



OAKLAND COUNTY MICHIGAN



2008

Financial Summary

Fiscal Year ending September 30, 2008



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 2008. 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 2007 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.

A handwritten signature in black ink that reads "L. Brooks Patterson".

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, 2007



Michael R. ...
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, 2007. 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 eleven consecutive years (fiscal years ending 1997-2007). 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 2008



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Highland



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Helaine Zack	Huntington Woods

**In memoriam*

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.

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, the Motorsports Hall of Fame and Museum and the W. P. Chrysler Automotive Museum. The Holocaust Memorial Center, in Farmington Hills, is the nation's first freestanding museum dedicated to the memory of the Holocaust. 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 Woodward Dream Cruise is the world's largest one-day celebration of the car culture where 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 230 of the world's finest classic automobiles and motorcycles are displayed in a lavish outdoor exhibition at scenic Meadow Brook Hall, a historic auto baron's mansion on the campus of Oakland University. Other popular annual events include the Michigan Renaissance Festival, the Art & Apples Festival and Quake on the Lake, a premier summertime event featuring hydroplane racing as well as an international wakeboard and water-ski competition. 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, 155 art exhibitors and 50 restaurants.



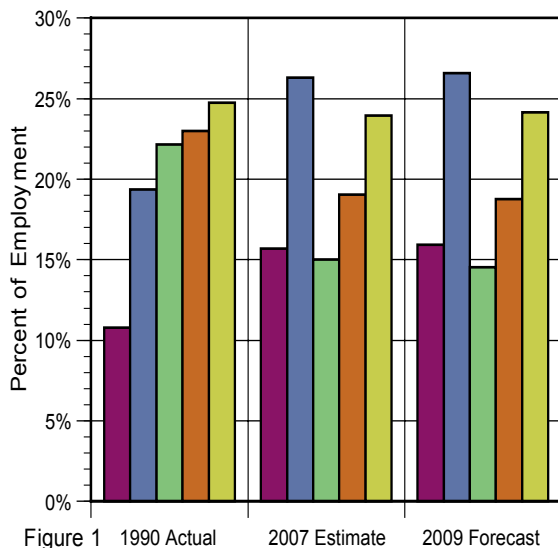
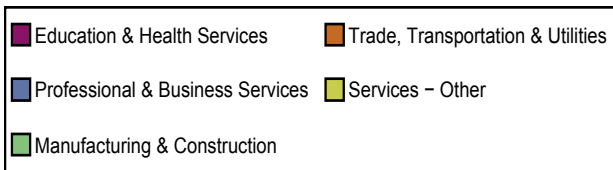
Oakland County is home to a mix of urban and rural communities. With 30 downtown areas and many scenic natural settings, it provides a high quality of life for any lifestyle. Oakland's communities range from villages, like Milford, with quaint downtown shopping districts to cities like Birmingham with 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, dire economic situations existing from 2000 through 2007 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 continues to transform from a traditional industrial economy to a knowledge-based economy. Consequently, high profile problems remain within Oakland County due to continued restructuring of the auto industry and soaring foreclosures resulting from the distressed housing market.

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

EMPLOYMENT SHIFT



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 34 countries. Of the foreign-owned firms in southeast Michigan, 67% are located in Oakland County.

EMPLOYMENT TRENDS

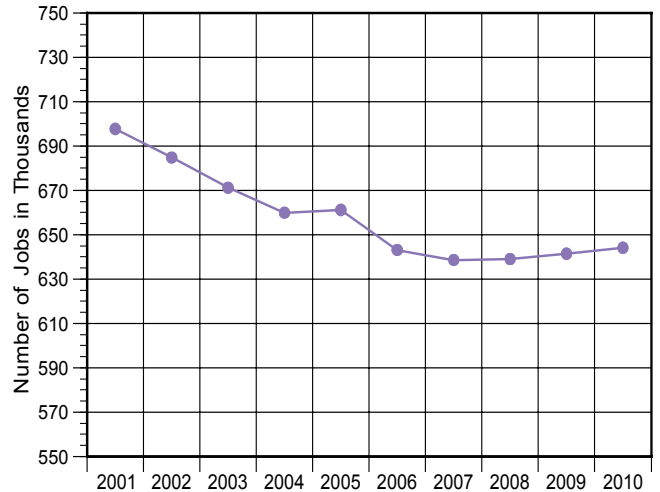


Figure 2 (Private non-farm employment)

The April 2008 Oakland County Economic Outlook report, prepared by the University of Michigan, forecasts job gains to rise by 3,000 jobs in 2009 and 5,500 in 2010 following losses of an additional 200 jobs in the private service-providing sector in 2008. Figure 2 illustrates this trend. Since that time, economic conditions have further declined indicating these job gains may not be realized.

In September 2008, Oakland's unemployment rate was 6.6%, slightly higher than the national average of 6.0%, yet substantially lower when compared to Michigan's 8.3%. Unemployment rates for the past decade are illustrated in Figure 3.

UNEMPLOYMENT RATES

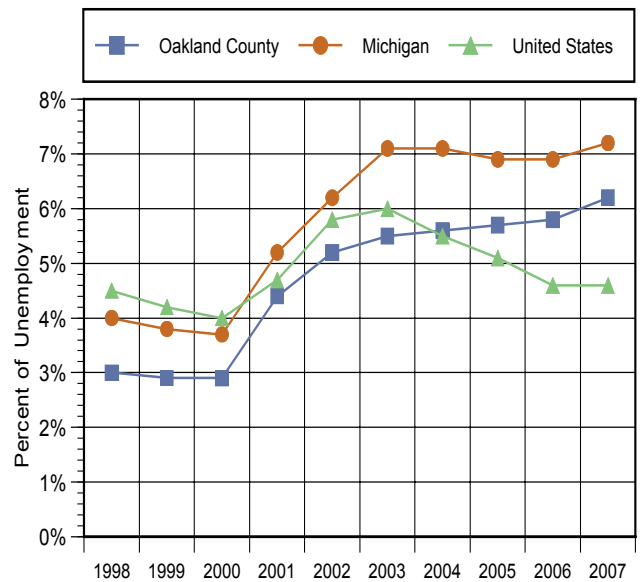


Figure 3

Oakland's per capita income of \$53,865 remains the highest among Michigan's 83 counties. The County is ranked 7th among the nation's counties having more than one million in population and 39th among all counties.

Oakland County's Tax Base

Despite recent downturns in the local economy, the past decade has produced a 56% increase in the true cash value and a 55% increase in the taxable value of real and personal property in the County since 1999. During this period, the County exercised a prudent and conservative approach to tax revenues by controlling the millage rate levied on the tax base. The County millage rate for the July 1, 2008 property tax levy remained at 4.19 mills for operations. In fact, Oakland County has the third lowest total county tax rate in the State of Michigan. In spite of several reductions in the millage rate since 1992, moderate increases to the tax levy, as illustrated by Figures 4, 5 and 6, have resulted from the County's rising tax base.

STATE TAXABLE VALUE

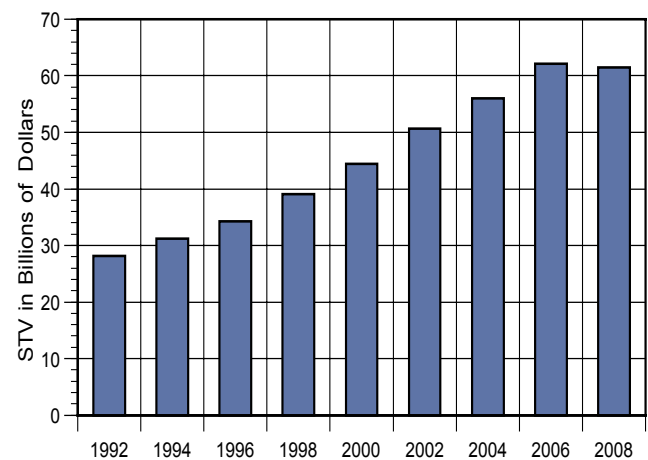


Figure 4

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. This prudent discipline ensures that structural budget difficulties do not develop.

Additionally, fiscal stability is enhanced through the annual budget process which appropriates for full utilization of the County's 4,447 authorized positions. Should vacancies occur or positions be filled at a level lower than authorized, the resulting favorable variance falls to fund balance.

MILLAGE RATE

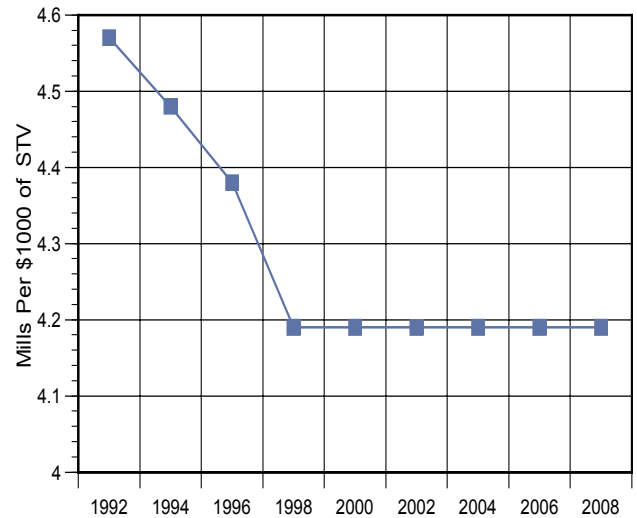


Figure 5

The County's diverse economic base, strong financial operations and financial management, coupled with strong reserves and a moderate debt burden have allowed the County to maintain 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.

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. Since 1999, Oakland County's general fund balance has increased by a total of \$45.8 million. The increase is primarily attributable to the County's effort to limit spending while maintaining services. This is accomplished by

TAX LEVY

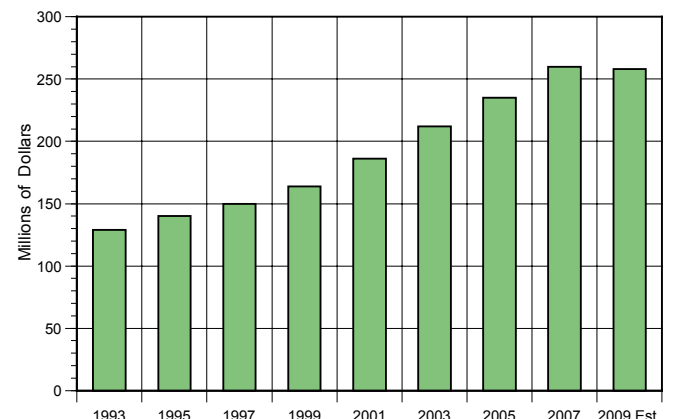


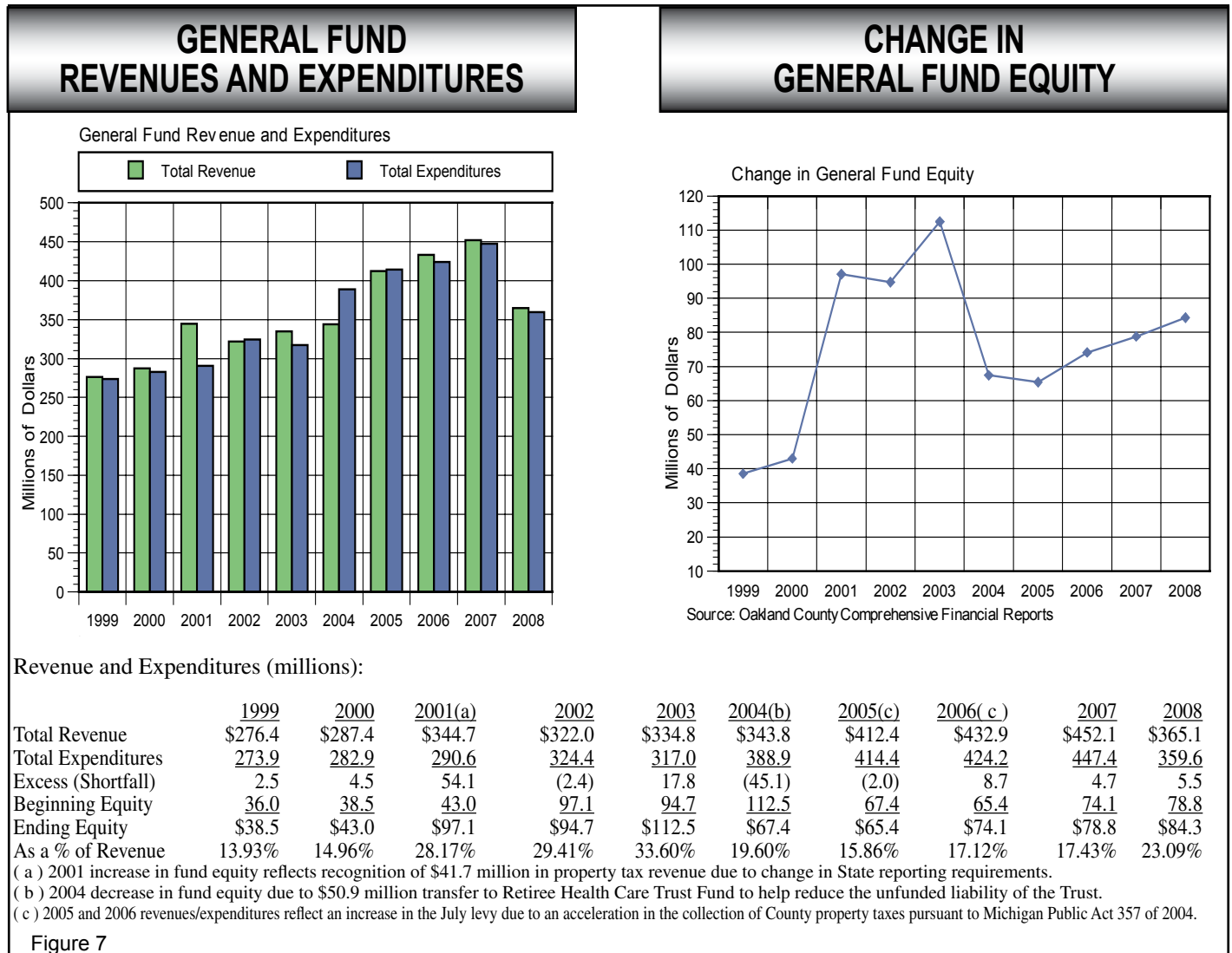
Figure 6

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 issuance of debt is also limited. 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 \$7.4 billion in debt (10% of its State Equalized Value); however, the actual outstanding debt is \$843.61 million, 11.3% of the permissible amount. Figure 7 provides a historical view of the County's General Fund balance.

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, usually bonds. Capital Project funds account for the purchase

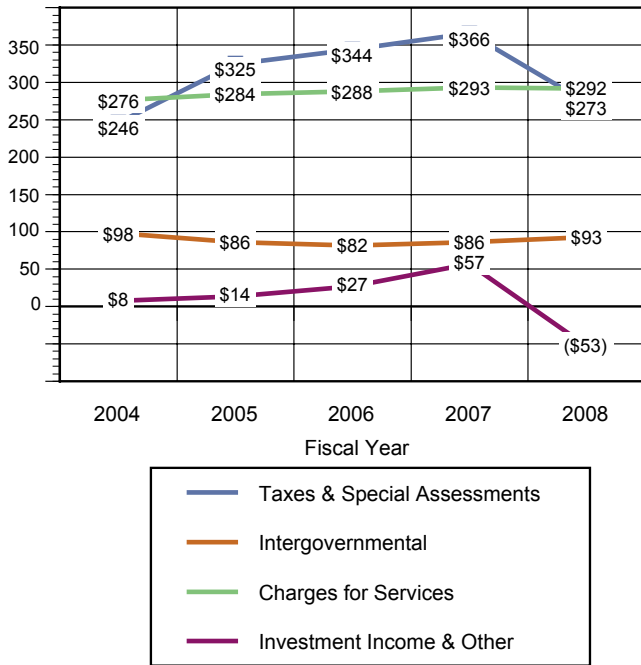
or construction of major capital facilities, like buildings, drains and sewer projects. Enterprise funds account for functions that are financed primarily through user charges and operate similar to businesses, such as the airports, water and sewer operations and the parks.

The overall revenues and expenditures for County functions illustrated in Figure 8 (opposite page) 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.



FIVE YEAR REVENUE AND EXPENDITURE TRENDS

Revenues in Millions of Dollars



Expenditures in Millions of Dollars

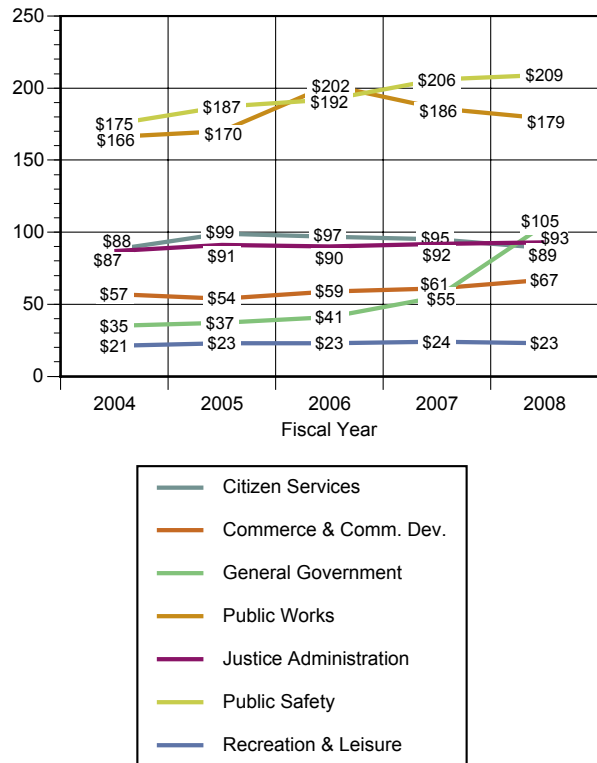


Figure 8

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.

Revenues

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

Taxes: \$257,609,031- 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: \$15,300,494 - Funds received from charges to parties benefiting from the County’s drainage systems, lake level controls and lake improvements.

Federal and State Grants: \$76,628,858 - Restricted funding provided by federal or state governments.

Other Intergovernmental: \$16,484,867 - Revenue from state or local governments in the form of shared revenue or reimbursements.

Charges for Services: \$292,272,161 - Revenue from fees received for purchased services.

Investment Income and Other: (\$52,822,018) - Interest on investments, revenue from rebates, refunds of prior year’s

expenditures, transfers in from other funds and miscellaneous sources. Due to distressed financial markets and subsequent valuation adjustments, FY 2008 reflects a negative amount.

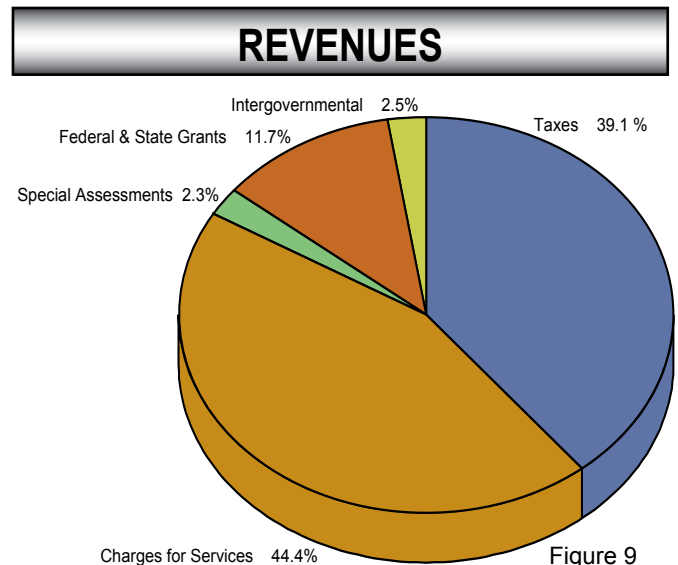


Figure 9

Note: For presentation purposes, Investment Income and Other Revenues (\$52.8 million) have been omitted.

MAJOR PROGRAM EXPENDITURES

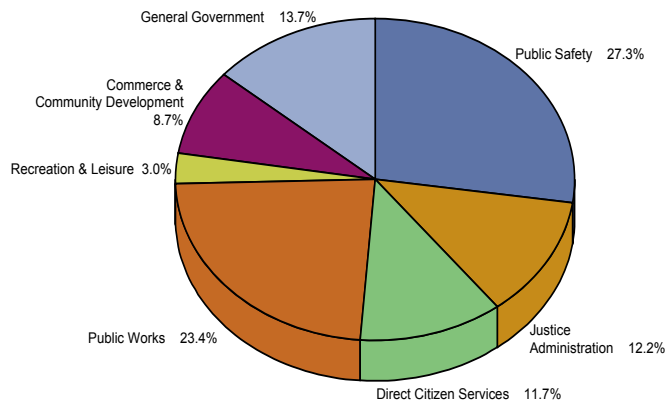


Figure 10

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: \$104,581,276, 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: \$208,990,810, 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: \$93,317,580, 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: \$23,288,846, 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: \$89,277,395, 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, Board of Commissioners and Circuit Court services.

Commerce and Community Development: \$66,662,315, 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, Water Resources Commissioner, Register of Deeds and Equalization provide services in this area.

The final program, **Public Works:** \$178,643,372, refers to all operating systems that form the infrastructure of basic County functions. Included are Facilities Management, Airport, Water Resources Commissioner, Information Technology, the majority of capital projects and all debt service expenditures associated with each program.

GENERAL GOVERNMENT

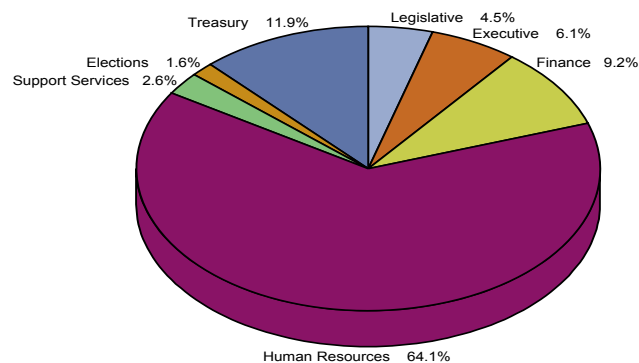


Figure 11

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. At fiscal year end September 30, 2008 the County's short-term portfolio was, in fact, out performing the US Treasury benchmark by 2.039%.

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.

This long-term focus has become even more crucial as governments locally and nationally struggle to survive given the current economic environment. Oakland County has been proactively addressing these issues for several years by restructuring and downsizing through business process reengineering, retirement incentives, hiring freezes, fringe benefit changes, privatization of some programs, as well as reducing or closing some programs.

It is expected the next several years will be the toughest yet with record-setting number of home foreclosures, job losses, the uncertainty of the domestic auto industry's future, and specifically the auto industry's impact on Southeast Michigan's economy. Rapidly falling housing values have resulted in a reduction of property tax revenue for the first time ever with taxable values expected to decline by 4.5% in 2009.

Oakland County's long-term financial planning practices have ensured a balanced County budget during this time of extraordinary budget challenges and emerged even stronger financially, maintaining its AAA bond rating. Not only has the County met the budget challenges over the past several years, but also fully funded the retiree health care benefits promised to its employees, which is remarkable given that many governments across the country have not even started addressing the pre-funding accounting requirements related to that liability.

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 continues to offer a Wellness Program 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 offered 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 2008, a new online Election Reporting System was implemented which allows users a comprehensive way to view and use election night results. The secure system uses GIS mapping technology and offers a wide array of maps and easy-to-read graphics. Users can also customize election results to focus on specific races and contests. One feature, popular with the media and political analysts, allows users the ability to download an electronic "snapshot" of results as the numbers come into Oakland County.

In addition, an Absentee Ballot Tracker service was established, which allows voters to track their ballot through the election process and confirm it has been received by their local city or township clerk to be counted on Election Day. The service is based on information updated in the state's electronic Qualified Voter File. Approximately 20 percent of Michigan voters cast their vote by absentee ballot.

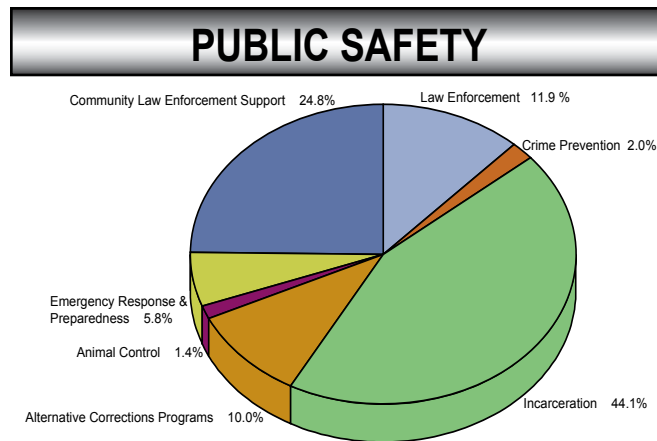


Figure 12

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.



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.

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 Step Forward 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 820 defendants/offenders in 2008. Of these, 485 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) is the central site where county representatives respond to emergency situations and critical events. It was activated twice during 2008 to provide support, communications and coordination during the PGA Championship and the Woodward Dream Cruise. The EOC was partially activated 79 times for severe weather affecting Oakland County throughout 2008.

The Urban Area Security Initiative (UASI) for Southeast Michigan continued operations in 2008. 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.

Crime Prevention: Youth Assistance, the largest and oldest court based diversion program in the nation, was established to help youngsters stay out of the criminal justice system. The program is a partnership between the Courts, local communities, school boards, the private sector and thousands of volunteers. Youth Assistance sponsors parent training

programs, mentoring programs, teen centers, drug and alcohol abuse prevention programs and many other services. In addition, professional caseworkers meet with children and families referred by police, schools or the Courts to help build strong families and keep children out of the criminal justice system.

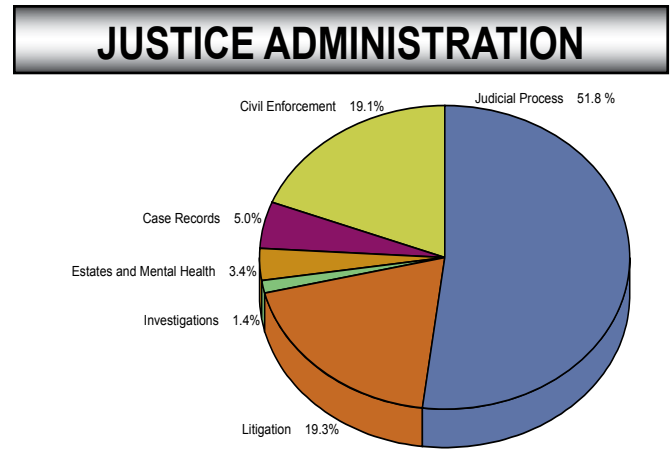


Figure 13

Justice Administration

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

Judicial Process: The 52-1 and 52-3 District Courts launched a joint project in 2008 designed to track down criminal defendants who have eluded justice. Photos and information of the “Most Wanted” offenders are placed on the respective courts’ website. Many of those being sought by police are repeat offenders who have been charged with such crimes as drunk driving, driving with a suspended license and domestic



abuse. This project utilizes the latest in technology allowing the public to assist law enforcement in arresting those individuals who pose a threat to public safety.

In 2008, the Circuit Court implemented a Teleconferencing pilot program. Entitled Judge On-Line, the new service is being offered as an alternative to face-to-face court hearings. It is designed especially for scheduling, status, pretrial and settlement conferences, as well as motion hearings and other court proceedings at the discretion of the presiding judge. Parties and attorneys may appear for these court events from work, home and while on vacation for a non-refundable \$30 convenience fee. The service is expected to save attorneys and litigants travel time and fuel costs and help manage the court docket more effectively.

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.

During 2008, the Probate Court instituted a new system for appointing attorneys to represent respondents in Mental Health cases. Under the new system, three attorneys are appointed to cover all mental health hearings for a specific week. The petitions filed for each hearing date are divided between the three attorneys for that week. This system improves the hearing process for respondents and provides more efficient scheduling for attorneys and hospitals. In addition, the revised system is expected to provide cost savings as well as a more efficient use of Court resources.

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, 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 public parkland found in Oakland County.



Since 2003, the 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. In 2008, the first Oakland County Trails Master Plan was completed. This countywide plan highlights the history of trails, funding sources, quality of life benefits among other objectives for future trail development. To date, 96 miles of the primary system are completed, 13 miles are in the planning and development stage and another 155 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: The 13 Oakland County Parks offer nearly 60 miles of trails and natural landscapes for year-round recreation, including 5 golf courses, 2 waterparks,



RECREATION & LEISURE

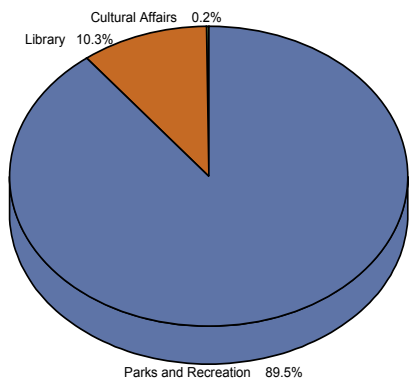


Figure 14

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 many areas of the county, residents are connected by local community sidewalks to larger regional trails such as the Paint Creek, Huron Valley,

3 campgrounds and 2 nature centers. Unique recreation opportunities include The Fridge, Michigan's only refrigerated toboggan run. Mobile recreation opportunities include a rock climbing tower, puppet mobile & workshop, and inflatable obstacle courses. For more information, visit www.oakgov.com/parksrec.

Arts, Culture and Film: In 2008, the State of Michigan enacted the most aggressive film and video incentives in America, and Hollywood came calling. In order to respond to the informational and location needs of the numerous productions in the Metro area, the County quickly developed a website, OaklandCountyFilm.com, containing resources for film producers as well as Oakland County communities. The County also provides location selection assistance to producers, as well as contacts with municipalities to assist their production efforts. In addition, Oakland County Film helps communities become "film ready" by providing information on permits, ordinances and how the film, video and interactive gaming industries operate.

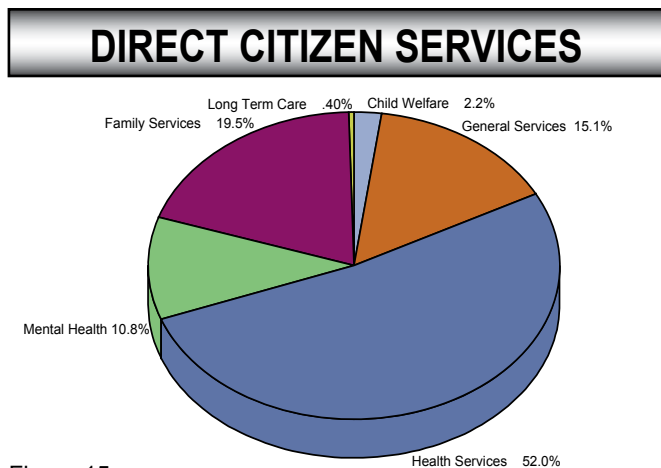


Figure 15

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. Since its inception in May of 2006, the program has provided users a savings of 1.8 million dollars. 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.

The Adult Benefit Waiver Program (ABW) program is a health plan for individuals. This plan is not a service of the Oakland County government; however the Board of Commissioners have arranged for the health benefits to be made available to people who meet certain criteria. The service is operated by Oakland Health Plan, a not-for-profit organization. It covers visits to an assigned Primary Care Physician (PCP), referrals to specialists, referrals for outpatient diagnostic services and procedures and prescription drugs. This program is only available during open enrollment periods determined by the State of Michigan. Contact 888-654-2201 or visit www.oaklandhealthplan.org for more information.

Veterans' Services: Oakland County Veterans' Services strives to maximize veterans' 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, \$89.6 million in benefits were granted to County veterans and their dependents by the U.S. Department of Veteran Affairs during 2008. From offices in Pontiac and Troy, 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. Wheelchair accessible transportation to the Detroit and Ann Arbor VA Centers is available from each office. Although the Walled Lake veterans' office closed in late 2008, transportation to the VA Medical Centers is still available from the West Oakland Health Division lobby.

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 5,600 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 (OCHD) protects the community through health promotion, disease prevention and protection of the environment.

The Environmental Health Services (EHS) unit administers a number of programs to help protect health through the promotion of environmentally sound practices. To ensure the proper handling and distribution of food served to the general public, the EHS unit conducted over 17,000 restaurant inspections in 2008. In addition, the unit trained and certified 1,159 food service managers.

The OCHD Laboratory works closely with Environmental Health to ensure water quality throughout the county. In 2008, the lab and EHS tested and analyzed over 25,000 water samples that included drinking, pool, and surface waters.

In 2008, the E-Health online system completed the first full year that food, water well and onsite sewage program applications were utilized by Environmental Health Services. Enabling a large majority of environmental health services to be processed via the internet allows for a more accessible, complete and comprehensive service to the citizens of Oakland County. E-Health accepts credit card payments and electronically files applications for food service licenses, septic and well permits instantly. Through the Well Log portion of the system, water well drilling contractors and pump installation contractors are able to fill out and submit the required records online.

In 2008, OCHD clinics provided more than 50,000 adult and childhood immunizations and over 40,000 flu shots, from three clinic locations. Clinic services include testing for sexually transmitted infections (STI), Human Immunodeficiency Virus (HIV), pregnancy, tuberculosis (TB), communicable and nuisance diseases. Diagnosis, treatment and referral services are provided through the clinic as well.

The Women, Infants and Children's (WIC) Supplemental Food Program continues to be an important focus for the Health Division. WIC assists low-income pregnant or breastfeeding women in eating right to ensure healthy pregnancies and infants and children under the age of five in obtaining the needed nutrition for proper growth. The WIC program serviced over 14,000 women and children in 2008.

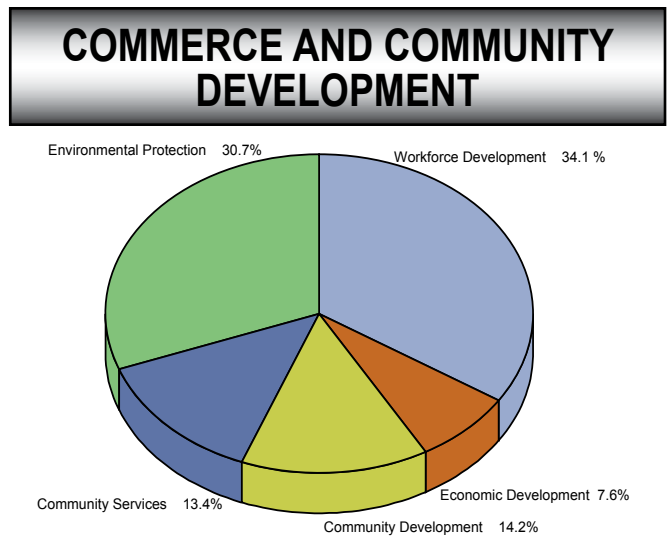


Figure 16

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, 99 Emerging Sector businesses have chosen to locate or expand their facilities in Oakland County. These firms invested over \$1.1 billion with 14,000 new jobs created and 5,300 jobs retained. The sectors with the majority of activity are alternative energy, communications and information technology. In 2008, meetings were held with companies in Germany, China, Canada, India and throughout the United States in addition to meetings with existing emerging sector businesses in Oakland County.

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 950 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 2008, program loans representing over \$100.4 million in investments were processed for 29 companies who created and retained 1,472 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 2008, over 1,800 entrepreneurs received counseling and 600 individuals attended various workshops.

Community Development: For more than 33 years, the Community and Home Improvement Division has delivered federally funded programs to meet the housing and community needs of lower-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 new Neighborhood Stabilization Program (NSP) provides funding to redevelop abandoned and foreclosed residential properties throughout Oakland County. Funds are targeted to twelve communities with the greatest neighborhood destabilization resulting from foreclosures. These communities will target blighted housing beyond repair for demolition and property redevelopment; provide financial assistance to eligible homebuyers to purchase and/or improve vacant and foreclosed houses as their principal residence; or acquire, improve and sell the property to eligible homebuyers. Also through NSP, eligible homebuyers may purchase individual vacant

foreclosed properties throughout participating communities. Oakland County provides purchase and home improvement financing as a deferred, no payment, 0% interest loan up to 49% of the purchase and rehabilitation cost (up to \$100,000). For additional NSP information, call (248) 858-2072 or visit the Community & Home Improvement Division's website at www.oakgov.com/chi.

The County is home to the first countywide National Main Street Program in the United States. The downtown revitalization program, now in its 9th 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 \$63 million in public and private investments, created 924 new jobs and 28 new businesses. A total of \$563 million in new investments have taken place since 2001. Currently, twelve communities (Farmington, Ferndale, Franklin, Highland, Holly, Keego Harbor, Lake Orion, Ortonville, Oxford, Pontiac, Rochester 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 County has also developed a Main Street Mentoring Program designed educate local communities about the service offerings and benefits of participating in Main Street Oakland County. Currently, five communities (Berkley, Clarkston, Clawson, Hazel Park and Leonard) have active status in the mentoring program.



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/workforcedev/info_pub/.

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 is facilitating the development of a countywide community-based Green Infrastructure Vision. 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 2008, communities were awarded \$1.5 million in Michigan Natural Resources Trust Fund grant monies for acquisition of new parkland within the Oakland County Green Infrastructure network.

In 2008, Oakland County continued work on the Oak Rivers Initiative. This Environmental Stewardship Program helps to identify and map priority river corridors within the county that could be maximized as community assets. The initiative provides local communities and groups with technical assistance services to promote proper use and encourage protection of these valuable resources. Projects in 2008 included an initiative to assist local communities with planning water trails and a project funded by the National Fish and Wildlife Foundation to create an urban habitat management plan for the Rouge Green Corridor. Another project, funded by the USEPA through section 319 of the Clean Water Act, was to develop an identity concept, logo, slogan and Low Impact Development plan for the City of Walled Lake's historic lakefront district. The Oak Rivers Initiative works in cooperation with the Oakland County Water Resources Commissioner, Oakland



Trail Advisory Council and 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 2008 resulting in record numbers for the program, including 4,344 participants, an increase of 68% over 2007. Latex paint was collected for the first time in 2008 and accounted for 35% of the total 542,100 pounds of waste collected. Other high volume items included computer/electronic equipment and oil-based paint. Additional information, such as participating communities and future collection dates, can be found on the website at www.nohaz.com.

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 40,132 customers through 22 municipal water systems, 22 distribution systems, 6 water treatment plants, 26 well houses, 68 wells, 25 pressure reducing valves, 3 booster stations, 3 ground storage tanks and 3 elevated storage tanks.

PUBLIC WORKS

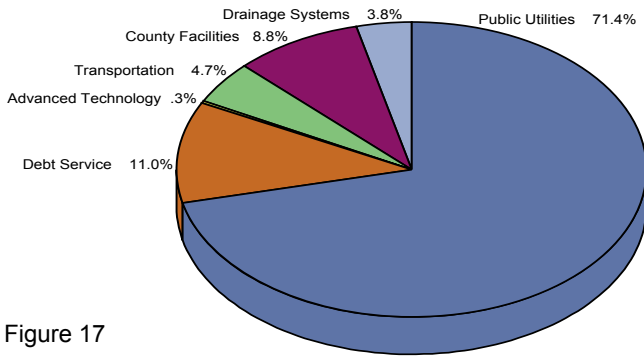


Figure 17

Sewer: Services are provided to 35,918 customers through 16 municipal sewer systems, 128 municipal sewage pumping stations, 10 storm water pumping stations and 2,149 individual sewage grinder pump stations. There are four interceptor systems that transport sewage from 36 communities to the City of Detroit for treatment. In addition, 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.

In 2008, the Water Resources Commissioner began implementation of the Collaborative Asset Management System (CAMS). CAMS is a standardized, countywide infrastructure management system that will allow Oakland County and its local units of government to proactively manage assets and mitigate long-term costs associated with the operation and maintenance of critical infrastructure such as water systems, wastewater and storm drains and even roads. One aspect of the system allows for feedback from customers and makes it easier and faster to take corrective measures. By promoting collaboration and improving the workflow, CAMS is able to reduce redundancy among users handling service requests. Communication and coordination can extend across and beyond jurisdictional boundaries resulting in greater accountability and efficiency and ultimately cost savings passed on to the customer.

Transportation: Oakland County International Airport ranks as the 71st busiest airport in the nation with 202,345 takeoffs and landings. It is ranked as the nation's 16th busiest general aviation airport and second to Detroit Metro in Michigan.

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 1st of over 3,000 county government websites in the Center for Digital Government's 2008 Best of Web competition. They also named Oakland the 2nd most digitally

advanced county in America for counties with populations of 500,000 or more. By providing "online" services rather than "in line" services, costs are reduced and customer satisfaction is improved. There are 38 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 20 million pages viewed by 3.1 million visitors per year, the County website delivers substantial content to citizens and businesses. As eGovernment grows, additional services will be offered resulting in additional savings for Oakland County website visitors and residents.

In 2008, Oakland County upgraded its website with many new interactive and Web 2.0 capabilities, including 38 online services, a Cross-Boundary Services section, podcasts, mobile services, discussion forums and blogs, a video library, email subscription service, RSS feeds from popular areas, and much more. Oakland County's online services are Payment Card Industry Compliant (PCI), an accreditation achieved by only a handful of governments across the country.

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, 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

