

CLEMIS Financial Statements – FY2010 4th Quarter
Year Ended September 30, 2010

DATE: November 26, 2010

This letter of transmittal covers the following fund financial statements as of and for the year ended September 30, 2010 – Radio Communications, Fire Records Management System, and CLEMIS Operating Funds. The final financial status report for the COPS MORE Grant Fund was submitted in the second quarter of 2010 and no activity in this Fund has occurred since that point in time since the operations are now considered closed by the federal government with the submission of the compliance report covering the redeployment tracking commitments).

RADIO COMMUNICATIONS FUND

This letter of transmittal covers the financial statements as of and for the year ended September 30, 2010 for the Radio Communications Fund. The following schedules are attached as Exhibit A:

- Statement of Net Assets (Exhibit A). This statement provides the assets, liabilities and net assets (e.g., equity) of the Radio Communications Fund.
- Statement of Revenues, Expenses, and Changes in Net Assets (Exhibit A-1). This statement compares the adopted budget to actual operating results.
- Financial Report (Exhibit A-2). This report segregates the operations between the ‘old’ County radio communications system currently in operation, the construction of the ‘new’ radio communications system and costs of the NG-911 project incurred by the County.

The combined equity details in Exhibit A-2 by project (“old system”, “new system”, and NG-911 project) agree with the equity totals in the balance sheet in Exhibit A. The NG-911 project has \$891,000 in equity remaining at September 30, 2010. The amounts allocated in this column will eventually be paid to the dispatch centers (PSAPs) for the acquisition of the call-taking equipment. Any excess of the amounts collected specifically for the purpose of acquiring call-taking equipment will be transferred to the 821-MHz System (new system) operating column as the operating surcharge rate was arbitrarily reduced in prior years by the Michigan Public Services Commission.

Presently, the County is financially supporting a review of the Troy, Madison Heights and Royal Oak dispatch operations with the possibility of consolidating these three dispatch operations into one dispatch center. The Rochester Hills fire dispatch center was eliminated and is now using the Sheriff’s Office for that

service. Should there be other dispatch centers that consolidate operations, it could have a favorable impact on the ultimate costs for the NG-911 project.

- Operating Transfers Out (Exhibit A-3) - The operating transfer out to the CLEMIS Operating Fund represents a cost reimbursement to CLEMIS for the administrative support of the radio project for the year ended September 30, 2010.
- Brief Explanations (Exhibit A-4) – represents a set of explanations of various matters including in the financial statements and schedules above.

Comments on some recent events surrounding the Radio Communications Fund:

- Shortly after year-end, the final communities came on-line in the use of the radio communication system with roughly 5,400 portable and mobile radios and dispatch stations having been deployed. At present, the County is actively evaluating the coverage map and ‘filling holes’ where appropriate. The coverage map will require additional investments should ‘holes’ be discovered; such amount has been made available as part of the overall project budget.
- The hospitals were converted shortly thereafter, but experienced operational issues. Several problems arose, including the installation quality (addressed) and the inability to hear a call coming into the emergency rooms from the field. The Radio Shop just completed the design of new technology (not even currently being used by Harris) to allow for the proper notification in the emergency room. The pilot tests were proven successful and the technology is being deployed to address these concerns.
- The next large communities under conversion are Novi and Farmington Hills.
- The County was notified in February 2009 that the re-banding effort should be completed no later than June 30, 2009. The County requested an extension. The resolution of the application is pending. However, the County has been working consistently over the past year or so to address the re-banding issue.
- Further, the County received notification that the FCC believes that three of the frequencies in the northern sections of the County will interfere with Canada (“Canadian prime” frequencies). Despite having been operational for roughly six years and with no complaints to date from Canada, the FCC is insisting on the County reducing the power to these frequencies. Should this occur, the coverage in the northern sections will be reduced resulting in added costs to improve the then reduced coverage. The County has objected to this matter and is pursuing it through the appropriate FCC channels. The ultimate outcome is not known.

Comments concerning the financial information follow:

- The Fund has approximately \$17.3 million in cash, investments, and receivables, net of liabilities and excluding prepaid expenses / inventories at September 30, 2010 (down from \$31.1 million as of June 30, 2010). This net cash will support the construction of the new radio communications system, acquisition of call-taking equipment on behalf of the PSAPs, operations and use of the cash of up to \$3.5 million for the construction of a new computer-aided dispatch system in concert with the records management system replacement. This level of cash is required as the most costly components (portable and mobile radios) have yet to be expended. At present, significant invoices are flowing in after year end for equipment acquired. A final analysis of the construction project will be prepared in the next 90 days.
- The equipment related to the old radio system has been completely written off as the 'old' radio communications system was turned off in early July 2010. Since that time the equipment was sold (via a competitive request for proposal) after year end at a price of roughly \$265,000.

An uncertainty that remains in the deployment of the radio communications system, however, is the funds needed to address coverage enhancements that will not be known until the system is fully operational and field tested. The County has taken steps to improve the coverage because of known holes in areas presently operational in part by acquiring space on existing towers (particularly in the geographic Royal Oak township).

The estimated cash position available for use in operations is approximately \$8.5 million as of September 30, 2011 based on a fall 2009 analysis and has not changed pending the wrap-up of the construction project in the next 90 days or so. A provision of \$3.0 million for the resolution of coverage holes as been set aside before the calculation of the future cash projection.

The use of the above cash, based on discussions with the Radio Oversight Committee and highlighted in the letter of transmittal dated April 5, 2010 entitled "CLEMIS Financial Status, Issues and Potential Solutions" (which incorporates a lengthy report on the financial issues surrounding the CLEMIS Operating Fund such reports are incorporated herein by reference) cites the following:

- \$3.5 million will be used to replace the computer-aided dispatch software system and centralized equipment in support. This is a high level estimate of the project's cost which has to be refined when more details are available.
- \$3.0 million as a reserve fund to start funding depreciation for future system replacements. The reserve fund will be funded in 2012 and beyond at a rate yet to be determined. The intention, however, is to ensure that the costly components of the radio system being deployed can be paid out of this reserve fund in lieu of burdening the County or other users in a single year.
- \$2.0 million – working capital for operations.

In April 2010, the Radio Oversight Committee moved that the operating surcharge would be increased to \$.23 per line as defined (after some lengthy discussions) up from \$.18 per line for the year from July 1, 2010 to June 30, 2011. In turn, the Board of Commissioners approved the increase; such increase is expected to generate approximately \$1,025,000 in additional revenues. After much discussion, the revenues would benefit the CLEMIS Operating Fund by absorbing costs that have been traditionally borne by that Fund or the County's General Fund as follows:

- Software maintenance and support costs - \$292,000.
- Hardware maintenance - \$65,000.
- Wireless fees for mobile data computers and LEIN fees - \$494,000.
- Reimbursement of General Fund for OAKNet costs paid by the County's General Fund with the General Fund then restoring the operating support back to the 2007 levels of \$1,444,000 (from the currently adopted budget levels of \$1,208,000) - \$236,000.
- Total benefit to the CLEMIS Operating Fund - \$1,087,000. Note – the slight difference in the amount of costs and anticipated revenues will be resolved when the third quarterly report is submitted to adjust the budget sometime in August (and the parity plan is completed).

In addition to the above, the County administration and the CLEMIS members were required to work on a 'parity plan' to resolve the inequities burdened on Oakland County taxpayers with the requirement that the plan be approved by the CLEMIS Advisory Board no later than July 31, 2010 for presentation, review and ultimate approval by the Board of Commissioners in mid-August. No such parity plan has been developed and approved by the CLEMIS Advisory Board nor submitted to the Board of Commissioners. Essentially, the County continues to fund the operations and capital programs for CLEMIS on behalf of the regional CLEMIS members without an equivalent 'parity' from these other members.

The above additional revenue generated by the nickel movement from \$.18 to \$.23 per telephone line will substantially mitigate cash flow and working capital losses and otherwise anticipated deficit in the CLEMIS Operating Fund circa FY-2011. The resolution of the parity issue in this past quarter should have assisted in further resolving the CLEMIS Operating fund fiscal issues.

However, several open / unresolved issues –

- Capital plans – given that the CLEMIS Operating Fund has not funded depreciation, the replacement of centralized equipment needs to be planned for and ultimately funded. The equipment is relatively new and there are no immediate pressing issues in its replacement.
- OakVideo - related to the above, the OakVideo capital plan for the replacement of what is now roughly 5-year plus old equipment needs to be developed. The

operating support, which had been a previously unresolved issue, will be covered by the County's General Fund starting in October 1, 2010 at a rate of \$400,000 annually – enough to keep the operations of the system working, but not enough to seriously expand the video conferencing capabilities.

- Records management system – the County has secured roughly \$2.0 to 2.5 million in grants (\$1.5 million of which involves UASI grants that forego what would have otherwise been used to support local law enforcement, Byrne grant for roughly \$500,000 and other grant funds), but the estimated cost to complete the system could be closer to \$3.0 million. An attempt to revise the scope of work for a federal grant received for added fingerprint units is underway. An additional \$700,000 is being sought from the federal government through earmarks for late FY-2011 (no assurances can be provided that this request will be received from the federal government).

Finally, the Grant Allocation Committee (e.g. local planning team of the Urban Area Security Initiative grant – a homeland security grant) requested and received a \$250,000 allocation of the homeland security grants for the NG-911 project as well. These latter funds lapsed in early spring and no longer are available for use for the call-taking equipment replacement.

FIRE RECORDS MANAGEMENT SYSTEM

The following schedules are attached as Exhibit B relating to the Fire Records Management System Fund for the year ended September 30, 2010:

- Statement of Net Assets (Exhibit B).
- Statement of Revenues, Expenses and Changes in Net Assets (Exhibit B-1). This Fund statement provides a budget to actual comparison for the operations.
- Operating Transfers-In (Exhibit B-2). This schedule represents the detail of the operating transfers into the Fund.
- Brief Explanations (Exhibit B-3) - represents explanations of various matters included in the financial statements noted above.

Comments on the FRMS financial statements follow:

- The balance sheet reflects cash, investments and similar liquid assets (including prepaid expenses), net of amounts owed (zero at September 30, 2010) of roughly \$445,000 and is equal to the equity amount. The balance is relatively unchanged from the September 30, 2009 levels.

The cash and receivable balances increased during 2007 arising from a \$100,000 transfer in from the County's General Fund for the acquisition mobile inspection

program hardware and software. The formerly designated equity of \$55,000 has been included in the unrestricted Fund equity.

- The originally-acquired equipment is now fully depreciated. In prior years, operations bore the cost of new computers at fire halls that should last for several more years. In addition, since there is no depreciation being incurred, no funding provision has been provided in the Fund operations to capture funds sufficient to replace the computers in several years.
- The quarterly operating transfers from the County's General Fund amount to \$440,689 to cover the County General Fund's share of the operating costs.
- The Brief Explanations reference the explanations of the fluctuations in the accounts with some level of detail and are not repeated herein.

Recently, two fire departments have given the County notice to stop using the FRMS in the very near future. The result will be reduced future fees from these agencies and a corresponding reduction of support from the County's General Fund. The overall impact on the Fund has been minimal.

CLEMIS OPERATING FUND

The following financial statements and schedules are attached as Exhibit C for the CLEMIS Operating Fund as of and for the year ended June 30, 2010:

- Statement of Net Assets (Exhibit C).
- Statement of Revenues, Expenses, and Changes in Net Assets (Exhibit C-1). This statement provides a budget to actual comparison for operations.
- Financial Report (Exhibit C-2). This report segregates the general CLEMIS operations from those of the mobile data computers' operation. Effective October 1, 2011, this report will reflect the OakVideo operations as a separate cost center as well with \$400,000 in operating subsidies from the General Fund and three positions in that cost center, along with other operating costs.

As part of the recent operating discussions, the OakVideo operations will require a long-term capital plan to be produced. At present, there is no funding available for the replacement of aging video equipment located throughout this County for this program.

- Operating Transfers-Into the Fund (Exhibit C-3). The schedule includes the normal operating transfer in from the County's General Fund as appropriated by the Board of Commissioners. In addition, operating transfers in from the Radio Communications Fund occurred (\$209,000) to cover administration of the implementation of the new radio system for the three quarters.

During the current quarter, \$185,000 was transferred into the CLEMIS Operating Fund for the purpose of acquiring and installing a purchased system for the Oakland County Sheriff's Office. The amount has been treated as 'unrestricted' when the amounts are truly designated. Accordingly, the designated equity component is understated and the unreserved equity is overstated by the \$185,000; such presentation will be corrected before the year-end close.

The schedule also reflects \$200,000 in operating transfers in from the Radio Communications Fund to cover the administration of the CLEMIS operations applicable to the radio communications operations. The quarterly transfer of \$59,000 applies to the increase in General Fund support to levels equivalent to 2007 and prior (\$1,444,000 less recent support of \$1,208,000 / 4). The added support is effectively covered by the increased nickel operating surcharge.

The remaining operating transfers in of \$1,208,000 from the Oakland County General Fund represent the transfers in at the recent level of contribution (before the new elevated level that started with the July 1, 2010 increased operating surcharge).

- Brief Explanations (Exhibit C-4) – represents explanations of various matters included in the financial statements noted above.

Comments on the CLEMIS Operating Fund financial statements follow:

- The cash, investment and similar liquid assets (excluding prepaid expenses) held by the Fund, net of liabilities, is \$2,671,000 as of September 30, 2010 (*including* the \$185,000 of operating transfers in relating to the above Sheriff's Office project). The cash position is a significant improvement over the past several years' cash position.
- Several recent changes have occurred that should assist in improving the operating position of CLEMIS as well. Two higher level positions within CLEMIS retired and will remain vacant for the time being. CLEMIS management hoped that the positions' responsibilities could be moved to other personnel within CLEMIS. Unfortunately, this was not the case. After several weeks, CLEMIS requested that the two individuals be restored as a contractor, but only a part of their time would be used for CLEMIS operations with the rest being directed solely towards the new systems under development (and funded by grants). When the new systems are completed, the contractor positions would be eliminated and CLEMIS will be faced with a decision on whether to hire two positions. That decision is presently deferred but the immediate benefits inure to the CLEMIS Operating Fund starting in early November 2010.
- Three critical issues remain unaddressed:

- Parity with Oakland County operating subsidies for computer-aided dispatch, records management and computer-aided dispatch system development, and other operating support of the CLEMIS Operating Fund. Oakland County is funding the computer-aided dispatch operations with the telephone operating surcharge (all of which is paid by Oakland County taxpayers). Similarly, the new system development is covered by grants.

The costs for those CLEMIS members outside the County's borders should be (but are not) covered within the membership fees. The fees for non-County agencies must be increased to close the parity gap between the funding by Oakland County taxpayers and those outside the County. As discussed previously, the parity plan due in late July 2010 to the Oakland County Board of Commissioners as a condition of the approval of the nickel increase in the telephone operating surcharge was not been completed.

- OakVideo / CLEMIS – the capital needs of CLEMIS and OakVideo need to be quantified and funded. The OakVideo system equipment is aging rapidly and there is much more effective equipment on the market today.
- The final sources of the records management system need to be secured. Presently, there is \$2.0 million in grant funds that have been secured (roughly \$1.5 million of which is from the Oakland County UASI program) with a total of \$3.5 million anticipated. A request for a \$700,000 federal earmark is pending (would be received next summer, if approved, but no assurance of receipt can be made at this point in time). Even as the original estimates were made at a \$3.5 million level, the pilot project (even as it is not a fully-functional system with all anticipated applications included therein) will be deployed in winter to the first police departments. A revised project plan has yet to be produced and the funding originally contemplated appears to be a bit higher than presently needed.
- The equity amounts to \$11.6 million as of September 30, 2010 and is largely composed of the equipment acquired through the COPS MORE grant for the current operations. The equity also includes \$215,000 applicable to operating transfers from the County's General Fund for projects relating to the new and replacement fingerprint equipment being acquired (this balance was \$926,000 at September 30, 2007) and the \$185,000 applicable to the Sheriff's Office project. The remaining unrestricted amount is \$2,601,000 at September 30, 2010 and is much improved over the past several years unrestricted equity levels.
- As has been the case for some time, the CLEMIS Operating Fund has not been funding depreciation and the Fund has no resources for the replacement of the COPS MORE equipment at the time of its disposal. Some equipment (such as the mobile data computers) is now rapidly aging in the field. The aggregate balance

of total fixed assets in this Fund is \$38.6 million, with \$30.0 million fully depreciated – or roughly, 78% fully depreciated (generally meaning that this equipment is nearing end of life and will require replacement). The CLEMIS Advisory Board instructed the law enforcement members to begin setting aside funds in their local operating budgets for the replacement costs related to the mobile data computers in police vehicles.

COPS MORE GRANT FUND

The COPS MORE grant has come to conclusion as of September 30, 2009. All amounts not expended at that time are to be returned to the federal government. During the year ended September 30, 2010, the County along with the benefitting law enforcement agencies assembled a report that demonstrates that the equipment acquired through the COPS MORE grant has provided no less than 683 additional officers on the streets – **in fact, the CLEMIS equipment and software deployed has demonstrated that 2,400 officers are being redeployed annually.** Effectively, had the systems not have been improved the number of added lay-offs of law enforcement personnel in these economically trying times would have been substantial.

The COPS MORE Grant Fund is now closed. The grant ended September 30, 2009 with the payment of invoices occurring during the quarter ended December 31, 2009. The amounts owed to the County for the final invoices paid in the quarter ended December 31, 2009 has been paid by the federal government.

Of the \$17.1 million received as the federal award portion of the grant, all but \$108,000 was used by CLEMIS.

Exhibit A

**County of Oakland
Radio Communications Fund
Statement of Net Assets
September 30, 2010**

ASSETS

Current assets:

Cash and cash equivalents	\$ 28,583,628.29
Accrued interest on investment	293,173.31
Due from other governments	24,198.59
Accounts receivable	992,001.05
Inventories	626,328.30
Prepaid items	279,488.95
Total current assets	<u>30,798,818.49</u>

Noncurrent assets:

Equipment	41,923,856.93
Less accumulated depreciation	<u>(12,019,079.31)</u>
Total capital assets (net of accumulated depreciation)	<u>29,904,777.62</u>
Total assets	<u>60,703,596.11</u>

LIABILITIES

Current liabilities:

Vouchers payable	2,061,576.40
Accounts payable	<u>9,991,173.29</u>
Total current liabilities	<u>12,052,749.69</u>
Total liabilities	<u>12,052,749.69</u>

NET ASSETS

Invested in capital assets, net of related debt	29,904,777.62
Unrestricted - designated for projects	16,676,434.72
Unrestricted	<u>2,069,634.08</u>
Total net assets	<u><u>\$ 48,650,846.42</u></u>

County of Oakland
Radio Communication Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2010

	2010			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
E-911 surcharge - Radio system	\$ 4,956,250.00	84.82%	\$ 4,956,250.00	\$ 5,073,554.10	80.17%	\$ 117,304.10
Antenna site management	300,000.00	5.13%	300,000.00	479,377.16	7.57%	179,377.16
Leased equipment	255,965.00	4.38%	255,965.00	492,590.07	7.78%	236,625.07
Parts and accessories	25,000.00	0.43%	25,000.00	30,914.32	0.49%	5,914.32
Outside agencies	266,277.00	4.56%	266,277.00	223,446.34	3.53%	(42,830.66)
Productive labor	40,000.00	0.68%	40,000.00	25,350.25	0.40%	(14,649.75)
Reimbursement - general	0.00	0.00%	0.00	3,723.61	0.06%	3,723.61
Total operating revenues	5,843,492.00	100.00%	5,843,492.00	6,328,955.85	100.00%	485,463.85
Operating expenses:						
Salaries	642,715.00	11.00%	642,715.00	536,215.04	8.47%	106,499.96
Fringe benefits	349,625.00	5.98%	349,625.00	304,412.04	4.81%	45,212.96
Contractual services:						
Adjust prior years expense	0.00	0.00%	0.00	29,236.48	0.46%	(29,236.48)
Communications	373,500.00	6.39%	373,500.00	306,657.84	4.85%	66,842.16
Contracted services	0.00	0.00%	0.00	1,700.00	0.03%	(1,700.00)
Electrical service	100,000.00	1.71%	100,000.00	84,959.94	1.34%	15,040.06
Equipment repairs and maintenance	191,250.00	3.27%	191,250.00	255,287.89	4.03%	(64,037.89)
Freight and express	4,200.00	0.07%	4,200.00	3,458.26	0.05%	741.74
Indirect costs	196,000.00	3.35%	196,000.00	167,488.00	2.65%	28,512.00
Laundry and cleaning	1,000.00	0.02%	1,000.00	108.39	0.00%	891.61
Maintenance contract	678,000.00	11.61%	678,000.00	322,199.15	5.09%	355,800.85
Memberships, dues	750.00	0.01%	750.00	312.00	0.00%	438.00
Periodicals, books, publications	0.00	0.00%	0.00	67.00	0.00%	(67.00)
Personal mileage	750.00	0.01%	750.00	3,194.30	0.05%	(2,444.30)
Professional services	100,000.00	1.71%	100,000.00	188,016.79	2.97%	(88,016.79)
Rebillable services	1,000.00	0.02%	1,000.00	214.00	0.00%	786.00
Software rental lease purchase	0.00	0.00%	0.00	39.99	0.00%	(39.99)
Software support, maintenance	73,000.00	1.25%	73,000.00	34,364.79	0.54%	38,635.21
Special projects	40,000.00	0.68%	40,000.00	0.00	0.00%	40,000.00
Tower charges	250,000.00	4.28%	250,000.00	231,240.56	3.65%	18,759.44
Travel and conference	15,000.00	0.26%	15,000.00	21,680.77	0.34%	(6,680.77)
Workshops and meetings	100.00	0.00%	100.00	0.00	0.00%	100.00
Total contractual services	2,024,550.00	34.64%	2,024,550.00	1,650,226.15	26.05%	374,323.85
Commodities:						
Dry goods and clothing	900.00	0.02%	900.00	950.00	0.02%	(50.00)
Expendable equipment expense	20,000.00	0.34%	20,000.00	1,669,409.20	26.38%	(1,649,409.20)
Office supplies	5,000.00	0.09%	5,000.00	4,180.87	0.07%	819.13
Parts and accessories	125,000.00	2.14%	125,000.00	29,750.69	0.47%	95,249.31
Shop supplies	12,000.00	0.21%	12,000.00	5,170.12	0.08%	6,829.88
Small tools	10,000.00	0.17%	10,000.00	2,494.58	0.04%	7,505.42
Total commodities	172,900.00	2.97%	172,900.00	1,711,955.46	27.06%	(1,539,055.46)
Depreciation:						
Equipment	4,000,000.00	68.46%	4,000,000.00	1,005,388.61	15.89%	2,994,611.39
Total depreciation	4,000,000.00	68.46%	4,000,000.00	1,005,388.61	15.89%	2,994,611.39
Internal services:						
Building space allocation	26,216.00	0.45%	26,216.00	23,916.29	0.38%	2,299.71
Convenience copier	222.00	0.00%	222.00	161.24	0.00%	60.76
Info Tech - CLEMIS	413,300.00	7.07%	413,300.00	350,000.00	5.53%	63,300.00
Info Tech - development	0.00	0.00%	0.00	2,060.50	0.03%	(2,060.50)
Info Tech - operations	139,708.00	2.39%	139,708.00	219,624.26	3.47%	(79,916.26)
Insurance fund	18,563.00	0.32%	18,563.00	7,854.05	0.12%	10,708.95
Mail room	138.00	0.00%	138.00	9.25	0.00%	128.75
Maintenance department charges	35,000.00	0.60%	35,000.00	9,591.13	0.15%	25,408.87
Motor pool fuel charges	9,983.00	0.17%	9,983.00	6,478.62	0.10%	3,504.38
Motor pool	30,108.00	0.52%	30,108.00	29,655.38	0.47%	452.62
Print shop	1,937.00	0.03%	1,937.00	485.80	0.01%	1,451.20
Telephone communications	42,109.00	0.72%	42,109.00	35,817.18	0.57%	6,291.82
Total internal services	717,284.00	12.27%	717,284.00	685,653.70	10.83%	31,630.30
Total operating expenses	7,907,074.00	135.32%	7,907,074.00	5,893,851.00	93.11%	2,013,223.00
Operating income (loss)	(2,063,582.00)	-35.32%	(2,063,582.00)	435,104.85	6.89%	2,498,686.85
Nonoperating revenues (expenses):						
Planned use of fund balance	2,087,072.00	35.72%	2,087,072.00	0.00	0.00%	(2,087,072.00)
Income from investments	150,000.00	2.57%	150,000.00	604,685.32	9.55%	454,685.32
Gain/(Loss) on sale of equipment	0.00	0.00%	0.00	(8,585,770.20)	-135.66%	(8,585,770.20)
Total nonoperating revenues (expenses)	2,237,072.00	38.29%	2,237,072.00	(7,981,084.88)	-126.11%	(10,218,156.88)
Income (loss) before transfers	173,490.00	2.97%	173,490.00	(7,545,980.03)	-119.22%	(7,719,470.03)
Transfers in	135,510.00	2.32%	135,510.00	0.00	0.00%	(135,510.00)
Transfers out	(309,000.00)	-5.29%	(309,000.00)	(271,500.00)	-4.29%	37,500.00
Change in net assets	\$0.00	0.00%	\$0.00	(7,817,480.03)	-123.51%	\$ (7,817,480.03)
Total net assets - beginning				56,468,326.45		
Total net assets - ending				\$ 48,650,846.42		

**COUNTY OF OAKLAND
RADIO COMMUNICATIONS FUND
FINANCIAL REPORT AS OF SEPTEMBER 30, 2010**

STATEMENT OF NET ASSETS

ASSETS	
Current Assets:	
Cash - Operating	\$28,583,628.29
Accrued Interest on Investment	293,173.31
Accounts Receivable	992,001.05
Due from Municipalities	24,198.59
Inventories at Cost	626,328.30
Prepaid Expenses	279,488.95
Total Current Assets	30,798,818.49
Noncurrent Assets:	
Property and Equipment at Cost:	
Equipment	41,923,856.93
Accumulated Depreciation	(12,019,079.31)
Property and Equipment - Net	29,904,777.62
Total Assets	\$60,703,596.11
LIABILITIES	
Current Liabilities:	
Vouchers Payable	\$2,061,576.40
Accounts Payable	9,991,173.29
Other Liabilities	0.00
Total Current Liabilities	12,052,749.69
NET ASSETS	
Invested in Capital Assets	29,904,777.62
Designated for Projects (911 Surcharge)	16,676,434.72
Unrestricted	2,069,634.08
Total Net Assets	\$48,650,846.42

STATEMENT OF OPERATIONS

	<u>Total Operations</u>	<u>806 MHz System</u>	<u>821 MHz System</u>	<u>911 IP System</u>
Operating Revenues:				
E-911 Surcharge	\$5,073,554.10	\$0.00	\$5,073,554.10	\$0.00
Antenna Site Management	479,377.16	479,377.16	0.00	0.00
Leased Equipment	492,590.07	415,372.67	77,217.40	0.00
Parts & Accessories	30,914.32	30,914.32	0.00	0.00
Outside Agencies	223,446.34	206,430.20	17,016.14	0.00
Productive Labor	25,350.25	25,350.25	0.00	0.00
Reimburse General	3,723.61	0.00	3,723.61	0.00
Income from Investments	604,685.32	51,381.52	538,023.90	15,279.90
Gain/(Loss) on Sale of Equipment	(8,585,770.20)	0.00	(8,585,770.20)	0.00
Operating Transfers In	0.00	0.00	0.00	0.00
TOTAL REVENUES	(1,652,129.03)	1,208,826.12	(2,876,235.05)	15,279.90
Operating Expenses:				
Salaries	536,215.04	536,215.04	0.00	0.00
Fringe Benefits	304,412.04	304,412.04	0.00	0.00
Adjust Prior Years Expense	29,236.48	29,236.48	0.00	0.00
Communications	306,657.84	6,699.92	299,957.92	0.00
Contracted Services	1,700.00	0.00	1,700.00	0.00
Electrical Service	84,959.94	44,377.55	40,582.39	0.00
Equipment Repairs & Maintenance	255,287.89	84,426.01	170,861.88	0.00
Freight & Express	3,458.26	3,458.26	0.00	0.00
Indirect Costs	167,488.00	167,488.00	0.00	0.00
Laundry & Cleaning	108.39	108.39	0.00	0.00
Maintenance Contract	322,199.15	0.00	322,199.15	0.00
Membership Dues	312.00	312.00	0.00	0.00
Periodicals, Books & Publications	67.00	67.00	0.00	0.00
Personal Mileage	3,194.30	3,194.30	0.00	0.00
Professional Services	188,016.79	1,410.75	186,606.04	0.00
Rebillable Services	214.00	214.00	0.00	0.00
Software Rental Lease Purchase	39.99	39.99	0.00	0.00
Software Support & Maintenance	34,364.79	0.00	34,364.79	0.00
Tower Charges	231,240.56	0.00	231,240.56	0.00
Travel & Conference	21,680.77	0.00	21,680.77	0.00
Dry Goods & Clothing	950.00	950.00	0.00	0.00
Expendable Equipment	1,669,409.20	5,160.73	0.00	1,664,248.47
Office Supplies	4,180.87	4,180.87	0.00	0.00
Parts & Accessories	29,750.69	29,750.69	0.00	0.00
Shop Supplies	5,170.12	5,170.12	0.00	0.00
Small Tools	2,494.58	2,494.58	0.00	0.00
Depreciation	1,005,388.61	5,388.61	1,000,000.00	0.00
Bldg. Space Cost Allocation	23,916.29	23,916.29	0.00	0.00
Convenience Copier	161.24	161.24	0.00	0.00
Info Tech - CLEMIS	350,000.00	350,000.00	0.00	0.00
Info Tech - Development	2,060.50	2,060.50	0.00	0.00
Info Tech - Operations	219,624.26	219,624.26	0.00	0.00
Insurance Fund	7,854.05	7,854.05	0.00	0.00
Main Room	9.25	9.25	0.00	0.00
Maintenance Dept charges	9,591.13	9,591.13	0.00	0.00
Motor Pool fuel charges	6,478.62	6,478.62	0.00	0.00
Motor Pool	29,655.38	29,655.38	0.00	0.00
Print Shop	485.80	485.80	0.00	0.00
Telephone Communications	35,817.18	32,281.56	3,535.62	0.00
Operating Transfers Out	271,500.00	200,000.00	71,500.00	0.00
TOTAL EXPENSES	6,165,351.00	2,116,873.41	2,384,229.12	1,664,248.47
NET INCOME (LOSS)	(7,817,480.03)	(908,047.29)	(5,260,464.17)	(1,648,968.57)
NET ASSETS, SEPTEMBER 30, 2009	56,468,326.45	1,989,443.26	51,938,462.10	2,540,421.09
NET ASSETS, SEPTEMBER 30, 2010	\$48,650,846.42	\$1,081,395.97	\$46,677,997.93	\$891,452.52

RADIO COMMUNICATIONS - FUND 53600 Operating Transfers Out - Fiscal Year 2010

Description	Amount
Budgeted Operating transfer from Radio Communications fund to CLEMIS fund for fiscal year 2010 administrative support	\$50,000.00
Budgeted Operating transfer from Radio Communications fund to CLEMIS fund for fiscal year 2010 administrative support	50,000.00
Budgeted Operating transfer from Radio Communications fund to CLEMIS fund for fiscal year 2010 administrative support	50,000.00
Amend budget per Res. 10-131 transfer from Radio fund to Info Tech fund for OakNet operational costs beginning 7/1/10 re the extension of the 911 surcharge approved on Res. 10-076	59,000.00
Budgeted Operating transfer from Radio Communications fund to CLEMIS fund for fiscal year 2010 administrative support	50,000.00
Budgeted Operating transfer from Radio Communications fund to Info Tech fund for 4th quarter fiscal year 2010 operations support	12,500.00
Total	<u><u>\$271,500.00</u></u>

RADIO COMMUNICATIONS FUN 53600
Fiscal Year 2010 - 4th Quarter
Brief Explanation of "Actuals"

Exhibit A-4

Following are some comments regarding Radio Communications Fund's 4th quarter financial statements.

STATEMENT OF NET ASSETS

- Radio Communications reports all monetary assets as Cash. Available cash is invested and managed by the Treasurer as a pool. Participating funds receive interest earnings based on their percentage of the invested daily cash balance each month.
- Accrued interest on investment is interest earned by the fund on its cash balance in the Treasurer's pool of investments; interest is paid when investments mature.
- Due from other governments is the amount due from municipalities for leased equipment.
- Accounts receivable includes \$811,030.43 for accrued E-911 operational surcharge revenue which is now paid to the county quarterly instead of monthly. That amount is partially offset by annual payments in advance from antenna site co-locators.
- Prepaid items are rent paid in advance per the lease agreements for co-location of equipment at two buildings and fifteen tower sites for the new system, and maintenance contracts for dispatch consoles for the new system paid in advance.
- Effective FY 2002, the Radio Communications Fund is classified as an Enterprise Fund with a capitalization threshold for Equipment of \$5,000. The new 821 MHz radio system was fully operational at July 1st and all related asset expenditures have been capitalized with a ten year life.
- Vouchers payable and Accounts payable are accrued 4th quarter expenses, overpayments by E911 remitters and the amount due to the City of Novi for its share of tower lease payments.
- Net Assets, Unrestricted - designated for projects is the unexpended revenue from prior years included in the fund balance which is designated for additions to the new 821 MHz radio system and for NG911 PSAP call taking equipment.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Revenues:

- E-911 surcharge revenue is favorable due to increased volume of users. The surcharge rate was \$0.18 per line or device during the first 3 quarters of the fiscal year and it increased to \$0.23 per line or device effective July 1, 2010 per BOC Res. 10-076. The budget was increased during 3rd quarter in anticipation of the revenue.
- Antenna site management revenue is favorable due to the addition of a co-locator.
- Leased equipment and Parts and accessories revenue are favorable due to timing of the phase-out of the legacy system.
- Productive labor and Outside agency revenue are unfavorable due to decreased demand for radio repairs and phase-out of the legacy system.
- Reimbursement - general is the amount due from Sprint/Nextel for frequency rebinding costs incurred for the new radio system.
- Income from investment revenue is favorable due to higher than anticipated cash balance available for investment. Available cash decreased in the 4th quarter due to expenditures for

RADIO COMMUNICATIONS FUN 53600
Fiscal Year 2010 - 4th Quarter
Brief Explanation of "Actuals"

Exhibit A-4

the new system. All of Radio Fund's available cash, including cash received for the E-911 operational surcharge, is invested in a pool managed by the Treasurer's office.

- Transfers In is the amount budgeted for support from the County General Fund for E911 maintenance contracts for equipment located at the Sheriff's Department and local PSAPs. The maintenance cost has been assumed by those agencies.

Expenses:

- Salary variance is favorable due to lower than anticipated overtime and on call payroll for implementation of the new radio system.
- Fringe Benefit variance is favorable because budgeted amounts are based on average fringe benefit cost.
- Prior years' expense is utility expense at a Radio tower site which was not billed to Oakland County due to a change in ownership of the tower.
- Communications cost is favorable due to decreased telephone rates for connectivity to radio tower sites.
- Contracted services is the expense of storing components of the 800 MHz legacy system pending a sale.
- Electrical service is favorable due to lower utility demand at tower sites.
- Equipment repairs and maintenance expense is unfavorable due to Radio's assumption of a portion of the maintenance cost of CAD equipment.
- Indirect cost expense is based on the County's Indirect Cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, Budgeting and Administrative services. The final allocation was established after adoption of the current budget.
- Maintenance contract expense is favorable due to assumption of existing maintenance contract cost by PSAP agencies, pending deployment of new NG911 PSAP equipment.
- Personal mileage expense is unfavorable due to implementation effort for the new system.
- Professional services expense is unfavorable due to training expense for users of the new radio system.
- Software support and maintenance is favorable due to timing of initial contracts for support.
- Special projects expense is favorable due to timing of expenditures.
- Tower charges are favorable due to timing of deployment of leased cell tower sites for coverage enhancements.
- Travel and conference expense is unfavorable due to staff training for the new radio system which was budgeted as part of the capital project.
- Expendable equipment expense is unfavorable due to purchase of NG911 PSAP equipment funded by E-911 surcharge.
- Parts and accessories expense is favorable due to use of inventory to maintain the legacy radio system.
- Shop supplies and Small tool expenses are favorable due to timing of purchases.
- Depreciation is favorable due to later than anticipated activation of the new system.
- Info Tech-CLEMIS charges are for staff support of CAD for the legacy system.

RADIO COMMUNICATIONS FUN 53600
Fiscal Year 2010 - 4th Quarter
Brief Explanation of “Actuals”

Exhibit A-4

- Info Tech development charges are unfavorable due to the cost of analysis of IP-based 911 call taking systems.
- Info Tech operations charges are unfavorable due to increased usage.
- Insurance Fund charges are favorable due to timing of premiums for coverage of tower sites for the new system.
- Favorable Maintenance department charges include necessary HVAC, generator and security system services performed by FM&O; budgeted amounts are based on prior year usage which was higher than normal due to preparations for implementation of the new system.
- Motor pool fuel expense is favorable due to lower than anticipated usage for support of the new radio system.
- Print shop expense is favorable due to lower than anticipated cost of training materials.
- Telephone communications is favorable due to lower rates.

Nonoperating Expenses:

- Loss on Sale of Equipment is unfavorable due to the transfer of ownership of certain radio towers to municipalities within Oakland County, in exchange for construction of the towers on their property and the county's ongoing right to place radio equipment on those towers.
- Transfers Out includes the amount budgeted for administrative support provided by CLEMIS and IT funds, a portion of which was deferred pending implementation of the new system.

Exhibit B

**County of Oakland
Fire Records Management Fund
Statement of Net Assets
September 30, 2010**

ASSETS

Current assets:

Cash and cash equivalents	\$ 370,138.49
Due from other governments	51,118.04
Accrued interest on investment	1,678.19
Accounts receivable	2,780.25
Prepaid expense	19,389.50
Total current assets	<u>445,104.47</u>

Noncurrent assets:

Equipment	124,793.08
Computer software	409,195.95
Less accumulated depreciation	<u>(533,989.03)</u>
Total capital assets (net of accumulated depreciation)	<u>0.00</u>
Total assets	<u>445,104.47</u>

LIABILITIES

Current liabilities:

Vouchers payable	0.00
Due to other funds	<u>0.00</u>
Total current liabilities	<u>0.00</u>

NET ASSETS

Invested in capital assets, net of related debt	0.00
Unrestricted	<u>445,104.47</u>
Total net assets	<u><u>\$ 445,104.47</u></u>

Exhibit B-1

County of Oakland
Fire Records Management Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2010

	2010			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
Outside agencies	\$ 146,235.00	70.61%	\$ 146,235.00	146,896.25	66.71%	\$ 661.25
Participation Fees - non-Oakland agencies	18,277.00	8.82%	18,277.00	20,310.00	9.22%	2,033.00
Outside agencies-rebilled charges	42,600.00	20.57%	42,600.00	53,008.21	24.07%	10,408.21
Total operating revenues	207,112.00	100.00%	207,112.00	220,214.46	100.00%	13,102.46
Operating expenses:						
Salaries	239,323.00	115.56%	239,323.00	216,815.64	98.46%	22,507.36
Fringe benefits	137,166.00	66.23%	137,166.00	146,027.01	66.31%	(8,861.01)
Contractual services:						
Communications	42,600.00	20.57%	42,600.00	31,205.81	14.17%	11,394.19
Equipment repairs and maintenance	8,800.00	4.24%	8,800.00	0.00	0.00%	8,800.00
Indirect costs	45,917.00	22.17%	45,917.00	43,256.00	19.64%	2,661.00
Personal mileage	1,750.00	0.85%	1,750.00	0.00	0.00%	1,750.00
Software Rental Lease Purchase	0.00	0.00%	0.00	9,540.00	4.33%	(9,540.00)
Software support/maintenance	75,170.00	36.29%	75,170.00	75,485.50	34.28%	(315.50)
Travel and conference	5,000.00	2.41%	5,000.00	0.00	0.00%	5,000.00
Total contractual services	179,237.00	86.53%	179,237.00	159,487.31	72.42%	19,749.69
Commodities:						
Expendable equipment expense	20,282.00	9.79%	20,282.00	0.00	0.00%	20,282.00
Total commodities	20,282.00	9.79%	20,282.00	0.00	0.00%	20,282.00
Depreciation:						
Equipment	3,226.00	1.56%	3,226.00	2,240.14	1.02%	985.86
Total depreciation	3,226.00	1.56%	3,226.00	2,240.14	1.02%	985.86
Internal services:						
Info tech-CLEMIS	0.00	0.00%	0.00	413.99	0.19%	(413.99)
Info tech-development	0.00	0.00%	0.00	4,960.44	2.25%	(4,960.44)
Info tech-operations	63,083.00	30.46%	63,083.00	52,992.32	24.06%	10,090.68
Insurance fund	206.00	0.10%	206.00	206.00	0.09%	0.00
Telephone communications	1,793.00	0.87%	1,793.00	734.04	0.33%	1,058.96
Budgeted Equity Adjustment	3,501.00	1.69%	3,501.00	0.00	0.00%	3,501.00
Total internal services	68,583.00	33.12%	68,583.00	59,306.79	26.92%	9,276.21
Total operating expenses	647,817.00	312.79%	647,817.00	583,876.89	265.13%	63,940.11
Operating income (loss)	(440,705.00)	-212.79%	(440,705.00)	(363,662.43)	-165.13%	77,042.57
Nonoperating revenues (expenses):						
Income from investments	2,000.00	0.96%	2,000.00	4,050.85	1.84%	2,050.85
Total nonoperating revenues (expenses)	2,000.00	0.96%	2,000.00	4,050.85	1.84%	2,050.85
Income (loss) before transfers	(438,705.00)	-211.83%	(438,705.00)	(359,611.58)	-163.29%	79,093.42
Transfers in	438,705.00	211.83%	438,705.00	440,688.75	200.12%	1,983.75
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net assets	\$ 0.00	0.00%	\$ 0.00	81,077.17	36.83%	\$ 81,077.17
Total net assets - beginning				364,027.30		
Total net assets - ending				<u>\$ 445,104.47</u>		

FIRE RECORDS MANAGEMENT - FUND 53100 Operating Transfers In - Fiscal Year 2010

Description	Amount
Budgeted Operating Transfer - appropriation for Fire Records Management 1st quarter operating support from General Fund	\$110,872.50
Budgeted Operating Transfer - appropriation for Fire Records Management 2nd quarter operating support from General Fund	109,938.75
Budgeted Operating Transfer - appropriation for Fire Records Management 3rd quarter operating support from General Fund	109,938.75
Budgeted Operating Transfer - appropriation for Fire Records Management 4th quarter operating support from General Fund	109,938.75
Total	<u><u>\$440,688.75</u></u>

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2010 – 4th Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Fire Records Management Fund's 4th quarter financial statements.

STATEMENT OF NET ASSETS

- Fire Records Management Fund reports all monetary assets as Cash. Available cash is invested and managed by the Treasurer as a pool. Participating funds receive interest earnings based on their percentage of the invested daily cash balance each month.
- Accrued interest on investment is interest earned by the fund on its cash balance in the Treasurer's pool of investments; interest is paid when investments mature.
- Due from other governments is the amount due from member agencies for quarterly participation and communication costs. All members except the Township of Oxford and the City of Pontiac were current at September 30, 2010.
- Accounts receivable is the amount due from non-municipality member agencies for quarterly participation costs. All agencies were current at September 30, 2010.
- Prepaid expense is the amount paid in advance for contracted software support.
- Noncurrent assets are the servers and software package. All of the original server equipment, software and replacement server equipment are fully depreciated. Fire Records Management fund has a fixed asset capitalization threshold of \$5,000 as an Enterprise fund.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Revenues:

- Outside Agencies revenue is the amount billed to Oakland County agencies. Billing starts when a fire department is operational. The fund billed 31 Oakland County agencies for participation during the 4th quarter of fiscal year 2010.
- Participation Fees - non-Oakland agencies is the amount billed to municipalities and agencies outside of Oakland County. The fund billed three non-Oakland County users during the 4th quarter.
- Outside agencies - rebilled charges are the amounts billed to member agencies for their portion of the County's communication cost for data lines, software license and software maintenance costs (see below). Outside agencies rebilled revenue is favorable due to one-time billing for software licenses.
- Income from investments is favorable due to increased cash balance during the year.
- Transfers In is the amount budgeted and received from the County General Fund for operating support for Oakland County agencies.

FIRE RECORDS MANAGEMENT FUND 53100

Fiscal Year 2010 – 4th Quarter

Brief Explanation of “Actuals”

Expenses:

- Salary variance is favorable due to lower than anticipated overtime and on-call payroll.
- Fringe Benefit variance is unfavorable because budgeted amounts are based on average fringe benefit cost.
- Communications cost is offset by revenue from rebilled charges to member agencies for their portion of data line expenses (see above). Communication cost is favorable due to decreased telephone rates.
- Equipment repairs and maintenance is favorable due to lower than anticipated server maintenance charges.
- Indirect cost expense is based on the County’s Indirect Cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, Budgeting and Administrative services. The final allocation was established after adoption of the current budget.
- Personal mileage is favorable due to decreased on-site service calls at member agencies.
- Software rental/lease purchase is unfavorable due to one-time software license purchases for new member agencies, offset by revenue from rebilled charges.
- Travel and conference expense is favorable due to cost-cutting efforts.
- Expendable equipment expense is favorable due to the timing of replacement of equipment.
- Unfavorable Info Tech development charges are for programming services.
- Favorable Info Tech operations charges are due to cost-cutting efforts.
- Telephone Communications expense is favorable due to decreased rates.
- Budgeted Equity Adjustment represents the amount that is an offset to total revenue to balance Fire Records Management fund's FY 2010 budget per Fiscal Services management. This would have been budgeted as a loss in the fund in prior years.

Exhibit C

**County of Oakland
CLEMIS Fund
Statement of Net Assets
September 30, 2010**

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,993,808.04
Due from other governments	947,007.96
Due from other funds	0.50
Accounts receivable	132,436.51
Accrued interest on investment	28,197.42
Prepaid items	326,688.46
Total current assets	<u>3,428,138.89</u>

Noncurrent assets:

Equipment	4,163,087.59
Equipment - 911	2,554,100.14
Equipment - COPS MORE	23,943,106.31
Equipment - OAKVIDEO	6,478,421.38
Capital projects in progress	1,470,624.42
Less accumulated depreciation	<u>(30,019,023.40)</u>
Total capital assets (net of accumulated depreciation)	<u>8,590,316.44</u>
Total assets	<u>12,018,455.33</u>

LIABILITIES

Current liabilities:

Vouchers payable	22,533.29
Due to municipalities	172,152.00
Due to other funds	2,615.00
Accounts payable	92,554.14
Deferred income	139,530.48
Total current liabilities	<u>429,384.91</u>

NET ASSETS

Invested in capital assets, net of related debt	8,590,316.44
Unrestricted - designated for projects	397,043.86
Unrestricted	2,601,710.12
Total net assets	<u><u>\$ 11,589,070.42</u></u>

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2010

	2010			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
In-car terminals - All Other	\$ 1,832,068.00	35.65%	\$ 1,832,068.00	\$ 1,721,339.75	34.86%	\$ (110,728.25)
Access fees - NonOakland Users	663,038.00	12.90%	663,038.00	627,118.25	12.70%	(35,919.75)
Sheriff contracted services	644,997.00	12.56%	644,997.00	643,663.99	13.04%	(1,333.01)
CLEMIS Crash	500,000.00	9.73%	500,000.00	345,982.50	7.01%	(154,017.50)
Access fees - Police Depts/Other in Oakland	303,145.00	5.90%	303,145.00	312,759.03	6.33%	9,614.03
Maintenance contracts - Mugshot Capture Stn	280,000.00	5.45%	280,000.00	303,082.25	6.13%	23,082.25
CLEMIS Citation	250,000.00	4.86%	250,000.00	62,013.65	1.26%	(187,986.35)
Reimb General	229,000.00	4.46%	229,000.00	305,639.50	6.19%	76,639.50
In car terminals - OC Sheriff	169,677.00	3.30%	169,677.00	184,363.52	3.73%	14,686.52
Maintenance contracts - LiveScan	140,000.00	2.72%	140,000.00	229,467.00	4.65%	89,467.00
Rebilled Charges	127,000.00	2.47%	127,000.00	120,761.27	2.44%	(6,238.73)
Parts and accessories	0.00	0.00%	0.00	16,048.15	0.33%	16,048.15
Prior year adjustments	0.00	0.00%	0.00	63,496.00	1.29%	63,496.00
Productive labor	0.00	0.00%	0.00	1,455.00	0.03%	1,455.00
Sale of equipment	0.00	0.00%	0.00	278.82	0.01%	278.82
Total operating revenues	<u>5,138,925.00</u>	<u>100.00%</u>	<u>5,138,925.00</u>	<u>4,937,468.68</u>	<u>100.00%</u>	<u>(201,456.32)</u>
Operating expenses:						
Salaries	1,559,114.00	30.34%	1,559,114.00	1,406,299.52	28.48%	152,814.48
Fringe benefits	838,445.00	16.32%	838,445.00	794,619.05	16.09%	43,825.95
Contractual services:						
Auction expense	0.00	0.00%	0.00	20.86	0.00%	(20.86)
Bank charges	0.00	0.00%	0.00	23,668.80	0.48%	(23,668.80)
Communications	936,500.00	18.22%	936,500.00	891,569.90	18.06%	44,930.10
Equipment repairs and maintenance	273,750.00	5.33%	273,750.00	305,420.72	6.19%	(31,670.72)
Freight and express	0.00	0.00%	0.00	636.92	0.01%	(636.92)
Indirect costs	240,000.00	4.67%	240,000.00	214,592.00	4.35%	25,408.00
Membership dues and publication	750.00	0.01%	750.00	467.00	0.01%	283.00
Periodicals books publ sub	0.00	0.00%	0.00	110.50	0.00%	(110.50)
Personal mileage	1,500.00	0.03%	1,500.00	449.20	0.01%	1,050.80
Professional services	450,000.00	8.76%	450,000.00	403,849.88	8.18%	46,150.12
Rebillable services	127,000.00	2.47%	127,000.00	114,859.76	2.33%	12,140.24
Software rental lease purchases	185,000.00	3.60%	185,000.00	0.00	0.00%	185,000.00
Software support/maintenance	657,000.00	12.78%	657,000.00	340,706.10	6.90%	316,293.90
Travel and conference	8,000.00	0.16%	8,000.00	584.08	0.01%	7,415.92
Workshops and meetings	1,000.00	0.02%	1,000.00	181.02	0.00%	818.98
Total contractual services	<u>2,880,500.00</u>	<u>56.05%</u>	<u>2,880,500.00</u>	<u>2,297,116.74</u>	<u>46.53%</u>	<u>583,383.26</u>
Commodities:						
Dry goods and clothing	750.00	0.01%	750.00	0.00	0.00%	750.00
Expendable equipment	0.00	0.00%	0.00	24,842.77	0.50%	(24,842.77)
Office supplies	1,000.00	0.02%	1,000.00	3,689.57	0.07%	(2,689.57)
Parts and accessories	5,000.00	0.10%	5,000.00	4,400.22	0.09%	599.78
Total commodities	<u>6,750.00</u>	<u>0.13%</u>	<u>6,750.00</u>	<u>32,932.56</u>	<u>0.66%</u>	<u>(26,182.56)</u>
Depreciation:	2,438,331.00	47.45%	2,438,331.00	2,971,705.53	60.19%	(533,374.53)
Internal services:						
Building space cost allocation	166,716.00	3.24%	166,716.00	152,084.81	3.08%	14,631.19
Info tech-development	415,848.00	8.09%	415,848.00	93,886.18	1.90%	321,961.82
Info tech-operations	224,401.00	4.37%	224,401.00	203,346.14	4.12%	21,054.86
Motor pool	35,289.00	0.69%	35,289.00	10,559.69	0.21%	24,729.31
Motor pool fuel charges	1,615.00	0.03%	1,615.00	2,229.65	0.05%	(614.65)
Mail room	315.00	0.01%	315.00	112.92	0.00%	202.08
Print shop	22,473.00	0.44%	22,473.00	3,184.07	0.06%	19,288.93
Telephone communications	33,343.00	0.65%	33,343.00	23,230.95	0.47%	10,112.05
Total internal services	<u>900,000.00</u>	<u>17.52%</u>	<u>900,000.00</u>	<u>488,634.41</u>	<u>9.89%</u>	<u>411,365.59</u>
Total operating expenses	<u>8,623,140.00</u>	<u>167.81%</u>	<u>8,623,140.00</u>	<u>7,991,307.81</u>	<u>161.84%</u>	<u>631,832.19</u>

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2010

	2010			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Operating income (loss)	(3,484,215.00)	-67.81%	(3,484,215.00)	(3,053,839.13)	-61.84%	430,375.87
Nonoperating revenues (expenses):						
Planned use balance	1,300,029.00	25.30%	1,300,029.00	0.00	0.00%	(1,300,029.00)
Income from investments	15,000.00	0.30%	15,000.00	10,352.41	0.21%	(4,647.59)
Capital contributions	517,000.00	10.07%	517,000.00	1,076,607.84	21.80%	559,607.84
Total nonoperating revenues (expenses)	1,832,029.00	35.67%	1,832,029.00	1,086,960.25	22.01%	(745,068.75)
Income (loss) before transfers	(1,652,186.00)	-32.14%	(1,652,186.00)	(1,966,878.88)	-39.83%	(314,692.88)
Transfers in	1,652,186.00	32.15%	1,652,186.00	1,652,186.50	33.46%	0.50
Change in net assets	\$ 0.00	0.01%	\$ 0.00	(314,692.38)	-6.37%	\$ (314,692.38)
Total net assets - beginning				11,903,762.80		
Total net assets - ending				<u>\$ 11,589,070.42</u>		

**COUNTY OF OAKLAND
CLEMIS FUND
FINANCIAL REPORT AS OF SEPTEMBER 30, 2010**

STATEMENT OF NET ASSETS**ASSETS**

Current Assets:	
Cash - Operating	\$1,993,808.04
Accrued Interest on Investments	28,197.42
Accounts Receivable	132,436.51
Due from Municipalities	947,007.96
Prepaid Expenses	326,688.46
Total Current Assets	<u>3,428,138.39</u>
Noncurrent Assets:	
Property and Equipment at Cost:	
Equipment	4,163,087.59
Equipment - 911	2,554,100.14
Equipment - COPS MORE	23,943,106.31
Equipment - Oak VIDEO	6,478,421.38
Capital Projects in Progress	1,470,624.42
Accumulated Depreciation	<u>(30,019,023.40)</u>
Property and Equipment - Net	<u>8,590,316.44</u>
TOTAL ASSETS	<u>\$12,018,454.83</u>

LIABILITIES

Current Liabilities:	
Vouchers Payable	22,533.29
Due to municipalities	172,152.00
Due to other funds	2,615.00
Accounts Payable	92,554.14
Deferred Income	<u>139,530.48</u>
Total Current Liabilities	<u>429,384.91</u>

NET ASSETS

Invested in Capital Assets	8,590,316.44
Unrestricted-designated for projects	397,043.86
Unrestricted	<u>2,601,710.12</u>
Total Net Assets	<u>\$11,589,070.42</u>

STATEMENT OF OPERATIONS

	<u>Total Operations</u>	<u>CLEMIS Operations</u>	<u>MDC Operations</u>
Operating Revenues:			
Access fees-Police Depts/Other in Oakland	312,759.03	\$312,759.03	\$0.00
Access fees-NonOakland Users	627,118.25	627,118.25	0.00
In Car Terminals-All Other	1,721,339.75	0.00	1,721,339.75
In Car Terminals-OC Sheriff	184,363.52	0.00	184,363.52
Maintenance Contracts	532,549.25	532,549.25	0.00
Sheriff Contracted Services	643,663.99	643,663.99	0.00
CLEMIS Citation	62,013.65	62,013.65	0.00
CLEMIS Crash	345,982.50	345,982.50	0.00
Parts and Accessories	16,048.15	10,048.15	6,000.00
Prior Years Adjustments	63,496.00	63,496.00	0.00
Productive Labor	1,455.00	1,455.00	0.00
Rebilled Charges	120,761.27	5,901.51	114,859.76
Reimbursement General	305,639.50	305,639.50	0.00
Sale of Equipment	278.82	278.82	0.00
Income from Investments	10,352.41	1,138.77	9,213.64
Capital Contributions	1,076,607.84	1,076,607.84	0.00
Operating Transfers In	<u>1,652,186.50</u>	<u>1,652,186.50</u>	<u>0.00</u>
TOTAL REVENUES	<u>7,676,615.43</u>	<u>5,640,838.76</u>	<u>2,035,776.67</u>
Operating Expenses:			
Salaries	1,406,299.52	1,406,299.52	0.00
Fringe Benefits	794,619.05	794,619.05	0.00
Auction Expense	20.86	20.86	0.00
Bank Charges	23,668.80	23,668.80	0.00
Communications	891,569.90	176,912.38	714,657.52
Equipment Repairs & Maintenance	305,420.72	256,866.53	48,554.19
Freight & Express	636.92	547.22	89.70
Indirect Costs	214,592.00	214,592.00	0.00
Membership Dues & Publications	467.00	467.00	0.00
Periodicals books publ sub	110.50	110.50	0.00
Personal Mileage	449.20	449.20	0.00
Professional Services	403,849.88	403,849.88	0.00
Rebillable Services	114,859.76	0.00	114,859.76
Software Support/Maintenance	340,706.10	296,542.24	44,163.86
Travel & Conference	584.08	584.08	0.00
Workshops & Meetings	181.02	181.02	0.00
Expendable Equipment Expense	25,804.59	24,245.77	1,558.82
Office Supplies	2,727.75	2,727.75	0.00
Parts & Accessories	4,400.22	2,558.08	1,842.14
Depreciation	2,971,705.53	2,971,705.53	0.00
Bldg. Space Cost Allocation	152,084.81	152,084.81	0.00
Info. Tech. - Development	93,886.18	93,886.18	0.00
Info. Tech. - Operations	203,346.14	203,346.14	0.00
Motor Pool	10,559.69	10,559.69	0.00
Motor Pool Fuel Charges	2,229.65	2,229.65	0.00
Mail Room	112.92	112.92	0.00
Print Shop	3,184.07	3,184.07	0.00
Telephone Communications	<u>23,230.95</u>	<u>23,230.95</u>	<u>0.00</u>
TOTAL EXPENSES	<u>7,991,307.81</u>	<u>7,065,581.82</u>	<u>925,725.99</u>
NET INCOME (LOSS)	(314,692.38)	(1,424,743.06)	1,110,050.68
NET ASSETS, OCTOBER 1, 2009	<u>11,903,762.80</u>	<u>2,698,545.93</u>	<u>9,205,216.87</u>
NET ASSETS, SEPTEMBER 30, 2010	<u>\$11,589,070.42</u>	<u>\$1,273,802.87</u>	<u>\$10,315,267.55</u>

CLEMIS - FUND 53500
Operating Transfers In - Fiscal Year 2010

Description	Amount
1st Qtr Operating Transfer for CLEMIS operating support from General Fund	\$347,279.25
Operating Transfer from Radio Communications to CLEMIS for admin support thru 12/31/09	50,000.00
2nd Qtr Operating Transfer for CLEMIS operating support from General Fund - amount includes 50% allocation of FY budget task reduction	256,813.75
2nd Qtr Operating Transfer for CLEMIS operating support from Radio Fund	50,000.00
Amend budget per resolution #10051 software enhancements for OCSD forensic lab	185,000.00
3rd Qtr Operating Transfer for CLEMIS operating support from General Fund- net of FY 2010 budget task reduction	302,046.50
3rd Qtr Operating Transfer for CLEMIS operating support from Radio Fund	50,000.00
Amend budget per resolution #10131 from GF which covers operational costs begin 7/1/10 concerning the extension of the 911 surcharge approved on MR#10076	59,000.00
4th Qtr Operating Transfer for CLEMIS operating support from Radio Fund	50,000.00
3rd Qtr Operating Transfer for CLEMIS operating support from General Fund- net of FY 2010 budget task reduction	302,046.00
Close out CLEMIS MSP Electronic Crash Capture Grt Overage .50	0.50
Total	<u><u>\$1,652,186.00</u></u>

CLEMIS FUND 53500
Fiscal Year 2010 – 4th Qtr
Brief Explanation of “Actuals”

Below are some comments for the CLEMIS Fund 4th quarter financial statements.

STATEMENT OF NET ASSETS

- CLEMIS Fund reports all monetary assets as Cash. Available cash is invested and managed by the Treasurer as a pool. Participating funds receive interest earnings based on their percentage of the invested daily cash balance each month.
- Accrued interest on investment is interest earned by the fund on its cash balance in the Treasurer’s pool of investments; interest is paid when investments mature.
- Accounts Receivables includes billings for Jul – Sep 2010 CLEMIS fees. Delinquent letters were sent to agencies with accounts 90 days past due which included Farmington Hills, Novi, Orchard Lake, Livingston County, and Village of Oxford. These agencies will also be contacted for collection of accounts 90 days past due.
- Prepaid items are the amount paid in advance for contracted hardware/software support.
- Capital Projects in Progress reflects the recognition of 2005-2006 IBIS equipment & the project mgmt services related to the NETRMS upgrade but not operational as of 9-30-10.
- Due to Municipalities is the amount of revenue sharing for both Citation and Crash thru 9-30-10 that will be allocated to participating CLEMIS agencies.
- Deferred income includes the amounts billed in advance for LiveScan Maint & Mugshot Investigative Software Maint for the period of Oct - Dec 2010.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Revenue:

- In Car Terminals-All Other unfavorable due to MDC count for budget projection included Livingston Central Dispatch which is no longer contributing in MDC Participation as of 4th qtr FY 2010.
- Access fees-NonOakland unfavorable as actual FTE count is lower than budget projection.
- Sheriff Contracted Services is based on actual FTE count for the OCSD and other OC Non-Emergency Depts that utilize CLEMIS services.
- CLEMIS Crash and Citation unfavorable due to budget projections anticipated more return and additional agency participation than actuals through 9-30-10.
- Access fees-Police Depts/Other in Oakland favorable due to actuals higher than budget projection.
- Reimb General includes the amount for CLEMIS staff supporting Sheriff projects such as the Jail Mgmt system through 9-30-10. CLEMIS Resources and hours provided by PMO reports.
- In Car Terminals – OC Sheriff favorable due to actual MDC count higher than budget projection.
- Maintenance Contracts – Mugshot & Livescan favorable due to additional agencies equipment coming off warranty that were not included at the time of the budget projection.
- Rebilled Charges primarily includes the amount that is rebilled to Tier 2.5 and 3.0 agencies for connectivity costs. This amount is offset by rebillable services expense.
- Parts & Accessories favorable due to out of warranty equipment repairs provided by CLEMIS technical support.
- Prior Year Adjustments includes an adjustment of prior year accrual.
- Productive Labor includes CLEMIS technical support provided beyond the normal scope of services.
- Sale of Equipment reflects on-line sale of Video Arraignment Polycom camera.
- Planned Use of Balance is unfavorable and represents the offset to total expense; balance FY 10 budget.

CLEMIS FUND 53500
Fiscal Year 2010 – 4th Qtr
Brief Explanation of “Actuals”

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (Cont'd)

- Income from Investments is unfavorable due to less than anticipated available cash balance.
- Capital Contributions favorable due to timing of utilizing COPS Tech Grant contributions for AFIS/IBIS project and UASI grant contributions for the new records management system.
- Transfers In includes \$200,000 from Radio for CLEMIS Admin support of new radio system; \$1,208,186 from General Fund for operational support through 9-30-10 net of FY 10 budget task reduction; \$185,000 for OCSD forensic lab enhancements; \$59,000 for operational costs related to the extension of the E911 surcharge beginning 7-1-10.

Expenses:

- Salaries and Fringe Benefits are favorable due to vacancies and the underfill of positions. Includes the sal/fb adjustment for J. Long working on FRMS thru 3-31-10.
- Bank Charges includes the cost for PayPal services as part of E-Commerce which allows CLEMIS Citation transactions to be processed on-line.
- Communications line item is favorable due to connectivity costs from July 1 thru Sept transferred to Radio Communications fund supporting the purpose of the E911 surcharge.
- Equipment Repairs & Maintenance expense is unfavorable primarily due to incurring costs of Live Scan equipment after expiration of warranty. This cost is offset by rebilling maintenance fees to the participating agencies.
- Indirect Costs favorable due to actual rate lower than anticipated at the time of budget process.
- Personal Mileage favorable due to reducing travel outside of Oakland County.
- Professional Services is favorable due to contractual services working on the development of CLEMIS enhancements which have been subsidized by grant funds.
- Rebillable Services is favorable based on actual connectivity costs to Tier 2.5 and 3.0 agencies. This amount is offset by Rebillable Charges revenue line item.
- Software Rental Lease Purchase is favorable due to timing of implementation of the enhancements to OC Sheriff's forensic lab project.
- Software Support & Maint is favorable primarily due to the timing of incurring maintenance costs.
- Travel and Conference favorable due to cost reduction efforts in staff attending conferences.
- Expendable Equipment unfavorable primarily due to the purchase of the equipment costs related to Mugshot and CAD operations.
- Office Supplies is based on actual usage.
- Depreciation expense is unfavorable primarily due to actual expense includes IBIS equipment that became operational at the end of FY 2009 and was subsequent to the budget projection.
- Info Tech Development & Operations, Motor Pool, Print Shop and Telephone Communications charges are based on actual usage.