

SUBJECT: CLEMIS Financial Statements – FY2012
(Year Ended September 30, 2012)

DATE: December 11, 2012

This letter of transmittal covers the following fund financial statements as of and for the year ended September 30, 2012 for the Radio Communications, Fire Records Management System, and CLEMIS Operating Funds.

RADIO COMMUNICATIONS FUND

This letter of transmittal covers the financial statements as of and for the year ended September 30, 2012 for the Radio Communications Fund. Attached are the following schedules described as:

- 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.
- Operating Transfers Out (Exhibit A-2) - the operating transfer out to the General, CLEMIS Operating, and Information Technology Funds represent a cost reimbursement for the administrative and other support of the radio communications project and operations as herein explained.
- Brief Explanations (Exhibit A-3) – represents a set of explanations of operating budget to actual variances included in the financial statements and schedules above.

Comments on some recent events surrounding the Radio Communications Fund:

- The radio communications system is fully operational with 5,500 portable and mobile radios on-line, as well as PSAP dispatch stations.
- The County has evaluated radio coverage and is working on resolving the additional investments (e.g. ‘holes’) discovered. Many of the ‘holes’ have been filled in with additional efforts underway for a few more ‘holes.’ The County is working closely with the local units of government in identifying radio coverage needs and enhancing the radio communications system.

The following new towers (leased or built) have been completed and are on the air that has improved coverage: Hazel Park, MLK, Tull, Dequindre, Walled Lake, Knollwood, Cass Lake, Hallwood, Hazel Park, Birmingham, Weller Truck, Stoney Creek, and Addison Oaks. The following sites are in progress and in varying stages: Chubb Road, GM Milford, Murray Lake, Western Novi, and

Napier. Adequate reserves have been set aside to accommodate the completion of the sites in progress.

- The County was notified in February 2009 that the re-banding effort should be completed no later than June 30, 2009. Substantial discussions have occurred over the past several years on this matter with the FCC providing a notice to the County that it needs to proceed on the re-banding efforts. The County is in compliance with the FCC requirements.

Originally, the County received notification that the FCC believed that three of the frequencies in the northern sections of the County will interfere with Canada ("Canadian prime" frequencies). The County has been operating these frequencies for over six years and with no complaints to date from Canadian users. For several years, the FCC is insisted on the County reducing the power to these frequencies which would have had a significant impact on radio coverage. After much discussion, the above FCC letter has accepted the County's position and no modification of the frequencies or power is required. As such, this issue has now been considered to be resolved.

The County is presently in the final stages of the re-banding efforts. Presently, surrounding radio systems must first proceed in moving their frequencies before the County can finalize its project. This County is expecting that the re-banding effort will be completed in the first quarter of calendar 2013.

Comments concerning the financial information follow:

- The Fund has approximately \$17.1 million in cash, investments, and receivables, net of liabilities and excluding prepaid expenses / inventories at September 30, 2012.
- In early calendar 2012, the County completed the final punch list with Harris and such amounts have been recorded as part of the County's annual closing process relating to the accounting records. The accounting records for Harris and Oakland County were reconciled with one another and any differences satisfactorily resolved. The County has closed the original radio contract.
- The operating transfers out to the CLEMIS Operating and Information Technology Fund represents cost-reimbursements for administrative support, OakNET usage and help desk support.
- The ending equity has been classified as 'unrestricted' in Exhibit A. However, the components of the equity follow (rounded):
 - Designated for 911 IP – 5 remaining communities: \$75,000.
 - Funding of depreciation: \$9,854,000 in accumulated depreciation (equal to the accumulated depreciation on the radio system taken to date).

- PSAP software implementation: \$3,500,000. Some expenses may have been charged to this reserve in FY-2012; such amounts have not been reflected in the reservation yet.
- Console replacement - \$3,000,000. The County is still gathering the cost of replacing the consoles. Consolidation of PSAPs, should they occur, would mitigate this cost. Likely, the replacement will occur in FY-2014.
- Total designated = \$16,429,000.
- Undesignated = \$1,340,007.
- Total equity unrestricted = \$17,769,007.

In April 2012, the Board of Commissioners agreed to lower the telephone operating surcharge rate from \$.23 per telephone line as defined to \$.20 per line effective on July 1, 2012 through June 30, 2013. The related forms to notify the State and telephone companies have been submitted as required by State statute in a timely manner. The operating budgets for FY-2013 through FY-2015 (as adopted by the Board of Commissioners) reflect the \$.20 level of surcharge for those periods.

Recently, the County developed a tentative 9-1-1 radio communications plan that modified the previous plan (last plan was passed in the late 1990s). The County will brought the tentative plan to the Radio Oversight Committee in mid-September 2012; such Committee approved the tentative plan. At that time, the Radio Oversight Committee indicated that the process with the Board of Commissioners and local units of government approval should start in the first quarter of calendar 2013.

The County has received a letter, along with instructions, to perform an audit of the 9-1-1 operations in accordance with State statutes. This is the first such time a request was made by the State. Unfortunately and based on my prior experience and discussions with the County's outside auditor (Plante & Moran) the instructions – at best – are confusing, conflicting and not close to complying with the standards that must be followed by auditors in order to retain their license. In short, the State's instructions cannot be followed by respectable auditors adhering to professional standards.

The State has set an arbitrary deadline of mid-May 2013 to be completed with the audit. Unfortunately, they have suggested that it entail a financial audit, compliance audit and / or agreed-upon procedures report – all of which involve different, specific sets of procedures. In short, there is no way to conduct an audit without proper instructions by the State.

Accordingly, I have sent a memorandum on our concerns to the State for resolution at the end of November 2012. To date, no response has been received. On December 11, 2012 the State committee in control of the rules and regulations (including the audit efforts) will be meeting. Despite having requested to do so, the committee failed to include the subject on the agenda. Ms. Coates from CLEMIS is a member of that committee and will bring the subject up under 'other business.' I do not expect a resolution of this matter any time soon.

FIRE RECORDS MANAGEMENT SYSTEM

Attached are the following schedules described as Exhibit B relating to the Fire Records Management System Fund as of and for the year ended September 30, 2012:

- 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 in from the County's General Fund.
- Brief Explanations (Exhibit B-3). This exhibit provides explanations of 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, 2012) of roughly \$458,000 and equal to the equity amount. The balance is relatively unchanged during the year.
- The originally-acquired equipment is nearly 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 County's General Fund contributed \$426,450 for the FY-2011 and \$473,174 for the year ended September 30, 2012 for the County's share of FRMS operating expenses.
- The Brief Explanations reference the explanations of the fluctuations in the accounts with some level of detail and are not repeated herein.

In addition to the attached operations, the County's Information Technology Fund incurs additional costs related to the operations of the T-1 lines connecting the technology facility with the fire halls / departments.

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 September 30, 2012:

- 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). The purpose of the Financial Report is to segregate the revenues and costs between the CLEMIS operations that are regional in nature (“CLEMIS Operations”) and OakVideo Operations (e.g. video conferencing) that are solely within the geographic Oakland County boundary funded by an appropriation of \$400,000 annually paid in four installments from the General Fund.
- 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 at the \$1,444,186 level (four quarterly distributions of \$361,046.50; same as the prior year). In addition, operating transfers in from the Radio Communications Fund occurred (\$200,000; four quarterly distributions of \$50,000) to cover administration of the implementation of the new radio system for the quarter. The General Fund covered the cost of maintenance of the jail management fund in the amount of \$290,000 in a fourth quarter adjustment as was the case in the prior year. Finally, there is the \$400,000 for OakVideo operations as noted above (four quarterly distributions from the County’s General Fund).
- 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 \$7,739,000 (\$7,321,000 as of June 30, 2012). The cash position is a significant improvement over the past several years’ cash position. The unrestricted equity is roughly equivalent to the net cash and liquid asset position.

The improved cash position arises from the reimbursement of costs from the Radio Communications Fund (as cited in detail in previous quarterly CLEMIS reports), restructuring of operations and holding positions vacant wherever possible, and an improved membership revenue arising from increases effective July 1, 2011 and 2012.

- Effective May 1, 2012, the last of the law enforcement agencies (Warren Police Department) was converted to the new records management system – called “CLEAR.” At present, the system is being upgraded for additional membership applications requested; such effort is far easier to do now as the underlying software code is being maintained by CLEMIS personnel. With the completion of the CLEAR system, the construction in progress and contributions revenue

now reflect the close out of several federal grants in support of this project (roughly an \$884,000 increase in the third quarter of FY-2012).

The computer-aided dispatch system development is just getting underway; such funding will be covered through the Radio Communications Fund and is estimated at \$3.5 million.

- The equity amounts to \$15.7 million as of September 30, 2012 and is largely composed of the equipment acquired through the COPS MORE grant and other investments in the records management and related systems (net of \$7.4 million). The September 30, 2012 equity also includes \$287,600 applicable to operating transfers from the County's General Fund to various projects in progress, down slightly since the end of the third quarter FY-2012. The remaining unrestricted amount is \$7,983,700 at June 30, 2012 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. The aggregate balance of total fixed assets in this Fund is \$42.1 million, with \$34.7 million fully depreciated – or roughly, 82% fully depreciated (generally meaning that this equipment is nearing end of life and will require replacement sometime in the future).

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 which will mitigate the concerns applicable to the replacement of much of this equipment in the short term, if at all.

The County administration is working on the update of the 1997 service level agreement covering the scope of work to be performed by CLEMIS, governance, funding issues and related operations and capital programs for CLEMIS. This original document, which was approved by both the Board of Commissioners and the CLEMIS Advisory Board, is dated as to technology, the size and complexity of CLEMIS, number of local units relying on CLEMIS, did not conceive of the COPS MORE grant program and other matters requiring current attention. The document is expected to be produced in FY-2013.

Exhibit A

**County of Oakland
Radio Communications Fund
Statement of Net Assets
September 30, 2012**

ASSETS

Current assets:

Cash and cash equivalents	\$ 15,311,508.50
Accrued interest on investment	97,783.37
Due from other governments	51,771.66
Accounts receivable	1,927,340.52
Inventories	507,482.63
Prepaid items	198,187.49
Total current assets	<u>18,094,074.17</u>

Noncurrent assets:

Tower rights	8,585,770.20
Equipment	26,316,176.36
Structures	12,833,781.50
Less accumulated depreciation	<u>(9,854,060.81)</u>
Total capital assets (net of accumulated depreciation)	<u>37,881,667.25</u>
Total assets	<u>55,975,741.42</u>

LIABILITIES

Current liabilities:

Vouchers payable	18,525.16
Accounts payable	116,096.45
Due to other funds	49,976.35
Due to Municipalities	140,469.51
Total current liabilities	<u>325,067.47</u>
Total liabilities	<u>325,067.47</u>

NET ASSETS

Invested in capital assets, net of related debt	37,881,667.25
Unrestricted	17,769,006.70
Total net assets	<u><u>\$ 55,650,673.95</u></u>

County of Oakland
Radio Communication Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2012

	2012			Year to Date		Favorable
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	(Unfavorable) Variance
Operating revenues:						
E-911 surcharge - Radio system	\$ 6,367,035.00	88.53%	\$ 6,367,035.00	\$ 6,298,836.72	86.00%	\$ (68,198.28)
Antenna site management	270,000.00	3.75%	270,000.00	330,261.36	4.50%	60,261.36
Leased equipment	256,753.00	3.57%	256,753.00	230,549.08	3.15%	(26,203.92)
Outside agencies	266,277.00	3.70%	266,277.00	67,553.16	0.92%	(198,723.84)
Parts and accessories	30,000.00	0.42%	30,000.00	139,941.21	1.91%	109,941.21
Productive labor	2,500.00	0.03%	2,500.00	10,870.50	0.15%	8,370.50
Refund of prior years expenditure	0.00	0.00%	0.00	56,283.55	0.77%	56,283.55
Reimbursement general	0.00	0.00%	0.00	190,800.00	2.60%	190,800.00
Sale of equipment	0.00	0.00%	0.00	280.09	0.00%	280.09
Total operating revenues	7,192,565.00	100.00%	7,192,565.00	7,325,375.67	100.00%	132,810.67
Operating expenses:						
Salaries	620,910.00	8.63%	620,910.00	505,981.42	6.91%	114,928.58
Fringe benefits	415,181.00	5.77%	415,181.00	345,674.38	4.72%	69,506.62
Contractual services:						
Adjusted prior years exp	0.00	0.00%	0.00	1,161.30	0.02%	(1,161.30)
Auction expense	0.00	0.00%	0.00	4.79	0.00%	(4.79)
Communications	250,000.00	3.48%	250,000.00	161,790.34	2.21%	88,209.66
Electrical service	100,000.00	1.39%	100,000.00	74,325.51	1.01%	25,674.49
Equipment repairs and maintenance	235,000.00	3.27%	235,000.00	267,057.65	3.65%	(32,057.65)
Freight and express	4,200.00	0.06%	4,200.00	8,405.96	0.11%	(4,205.96)
Indirect costs	196,000.00	2.73%	196,000.00	153,748.00	2.10%	42,252.00
Laundry and cleaning	1,000.00	0.01%	1,000.00	401.98	0.01%	598.02
Maintenance contract	678,000.00	9.43%	678,000.00	297,842.88	4.07%	380,157.12
Memberships, dues	750.00	0.01%	750.00	604.00	0.01%	146.00
Personal mileage	750.00	0.01%	750.00	2,929.86	0.04%	(2,179.86)
Printing	1,646.00	0.02%	1,646.00	87.96	0.00%	1,558.04
Professional services	100,000.00	1.39%	100,000.00	106,810.35	1.46%	(6,810.35)
Rebillable services	1,000.00	0.01%	1,000.00	0.00	0.00%	1,000.00
Software rental lease purchase	0.00	0.00%	0.00	60,776.00	0.83%	(60,776.00)
Software support maintenance	0.00	0.00%	0.00	89.99	0.00%	(89.99)
Special projects	40,000.00	0.56%	40,000.00	7,264.05	0.10%	32,735.95
Tower charges	300,000.00	4.17%	300,000.00	391,699.00	5.35%	(91,699.00)
Travel and conference	15,000.00	0.21%	15,000.00	0.00	0.00%	15,000.00
Uncollectable accounts receivable	0.00	0.00%	0.00	535.50	0.01%	(535.50)
Workshops and meetings	100.00	0.00%	100.00	0.00	0.00%	100.00
Total contractual services	1,923,446.00	26.75%	1,923,446.00	1,535,535.12	20.98%	387,910.88
Commodities:						
Dry goods and clothing	900.00	0.01%	900.00	1,022.00	0.01%	(122.00)
Expendable equipment expense	20,788.00	0.29%	20,788.00	176,539.95	2.41%	(155,751.95)
Metered postage	126.00	0.00%	126.00	0.00	0.00%	126.00
Office supplies	5,000.00	0.07%	5,000.00	3,747.50	0.05%	1,252.50
Parts and accessories	125,000.00	1.74%	125,000.00	209,451.38	2.86%	(84,451.38)
Shop supplies	12,000.00	0.17%	12,000.00	13,169.50	0.18%	(1,169.50)
Small tools	10,000.00	0.14%	10,000.00	2,013.29	0.03%	7,986.71
Total commodities	173,814.00	2.42%	173,814.00	405,943.62	5.54%	(232,129.62)
Depreciation:						
Equipment, structures and tower rights	4,000,000.00	55.61%	4,000,000.00	4,444,162.53	60.67%	(444,162.53)
Total depreciation	4,000,000.00	55.61%	4,000,000.00	4,444,162.53	60.67%	(444,162.53)
Internal services:						
Building space allocation	25,151.00	0.35%	25,151.00	23,496.64	0.32%	1,654.36
Convenience copier	222.00	0.00%	222.00	203.06	0.00%	18.94
CLEMIS development	0.00	0.00%	0.00	4,728.50	0.06%	(4,728.50)
Info Tech - CLEMIS	1,201,000.00	16.70%	1,201,000.00	989,903.74	13.51%	211,096.26
Info Tech - development	0.00	0.00%	0.00	20,821.50	0.28%	(20,821.50)
Info Tech - operations	375,708.00	5.22%	375,708.00	227,944.00	3.11%	147,764.00
Insurance fund	20,172.00	0.28%	20,172.00	13,333.41	0.18%	6,838.59
Maintenance department charges	35,000.00	0.49%	35,000.00	3,595.80	0.05%	31,404.20
Motor pool fuel charges	9,300.00	0.13%	9,300.00	7,183.03	0.10%	2,116.97
Motor pool	30,100.00	0.42%	30,100.00	21,552.12	0.29%	8,547.88
Telephone communications	30,899.00	0.43%	30,899.00	27,451.46	0.37%	3,447.54
Total internal services	1,727,552.00	24.02%	1,727,552.00	1,340,213.26	18.27%	387,338.74
Total operating expenses	8,860,903.00	123.20%	8,860,903.00	8,577,510.33	117.09%	283,392.67
Operating income (loss)	(1,668,338.00)	-23.20%	(1,668,338.00)	(1,252,134.66)	-17.09%	416,203.34
Nonoperating revenues (expenses):						
Budgeted equity adjustment	2,004,338.00	27.87%	2,004,338.00	0.00	0.00%	(2,004,338.00)
Income from investments	150,000.00	2.09%	150,000.00	200,566.20	2.74%	50,566.20
Total nonoperating revenues (expenses)	2,154,338.00	29.96%	2,154,338.00	200,566.20	2.74%	(1,953,771.80)
Income (loss) before transfers	486,000.00	6.76%	486,000.00	(1,051,568.46)	-14.35%	(1,537,568.46)
Transfers out	(486,000.00)	-6.76%	(486,000.00)	(486,000.00)	-6.63%	0.00
Change in net assets	\$0.00	0.00%	\$0.00	(1,537,568.46)	-20.98%	\$ (1,537,568.46)
Total net assets - beginning				57,188,242.41		
Total net assets - ending				\$ 55,650,673.95		

RADIO COMMUNICATIONS - FUND 53600 Operating Transfers Out - Fiscal Year 2012

Description	Amount
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 1st quarter FY 2012 administrative support	\$ 50,000.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 1st quarter FY 2012 OakNet operational costs regarding the extension of the E911 surcharge approved on Res. 10-076	59,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 1st quarter FY 2012 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 2nd quarter FY 2012 administrative support	50,000.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 2nd quarter FY 2012 OakNet operational costs regarding the extension of the E911 surcharge approved on Res. 10-076	59,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 2nd quarter FY 2012 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 3rd quarter FY 2012 administrative support	50,000.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 3rd quarter FY 2012 OakNet operational costs regarding the extension of the E911 surcharge approved on Res. 10-076	59,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 3rd quarter FY 2012 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 4th quarter FY 2012 administrative support	50,000.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 4th quarter FY 2012 OakNet operational costs regarding the extension of the E911 surcharge approved on Res. 10-076	59,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 4th quarter FY 2012 Help Desk support	12,500.00
Total	\$ 486,000.00

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2012 – 4th Quarter
Brief Explanation of “Actuals”

Exhibit A-3

Following are some comments regarding Radio Communications Fund's 4th quarter FY 2012 financial statements.

STATEMENT OF NET ASSETS

- Radio Communications 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 municipalities for leased equipment.
- Accounts receivable includes \$1,298,632.91 for accrued E-911 operational surcharge revenue which is paid to the County quarterly. The balance is rent due from antenna site co-locators, the amount to be reimbursed for re-banding costs and amounts due from non-governmental external users for leased equipment.
- Inventories are parts and accessories to maintain customer equipment and the radio system, including equipment purchased from Harris Corp. on completion of the radio system.
- Prepaid items are rent paid in advance per the lease agreements for co-location of radio system equipment and maintenance contracts 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 821 MHz radio system was fully operational at July 1, 2010 and all related asset expenditures have been capitalized with a ten year life.
- Tower rights are the County's rights to co-locate equipment on towers constructed by the Radio Fund on land owned by various municipalities. Ownership of the towers was transferred to the municipalities on completion of construction in 2010 in exchange for ongoing rights to place radio equipment on those towers.
- Vouchers payable and Accounts payable are accrued 4th quarter expenses.
- Due to other funds is the amount due to the CLEMIS Fund for 4th quarter E-911 expenses for Oakland County agencies.
- Due to Municipalities is the City of Novi's share of lease payments by co-locators on Novi's antenna site.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Revenues:

- E-911 surcharge revenue is unfavorable due to decreased volume of users. The surcharge rate is \$0.23 per line or device effective July 1, 2010 per BOC Resolution 10-076.
- Antenna site management is revenue from telecommunication companies placing equipment on county owned towers.
- Leased equipment revenue and Outside agency revenue are unfavorable due to fewer than anticipated non-public safety users of the new system within Oakland County departments and outside agencies.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2012 – 4th Quarter
Brief Explanation of “Actuals”

Exhibit A-3

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

Revenues (Cont'd):

- Parts and accessories revenue is favorable due to increasing orders for replacement of damaged equipment by participating agencies.
- Labor revenue is favorable due to repairs required for damage exceeding normal usage.
- Refund of prior years expenditure is the amount refunded by AT&T for connectivity costs that were overcharged from FY 2008 through FY 2011.
- Reimbursement general is the amount due from Sprint/Nextel for re-banding costs.
- Sale of equipment is the amount received from County auctions for non-capitalized items.

Expenses:

- Salary variance is favorable due to lower than anticipated overtime, on-call payroll and unfilled positions.
- Fringe benefit variance is favorable because budgeted amounts are based on average fringe benefit cost.
- Adjusted prior years expense is August and September, 2011 tower rent and revenue sharing paid to AT&T for the Weller Site.
- Communications cost is favorable due to lower rates.
- Electrical service is favorable due to decreased utility demand at tower sites.
- Equipment repairs and maintenance expense is unfavorable due to higher than anticipated maintenance costs of the radio system.
- Freight and express is unfavorable due to higher than anticipated shipping volume.
- 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 the elimination of the Harris Corp. contract for Open Sky maintenance and support.
- Professional services expense is unfavorable due to actual costs which were higher than budget projections.
- Software rental, lease purchase is primarily Arc-GIS software purchased for the CAD Upgrade project.
- Special projects includes tower site alarm systems and roof repairs performed on the Radio tower building.
- Tower charges are unfavorable due to the addition of several leased cell tower sites for coverage enhancements.
- Travel and conference expense is favorable due to cost-cutting efforts and technicians attending fewer out-of-state training courses.
- Uncollectable accounts receivable is the amount written off for the Township of Royal Oak's Radio account per BOC Resolution 12-087.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2012 – 4th Quarter
Brief Explanation of “Actuals”

Exhibit A-3

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

Expenses (Cont'd):

- Expendable equipment expense is unfavorable due to purchase of NG911 PSAP equipment for Bloomfield Hills funded by E-911 surcharge as well as overall equipment costs which were higher than the budget projection.
- Parts and accessories expense is unfavorable due to the higher than anticipated repair volume, offset by Parts and accessories revenue.
- Small tool expense is favorable due to decreased usage.
- Depreciation is unfavorable due to amortization of additional capitalized costs for coverage enhancements at cell tower sites.
- Internal Service expense is favorable overall based on reduced actual usage during FY 2012.
- Info Tech-CLEMIS charges are for the support of MDC, E911, and CAD operations.

Non-Operating Revenues and Expenses:

- Budgeted equity adjustment represents the amount that is an offset to total revenue to balance Radio Fund's FY 2012 budget per Fiscal Services management.
- Income from investment revenue is favorable due to an increased cash balance available for investment. 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 out includes the amounts budgeted for administrative and operating support provided by CLEMIS and Information Technology Funds.

Exhibit B

**County of Oakland
Fire Records Management Fund
Statement of Net Assets
September 30, 2012**

ASSETS

Current assets:

Cash and cash equivalents	\$ 385,582.25
Due from other governments	49,241.97
Accrued interest on investment	1,010.16
Accounts receivable	2,780.25
Prepaid expense	19,389.50
Total current assets	<u>458,004.13</u>

Noncurrent assets:

Equipment	135,894.58
Computer software	409,195.95
Less accumulated depreciation	<u>(535,839.29)</u>
Total capital assets (net of accumulated depreciation)	<u>9,251.24</u>
Total assets	<u>467,255.37</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	9,251.24
Unrestricted	<u>458,004.13</u>
Total net assets	<u><u>\$ 467,255.37</u></u>

County of Oakland

Exhibit B-1

Fire Records Management Fund

Statement of Revenues, Expenses, and Changes in Net Assets

For the Twelve Months Ended September 30, 2012

	2012			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
Outside agencies	\$ 143,395.00	69.61%	\$ 143,395.00	139,193.33	71.84%	\$ (4,201.67)
Participation fees - non-Oakland agencies	20,000.00	9.71%	20,000.00	20,310.00	10.49%	310.00
Outside agencies-rebilled charges	42,600.00	20.68%	42,600.00	34,236.68	17.67%	(8,363.32)
Total operating revenues	205,995.00	100.00%	205,995.00	193,740.01	100.00%	(12,254.99)
Operating expenses:						
Salaries	236,137.00	114.64%	236,137.00	224,330.89	115.79%	11,806.11
Fringe benefits	169,709.00	82.39%	169,709.00	166,555.96	85.97%	3,153.04
Contractual services:						
Communications	35,000.00	16.99%	35,000.00	23,760.76	12.26%	11,239.24
Equipment repairs and maintenance	5,000.00	2.43%	5,000.00	0.00	0.00%	5,000.00
Indirect costs	50,000.00	24.27%	50,000.00	65,114.00	33.61%	(15,114.00)
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	3,105.16	1.60%	(3,105.16)
Software support/maintenance	75,000.00	36.41%	75,000.00	77,558.00	40.03%	(2,558.00)
Travel and conference	5,000.00	2.43%	5,000.00	0.00	0.00%	5,000.00
Total contractual services	171,750.00	83.38%	171,750.00	169,537.92	87.50%	2,212.08
Commodities:						
Expendable equipment	10,000.00	4.85%	10,000.00	0.00	0.00%	10,000.00
Depreciation:						
Equipment	0.00	0.00%	0.00	1,850.26	0.96%	(1,850.26)
Total depreciation	0.00	0.00%	0.00	1,850.26	0.96%	(1,850.26)
Internal services:						
Info Tech-CLEMIS	400.00	0.19%	400.00	81.50	0.04%	318.50
Info Tech-development	0.00	0.00%	0.00	3,587.22	1.85%	(3,587.22)
Info Tech-operations	52,666.00	25.57%	52,666.00	52,934.24	27.32%	(268.24)
Insurance fund	206.00	0.10%	206.00	206.88	0.11%	(0.88)
Telephone communications	631.00	0.31%	631.00	555.56	0.29%	75.44
Total internal services	53,903.00	26.17%	53,903.00	57,365.40	29.61%	(3,462.40)
Total operating expenses	641,499.00	3.11	641,499.00	619,640.43	3.20	21,858.57
Operating income (loss)	(435,504.00)	-211.43%	(435,504.00)	(425,900.42)	-219.83%	9,603.58
Nonoperating revenues (expenses):						
Planned use of balance	3,319.00	1.62%	3,319.00	0.00	0.00%	(3,319.00)
Income from investments	2,000.00	0.98%	2,000.00	2,402.22	1.24%	402.22
Total nonoperating revenues (expenses)	5,319.00	2.60%	5,319.00	2,402.22	1.24%	(2,916.78)
Income (loss) before transfers	(430,185.00)	-208.83%	(430,185.00)	(423,498.20)	-218.59%	6,686.80
Transfers in	430,185.00	208.83%	430,185.00	417,579.99	215.54%	(12,605.01)
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net assets	\$ 0.00	0.00%	\$ 0.00	(5,918.21)	-3.05%	\$ (5,918.21)
Total net assets - beginning				473,173.58		
Total net assets - ending				<u>\$ 467,255.37</u>		

FIRE RECORDS MANAGEMENT - FUND 53100 Operating Transfers In - Fiscal Year 2012

Description	Amount
Budgeted Operating Transfer from General fund to Fire Records Management fund for 1st quarter FY 2012 operating support	\$ 106,612.50
Budgeted Operating Transfer from General fund to Fire Records Management fund for 2nd quarter FY 2012 operating support	104,394.99
Budgeted Operating Transfer from General fund to Fire Records Management fund for 3rd quarter FY 2012 operating support	103,286.25
Budgeted Operating Transfer from General fund to Fire Records Management fund for 4th quarter FY 2012 operating support	103,286.25
Total	<u>\$ 417,579.99</u>

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2012 – 4th Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Fire Records Management Fund's 4th quarter FY 2012 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.
- Due from other governments is the amount due from member agencies for quarterly participation and communication costs. All members except the City of Farmington Hills Fire Dept. and the Township of Independence Fire Dept. were current at September 30, 2012.
- 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.
- Prepaid expense is the amount paid in advance for contracted software support and licenses.
- Noncurrent assets are the servers and software packages. All capital equipment and software except two servers purchased in FY 2012 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 29 Oakland County agencies for participation during the 4th quarter of FY 2012.
- 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 of FY 2012.
- 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).
- Planned use of balance represents the amount use to offset total revenue in order to balance Fire Records Management fund's FY 2012 budget per Fiscal Services management.
- Income from investments is favorable due to a higher cash balance than anticipated.
- Transfers in is the amount budgeted and received from the General fund for operating support for Oakland County agencies.

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2012 – 4th Quarter
Brief Explanation of “Actuals”

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

Expenses:

- Salary variance is favorable due to lower than anticipated on-call payroll.
- Fringe benefit variance is favorable 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 a decrease in connectivity rates.
- Equipment repairs and maintenance is favorable due to a decrease in the number of server maintenance incidents.
- 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 purchase is for software licenses and upgrades not included in budget estimates.
- Software support is unfavorable due to an increase in Zoll's maintenance contract rate.
- Travel and conference expense is favorable due to cost-cutting efforts.
- Expendable equipment expense is favorable due to the timing of equipment purchases made by tech support for maintaining the system.
- Depreciation expense is unfavorable due to equipment that became operational subsequent to the budget projection.
- Info Tech CLEMIS includes amounts that were billed by CLEMIS technicians to service FRMS customers; IT development and operations, Insurance and Telephone communications charges are based on actual usage.

County of Oakland
CLEMIS Fund
Statement of Net Assets
September 30, 2012

Exhibit C

ASSETS

Current assets:

Cash and cash equivalents	\$ 7,252,518.02
Due from other governments	809,481.60
Due from other funds	356,913.35
Accounts receivable	105,193.66
Accrued interest on investment	10,262.79
Prepaid items	532,137.31
Total current assets	<u>9,066,506.73</u>

Noncurrent assets:

Equipment	9,037,772.67
Equipment - 911	2,554,100.14
Equipment - COPS MORE	23,923,858.13
Equipment - OAKVIDEO	6,478,421.38
Capital projects in progress	146,343.25
Less accumulated depreciation	<u>(34,726,456.38)</u>
Total capital assets (net of accumulated depreciation)	<u>7,414,039.19</u>
Total assets	<u>16,480,545.92</u>

LIABILITIES

Current liabilities:

Vouchers payable	183,191.61
Due to municipalities	335,745.00
Accounts payable	141,473.96
Deferred income	134,759.34
Total current liabilities	<u>795,169.91</u>

NET ASSETS

Invested in capital assets, net of related debt	7,414,039.19
Unrestricted - designated for projects	287,616.68
Unrestricted	7,983,720.14
Total net assets	<u><u>\$ 15,685,376.01</u></u>

County of Oakland

Exhibit C-1

CLEMIS Fund

Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2012

	2012			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
In-car terminals - all other	\$ 1,863,120.00	31.06%	\$ 1,863,120.00	\$ 1,565,613.25	27.35%	\$ (297,506.75)
Service fees	\$ 1,201,000.00	20.02%	1,201,000.00	989,903.74	17.29%	\$ (211,096.26)
CLEMIS Crash	650,000.00	10.83%	650,000.00	476,669.00	8.33%	(173,331.00)
Access fees - non-Oakland users	596,187.00	9.94%	596,187.00	649,756.00	11.35%	53,569.00
Sheriff contracted services	336,164.00	5.60%	336,164.00	331,223.00	5.79%	(4,941.00)
Maintenance contracts - Mugshot Capture Station	280,000.00	4.67%	280,000.00	310,333.33	5.42%	30,333.33
Access fees - police depts./other in Oakland County	267,740.00	4.46%	267,740.00	278,620.00	4.87%	10,880.00
Reimbursement general	229,000.00	3.82%	229,000.00	341,782.50	5.97%	112,782.50
In-car terminals - OC Sheriff	184,886.00	3.08%	184,886.00	218,195.75	3.81%	33,309.75
Rebilled charges	150,000.00	2.50%	150,000.00	114,552.21	2.00%	(35,447.79)
Maintenance contracts - LiveScan	140,000.00	2.33%	140,000.00	273,270.77	4.77%	133,270.77
CLEMIS Citation	100,000.00	1.67%	100,000.00	161,189.20	2.82%	61,189.20
Miscellaneous	0.00	0.00%	0.00	12.41	0.00%	12.41
Parts and accessories	500.00	0.01%	500.00	5,065.04	0.09%	4,565.04
Productive labor	500.00	0.01%	500.00	65.00	0.00%	(435.00)
Refund prior years expenditure	0.00	0.00%	0.00	6,106.23	0.11%	6,106.23
Seminars and conferences	0.00	0.00%	0.00	403.00	0.01%	403.00
Sale of equipment	0.00	0.00%	0.00	1,049.51	0.02%	1,049.51
Total operating revenues	<u>5,999,097.00</u>	<u>100.00%</u>	<u>5,999,097.00</u>	<u>5,723,809.94</u>	<u>100.00%</u>	<u>(275,287.06)</u>
Operating expenses:						
Salaries	<u>1,613,229.00</u>	<u>26.89%</u>	<u>1,613,229.00</u>	<u>1,252,360.34</u>	<u>21.88%</u>	<u>360,868.66</u>
Fringe benefits	<u>1,097,190.00</u>	<u>18.29%</u>	<u>1,097,190.00</u>	<u>803,961.82</u>	<u>14.05%</u>	<u>293,228.18</u>
Contractual services:						
Adjust prior years expense	0.00	0.00%	0.00	20,897.48	0.37%	(20,897.48)
Bank charges	5,000.00	0.08%	5,000.00	85,477.78	1.49%	(80,477.78)
Communications	1,000,000.00	16.67%	1,000,000.00	920,832.82	16.09%	79,167.18
Equipment repairs and maintenance	440,000.00	7.33%	440,000.00	316,746.93	5.53%	123,253.07
Freight and express	0.00	0.00%	0.00	296.75	0.01%	(296.75)
Indirect costs	240,000.00	4.00%	240,000.00	293,485.00	5.13%	(53,485.00)
Membership dues	750.00	0.01%	750.00	277.00	0.00%	473.00
Personal mileage	1,500.00	0.03%	1,500.00	2,238.89	0.04%	(738.89)
Printing	17,000.00	0.28%	17,000.00	54.50	0.00%	16,945.50
Professional services	599,134.00	9.99%	599,134.00	329,156.58	5.75%	269,977.42
Rebillable services	150,000.00	2.50%	150,000.00	114,370.02	2.00%	35,629.98
Software rental lease purchase	0.00	0.00%	0.00	153,644.45	2.68%	(153,644.45)
Software support/maintenance	915,000.00	15.25%	915,000.00	603,293.73	10.54%	311,706.27
Travel and conference	8,000.00	0.13%	8,000.00	3,015.98	0.05%	4,984.02
Workshops and meetings	1,000.00	0.02%	1,000.00	1,004.12	0.02%	(4.12)
Total contractual services	<u>3,377,384.00</u>	<u>56.29%</u>	<u>3,377,384.00</u>	<u>2,844,792.03</u>	<u>49.70%</u>	<u>532,591.97</u>
Commodities:						
Dry goods and clothing	750.00	0.01%	750.00	631.74	0.01%	118.26
Expendable equipment	0.00	0.00%	0.00	57,353.59	1.00%	(57,353.59)
Metered postage	287.00	0.00%	287.00	91.76	0.00%	195.24
Office supplies	1,000.00	0.02%	1,000.00	409.26	0.01%	590.74
Parts and accessories	5,000.00	0.08%	5,000.00	7,156.82	0.13%	(2,156.82)
Printing supplies	0.00	0.00%	0.00	225.96	0.00%	(225.96)
Total commodities	<u>7,037.00</u>	<u>0.11%</u>	<u>7,037.00</u>	<u>65,869.13</u>	<u>1.15%</u>	<u>(58,832.13)</u>
Depreciation:	<u>1,585,481.00</u>	<u>26.43%</u>	<u>1,585,481.00</u>	<u>2,705,070.02</u>	<u>47.26%</u>	<u>(1,119,589.02)</u>
Internal services:						
Building space cost allocation	168,374.00	2.81%	168,374.00	157,294.04	2.75%	11,079.96
Info Tech development	417,934.00	6.97%	417,934.00	102,397.60	1.79%	315,536.40
Info Tech operations	262,201.00	4.37%	262,201.00	202,178.94	3.53%	60,022.06
Motor pool	12,000.00	0.20%	12,000.00	13,292.30	0.23%	(1,292.30)
Motor pool fuel charges	2,500.00	0.04%	2,500.00	2,070.89	0.04%	429.11
Radio communications	0.00	0.00%	0.00	300.00	0.01%	(300.00)
Telephone communications	21,374.00	0.36%	21,374.00	20,418.27	0.36%	955.73
Total internal services	<u>884,383.00</u>	<u>14.75%</u>	<u>884,383.00</u>	<u>497,952.04</u>	<u>8.71%</u>	<u>386,430.96</u>
Total operating expenses	<u>8,564,704.00</u>	<u>142.76%</u>	<u>8,564,704.00</u>	<u>8,170,005.38</u>	<u>142.75%</u>	<u>394,698.62</u>
Operating income (loss)	<u>(2,565,607.00)</u>	<u>-42.76%</u>	<u>(2,565,607.00)</u>	<u>(2,446,195.44)</u>	<u>-42.75%</u>	<u>119,411.56</u>

County of Oakland

Exhibit C-1

CLEMIS Fund

Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2012

	2012			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Non-operating revenues (expenses):						
Budgeted equity adjustments	218,921.00	3.65%	218,921.00	0.00	0.00%	(218,921.00)
Income from investments	15,000.00	0.25%	15,000.00	35,059.46	0.61%	20,059.46
Capital contributions	287,500.00	4.79%	287,500.00	786,768.19	13.75%	499,268.19
Gain (Loss) on sale of equipment	0.00	0.00%	0.00	(3,077.66)	-0.05%	(3,077.66)
Total non-operating revenues (expenses)	521,421.00	8.69%	521,421.00	818,749.99	14.31%	297,328.99
Income (loss) before transfers	(2,044,186.00)	-34.07%	(2,044,186.00)	(1,627,445.45)	-28.44%	416,740.55
Transfers in	2,044,186.00	34.07%	2,044,186.00	2,334,186.00	40.78%	290,000.00
Change in net assets	\$ 0.00	0.00%	\$ 0.00	706,740.55	12.34%	\$ 706,740.55
Total net assets - beginning				14,978,635.46		
Total net assets - ending				<u>\$ 15,685,376.01</u>		

**COUNTY OF OAKLAND
CLEMIS FUND
FINANCIAL REPORT AS OF SEPTEMBER 30, 2012**

Exhibit C-2

STATEMENT OF NET ASSETS

ASSETS

Current Assets:	
Cash - Operating	\$7,252,518.02
Accrued Interest on Investments	10,262.79
Accounts Receivable	105,193.66
Due from other governments	809,481.60
Due from other funds	356,913.35
Prepaid Expenses	532,137.31
Total Current Assets	9,066,506.73
Noncurrent Assets:	
Property and Equipment at Cost:	
Equipment	9,037,772.67
Equipment - 911	2,554,100.14
Equipment - COPS MORE	23,923,858.13
Equipment - Oak VIDEO	6,478,421.38
Capital Projects in Progress	146,343.25
Accumulated Depreciation	(34,726,456.38)
Property and Equipment - Net	7,414,039.19
TOTAL ASSETS	\$16,480,545.92

LIABILITIES

Current Liabilities:	
Vouchers Payable	183,191.61
Due to municipalities	335,745.00
Accounts Payable	141,473.96
Deferred Income	134,759.34
Total Current Liabilities	795,169.91

NET ASSETS

Invested in Capital Assets	7,414,039.19
Unrestricted-designated for projects	287,616.68
Unrestricted	7,983,720.14
Total Net Assets	\$15,685,376.01

STATEMENT OF OPERATIONS

	<u>Total Operations</u>	<u>CLEMIS Operations</u>	<u>OakVideo Operations</u>
Operating Revenues:			
Access fees-Police Depts/Other in Oakland	278,620.00	\$278,620.00	\$0.00
Access fees-Non-Oakland County Users	649,756.00	649,756.00	0.00
In Car Terminals-All Other	1,565,613.25	1,565,613.25	0.00
In Car Terminals-OC Sheriff	218,195.75	218,195.75	0.00
Maintenance Contracts	583,604.10	583,604.10	0.00
Service Fees	989,903.74	989,903.74	0.00
Sheriff Contracted Services	331,223.00	331,223.00	0.00
CLEMIS Citation	161,189.20	161,189.20	0.00
CLEMIS Crash	476,669.00	476,669.00	0.00
Miscellaneous	12.41	12.41	0.00
Parts and Accessories	5,065.04	5,065.04	0.00
Productive Labor	65.00	65.00	0.00
Rebilled Charges	114,552.21	114,552.21	0.00
Reimb General	341,782.50	341,782.50	0.00
Refund Prior Years Expenditure	6,106.23	6,106.23	0.00
Seminars/Conferences	403.00	403.00	0.00
Sale of Equipment	1,049.51	1,049.51	0.00
Income from Investments	35,059.46	34,725.27	334.19
Capital Contributions	786,768.19	786,768.19	0.00
Gain (Loss) on Sale of Equipment	(3,077.66)	(3,077.66)	0.00
Operating Transfers In	2,334,186.00	1,934,186.00	400,000.00
TOTAL REVENUES	8,876,745.93	8,476,411.74	400,334.19
Seminars/Conferences			
Operating Expenses:			
Salaries	1,252,360.34	1,116,364.48	135,995.86
Fringe Benefits	803,961.82	707,319.10	96,642.72
Adjust Prior Years Expense	20,897.48	20,897.48	0.00
Bank Charges	85,477.78	85,477.78	0.00
Communications	920,832.82	920,832.82	0.00
Equipment Repairs & Maintenance	316,746.93	316,746.93	0.00
Freight & Express	296.75	263.03	33.72
Indirect Costs	293,485.00	293,485.00	0.00
Membership Dues & Publications	277.00	277.00	0.00
Personal Mileage	2,238.89	74.38	2,164.51
Printing	54.50	54.50	0.00
Professional Services	329,156.58	329,156.58	0.00
Rebillable Services	114,370.02	114,370.02	0.00
Software Rental Lease Purchase	153,644.45	153,644.45	0.00
Software Support/Maintenance	603,293.73	603,293.73	0.00
Travel and Conference	3,015.98	3,015.98	0.00
Workshops and Meeting	1,004.12	989.44	14.68
Dry Goods and Clothing	631.74	631.74	0.00
Other Expendable Equipment	57,353.59	56,753.61	599.98
Metered Postage	91.76	91.76	0.00
Office Supplies	409.26	409.26	0.00
Parts & Accessories	7,156.82	6,843.62	313.20
Printing Supplies	225.96	225.96	0.00
Depreciation	2,705,070.02	2,365,654.13	339,415.89
Bldg. Space Cost Allocation	157,294.04	157,294.04	0.00
Info. Tech. - Development	102,397.60	102,397.60	0.00
Info. Tech. - Operations	202,178.94	202,178.94	0.00
Motor Pool	13,292.30	13,292.30	0.00
Motor Pool Fuel Charges	2,070.89	2,070.89	0.00
Radio Communications	300.00	300.00	0.00
Telephone Communications	20,418.27	20,418.27	0.00
TOTAL EXPENSES	8,170,005.38	7,594,824.82	575,180.56
NET INCOME (LOSS)	706,740.55	881,586.92	(174,846.37)
NET ASSETS, OCTOBER 1, 2011	14,978,635.46	14,654,268.38	324,367.08
NET ASSETS, SEPTEMBER 30, 2012	\$15,685,376.01	\$15,535,855.30	\$149,520.71

CLEMIS - FUND 53500 Operating Transfers In - Fiscal Year 2012
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Description	Amount
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2012 operating support	\$ 361,046.50
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 1st quarter FY 2012 administrative support	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2012 OakVideo operating support	100,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2012 operating support	361,046.50
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 2nd quarter FY 2012 administrative support	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2012 OakVideo operating support	100,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2012 operating support	361,046.50
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 3rd quarter FY 2012 administrative support	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2012 OakVideo operating support	100,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 4th quarter FY 2012 operating support	361,046.50
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 4th quarter FY 2012 administrative support	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 4th quarter FY 2012 OakVideo operating support	100,000.00
Transfer from Jail Management Sysem project to CLEMIS fund to close project and provide for future enhancements as approved by Building Authority.	290,000.00
Total	\$ 2,334,186.00

CLEMIS FUND 53500
Fiscal Year 2012 – 4th Quarter
Brief Explanation of “Actuals”

Following are some comments regarding CLEMIS Fund’s 4th quarter FY 2012 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.
- Due from other governments and Accounts receivable include July-September, 2012 CLEMIS fees and CLEMIS Crash for September, 2012.
- Due from other funds includes amounts due for September, 2012 Citation convenience fees, E911 expenses and the amount due from the Jail Management System project upon closing of the project.
- 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.
- Prepaid items are amounts paid in advance for contracted hardware and software support.
- Capital projects in progress reflects the recognition of project management services related to the NETRMS upgrade which was not operational at September 30, 2012.
- Vouchers payable and Accounts payable include FY 2012 expenses accrued at September 30th.
- Due to municipalities is the amount of revenue sharing for Citation and Crash through September 30, 2012 that will be allocated to participating CLEMIS agencies.
- Deferred income includes amounts billed in advance for LiveScan Maintenance and Mugshot Investigative Software Maintenance for the period October–December, 2012.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Revenues:

- In-car terminals – all other revenue is unfavorable due to an actual MDC count which is lower than the projected count used for budgeting.
- Service fees revenue includes the amounts charged to Radio Fund for MDC/CAD/911 support costs for Oakland County agencies.
- CLEMIS Crash revenue is unfavorable due to a lower volume of purchased reports by insurance companies than estimated for budget projections.
- Access fees non-Oakland revenue is favorable due to an actual FTE count which is higher for U.S. Homeland Security ICE and CBP than the projected count used for budgeting.
- Sheriff contracted services revenue is based on the actual FTE count for the OCSD and other OC Non-Emergency Departments that utilize CLEMIS services.
- Maintenance contracts revenue for both Mugshot and Livescan is favorable due to an increased amount of agency owned equipment out of warranty that was not included in the budget projection.
- Access fees revenue for Police Departments and other agencies in Oakland County is favorable due to an actual FTE count which is higher than budget projection.
- Reimbursement general is favorable because actual billings are higher than budgeted for CLEMIS billable staff supporting Sheriff projects such as the Jail Management system through September 30, 2012. Management will discuss costs for CLEMIS technical staff considered ‘non-billable’ for work on Sheriff’s Department projects.
- In-car terminals - OC Sheriff is favorable due to an actual MDC count higher than projected.
- Rebilled charges includes amounts billed to Tier 2.5 and 3.0 agencies for connectivity costs. This amount is offset by Rebillable services expense.

CLEMIS FUND 53500
Fiscal Year 2012 – 4th Quarter
Brief Explanation of “Actuals”

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

Revenues (Cont'd):

- CLEMIS Citation revenue is favorable due to increased usage by Oakland and non-Oakland agencies.
- Parts and accessories is favorable due to increased volume of out of warranty equipment repairs performed by CLEMIS technical support staff.
- Refund of prior years expenditure is the amount refunded by AT&T for connectivity costs that were overcharged from FY 2008 through FY 2011.

Expenses:

- Salaries and Fringe benefits are favorable due to vacancies and underfilled positions.
- Adjustment of prior years expense includes an adjustment for the cost of Marge Bozarth's time working on Jail Management in FY 2011 that was charged to the COPS Tech 2009 Grant in error and should have been charged to CLEMIS Fund.
- Bank charges are unfavorable due to increased costs for PayPal services as part of E-Commerce which allows CLEMIS Citation transactions to be processed on-line.
- Communications expense is favorable due to actual connectivity costs that are lower than anticipated.
- Equipment maintenance expense is favorable primarily due to actual maintenance costs for LiveScan equipment coming off warranty which are lower than the budget projection.
- Indirect Costs expense is unfavorable due to an increased actual rate which is higher than anticipated at the time of the budget process.
- Printing is favorable due to decreased printing costs for CLEMIS training documents which are offered on-line through the secure CLEMIS website.
- Professional services is favorable because contracted services for the development of CLEMIS enhancements 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 Rebilled charges revenue.
- Software rental lease purchase is unfavorable due to unanticipated purchase of software upgrades.
- Software support and maintenance is favorable due to the timing of anticipated maintenance costs.
- Travel and conference is favorable due to cost-cutting efforts and reduction in staff attendance at out of state training and conferences.
- Expendable equipment is unfavorable due to purchases of computer equipment under the \$5,000 capital threshold for staff needs and miscellaneous equipment for servicing member agencies.
- Parts and accessories expense is unfavorable due to increased volume of repairs for out of warranty equipment, offset by increased revenue.
- Depreciation expense is unfavorable primarily due to IBIS equipment that became operational subsequent to the budget projection.
- Building space cost, Info Tech development and operations, Motor pool, Radio communications and Telephone communications Internal Service Charges are based on actual usage.

Non-Operating Revenues and Expenses:

- Budgeted equity adjustment represents the amount that is an offset to total revenue to balance CLEMIS Fund's FY 2012 budget per Fiscal Services management.
- Income from investments is favorable due to higher cash balance than projected.

CLEMIS FUND 53500
Fiscal Year 2012 – 4th Quarter
Brief Explanation of “Actuals”

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

Non-Operating Revenues and Expenses (Cont'd):

- Capital contributions is favorable due to timing of utilizing COPS Tech Grant contributions for AFIS/IBIS project and UASI grant contributions for the new records management system.
- Loss on sale of equipment includes capitalized IBIS equipment purchased by COPS 2005 Grant funding that was not fully depreciated at the time of sale.
- Transfers in includes \$200,000 from the Radio Fund for CLEMIS Administrative support of the new radio system; \$1,444,186 from the General Fund for FY 2012 operational support; \$400,000 from the General Fund for OakVideo operational support and \$290,000 for future enhancements of the Jail Management System project upon closing of the project.