michael Zack

Lacy Skidmore

