

CLEMIS Financial Statements – FY2013 4th Quarter
(Year Ended September 30, 2013)

DATE: December 23, 2013

This letter of transmittal covers the following fund financial statements as of and for the year ended September 30, 2013 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, 2013 for the Radio Communications Fund. Attached are the following financial statements as described:

- 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 In and Out (Exhibit A-2) - the operating transfer in and 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 and the Fund's cost reimbursements for services acquired from other fund operations.
- Brief Explanations (Exhibit A-4) – 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 County was notified that the current radio mobile and portable radio equipment will not be supported after December 31, 2017 – the end of life time of the equipment. As such, the County must begin the process of setting funds aside for the eventual replacement of this equipment in FY-2017 or shortly thereafter. At roughly \$4,000 per radio unit with 5,000-plus units in the field, the cost of this replacement would be substantial (perhaps in the \$18 million to \$22 million range). By December 31, 2017, the equipment will be fully depreciated with the respective funding (e.g. cash) contained in the Radio Communication Fund equity designated for the purpose of replacing this equipment.

As has been seen in this industry, the advance noticing of the end of equipment life is often provided well in advance of the projected obsolescence date (meaning

the equipment is still functional even into 2018 and beyond). Far too many local units of government fail to set aside funds to address the replacement requirements with the hopes (more often than not) that grants will then become available. The typical result in response to this lack of funding by governments is the delay by radio companies in the actual end of life date. It is conceivable that a similar situation would occur relating to the County's equipment as well, but the County cannot risk not being ready to replace the equipment based on an uncertain future event to delay end of life by the radio vendor.

Notwithstanding the potential delay, the end of life date of December 31, 2017 is being used by the County as the date that the underlying funding must be present in the Radio Communications Fund that would enable the Fund to replace the field equipment at that time. The equity, as noted previously, has been designated for use for this future purpose.

- In March 2013, the Radio staff assumed the responsibility for maintenance and repair of existing PSAP consoles. Previously, the function was supported by an outside vendor. The estimated annual savings of bringing this service in-house is approximately \$300,000 per year.
- The County continues to explore improvements in radio coverage and is involved in the construction of several sites in the County.
- Other projects and accomplishments were completed in the past quarter involving improvements in dispatch interfaces, improvements in Troy's dispatch (bi-directional amplifier system), tower preventative maintenance, etc.

Comments concerning the financial information follow:

- The Fund has approximately \$18.2 million in cash, investments, and receivables, net of liabilities and excluding prepaid expenses / inventories at September 30, 2013 (\$18.0 million at June 30, 2013).
- The ending equity has been classified as 'unrestricted' in Exhibit A. However, the components of the unrestricted designated equity in the amount of \$18,900,147 at September 30, 2013 follow:
 - Funding of depreciation: \$15,408,591 in accumulated depreciation (equal to the accumulated depreciation on the radio system taken to date).
 - The original estimate of the PSAP (CAD) software implementation was \$3,500,000. Since that time the County has incurred costs and the designation has therefore been reduced to \$2,661,556 at September 30, 2013.
 - Console replacement - \$830,000. The County is still gathering most specific information on the cost of replacing the consoles. Consolidation

of PSAPs would mitigate this cost and ultimately provide parts to delay actual replacement schedule.

Likely, the replacement will occur late in FY-2014 and could approach \$4.0 million to \$6.0 million should consolidations not occur. The Radio Shop has received a proposal from the County's radio vendor for the creation of a 'test bed' in the amount of \$600,000. The test bed would be used to test the prospective changes to the console equipment and software to avoid miscues upon the launch of the new console equipment and versioning in the future. This phase would be required to be completed before the County could consider a change in the consoles at the dispatch centers.

Total designated as presented of \$18,900,147 (sum of the above bullets).
Undesignated as reflected on Exhibit A is \$27,715.

Total equity unrestricted = \$18,927,862.

- As referenced in Exhibit A, professional services and software purchases were incurred and charged to operations during the interim fiscal year, providing an unfavorable variance in both expenditure line items for the computer-aided dispatch project. At year end, the County will review the amounts incurred and charged to operations for the CAD project. In the closing of the accounting records at year end, an adjustment will be made to remove the respective professional service costs from operations and capitalize them onto the balance sheet, thus eliminating the unfavorable variance from operations. The County is targeting the launch of a pilot site for the CAD re-write late in calendar 2013.

In April 2013, the Board of Commissioners passed the extension of the existing level of telephone operating charges (e.g. operating surcharge) at \$.20 per device as defined.

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 brought the tentative plan to the Radio Oversight Committee in mid-September 2012; such Committee approved the tentative plan. The Board of Commissioners approved the plan in January 2013 and the plan has been submitted to the local units of government later on this calendar year. The new 9-1-1 radio communications plan is now completed and in effect.

The County 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. The requirements outlined in the letter was determined to be impossible to complete and the County, along with other local units, has been working with the Michigan State Police to address the proper requirements of an audit of the 9-1-1 operations relying on telephone charges (e.g. operating surcharges) in the future. The State has yet to complete the revised audit instructions and no Fund audit is expected in the near future.

The facility expansion is underway and the project is expected to be complete in 2014.

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, 2013:

- 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 of roughly \$439,400 and equal to the unrestricted equity amount (as there are no outstanding liabilities). The liquid asset balance is relatively unchanged during the quarter.
- 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 \$416,822 for FY-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, 2013:

- 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.

At present and in the past quarterly reports, the originally-acquired equipment relating to the OakVideo system has been included in the CLEMIS Operations along with the depreciation (a non-cash item). As of September 30, 2013, the equipment, accumulated depreciation and future depreciation expense for the OakVideo operations will be moved to the OakVideo Operations column.

Early in FY-2013, the County issued debt for a number of capital projects, \$2 million of which related to the replacement of OakVideo equipment and the initiation of the re-write of the underlying software. During FY-2013, CLEMIS incurred \$572,800 in costs related to this program (referenced as ‘capital contributions’).

- 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 (\$50,000 per quarter) to cover administration of the radio communications system. There is the \$100,000 per quarter transfer in from the County’s General Fund for OakVideo operations as has been the case in prior years (see above comments). During FY-2013 there was a Board of Commissioners resolution provided funding for the CLEMIS operations’ assistance with a Forensic Lab project of \$25,455 and another \$45,000 relating to a crime-mapping project.
- 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 \$9,090,000 as of September 30, 2013 (\$9,417,000 at June 30, 2013 and \$8,772,000 as of March 31, 2013). 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 computer-aided dispatch system development is underway; such funding will be covered through the Radio Communications Fund and is estimated at \$3.5 million (\$838,444 has been expended of the \$3.5 million through September 30, 2013).
- The equity amounts to \$18.1 million as of September 30, 2013 (\$16.6 million as of June 30, 2013) and is composed of the equipment acquired through the COPS MORE grant (\$8.1 million) and other investments in the records management and related systems. The September 30, 2013 equity also includes \$500,000 applicable to operating transfers from the County's General Fund for various projects in progress, unchanged from the past quarter. The remaining unrestricted amount is \$9,489,200 at September 30, 2013 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 \$44.3 million, with \$36.2 million fully depreciated – or roughly, 81.70% fully depreciated (generally meaning that this equipment is nearing end of life and will require replacement sometime in the future).

Several years ago, 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. This policy should mitigate the need to acquire equipment directly from the CLEMIS Operating Fund.

EXHIBIT A

**County of Oakland
Radio Communications Fund
Statement of Net Assets
September 30, 2013**

ASSETS

Current assets:

Cash and cash equivalents	\$ 16,624,736.18
Accrued interest on investment	92,375.28
Due from other governments	99,032.16
Accounts receivable	1,738,816.81
Inventories	551,301.30
Prepaid items	192,276.34
Total current assets	<u>19,298,538.07</u>

Noncurrent assets:

Capital Projects in Progress	60,879.29
Tower rights	8,585,770.20
Equipment	26,332,226.36
Structures	12,833,781.50
Less accumulated depreciation	<u>(15,408,591.19)</u>
Total capital assets (net of accumulated depreciation)	<u>32,404,066.16</u>
Total assets	<u>51,702,604.23</u>

LIABILITIES

Current liabilities:

Vouchers payable	50,020.15
Accounts payable	131,837.74
Due to other funds	43,743.82
Due to municipalities	145,074.70
Total current liabilities	<u>370,676.41</u>
Total liabilities	<u>370,676.41</u>

NET ASSETS

Invested in capital assets, net of related debt	32,404,066.16
Unrestricted-designated for projects	18,900,146.88
Unrestricted	27,714.78
Total net assets	<u>\$ 51,331,927.82</u>

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended September 30, 2013

	2013			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Operating revenues:						
E-911 surcharge - Radio system	\$ 5,968,139.00	90.23%	\$ 5,968,139.00	\$ 5,315,072.44	84.17%	\$ (653,066.56)
Leased equipment	230,000.00	3.48%	230,000.00	231,599.46	3.67%	1,599.46
Antenna site management	210,000.00	3.18%	210,000.00	336,601.68	5.33%	126,601.68
Outside agencies	125,000.00	1.89%	125,000.00	67,603.90	1.07%	(57,396.10)
Parts and accessories	75,000.00	1.13%	75,000.00	298,859.41	4.73%	223,859.41
Productive labor	6,000.00	0.09%	6,000.00	10,143.60	0.16%	4,143.60
Miscellaneous	-	0.00%	-	98.08	0.00%	98.08
Prior years adjustments	-	0.00%	-	54,525.92	0.86%	54,525.92
Sale of equipment	-	0.00%	-	174.96	0.00%	174.96
Total operating revenue:	6,614,139.00	100.00%	6,614,139.00	6,314,679.45	100.00%	(299,459.55)
Operating expenses:						
Salaries	626,833.00	9.48%	626,833.00	496,920.21	7.87%	129,912.79
Fringe benefits	403,359.00	6.10%	403,359.00	328,653.41	5.20%	74,705.59
Contractual services:						
Adjustment prior years revenue	-	0.00%	-	73,137.00	1.16%	(73,137.00)
Auction expense	-	0.00%	-	7.15	0.00%	(7.15)
Communications	200,000.00	3.02%	200,000.00	211,218.29	3.34%	(11,218.29)
Contracted services	-	0.00%	-	600.00	0.01%	(600.00)
Electrical service	95,000.00	1.44%	95,000.00	75,868.21	1.20%	19,131.79
Equipment maintenance	250,000.00	3.78%	250,000.00	333,957.06	5.29%	(83,957.06)
Freight and express	8,500.00	0.13%	8,500.00	9,061.90	0.14%	(561.90)
Indirect costs	196,000.00	2.96%	196,000.00	168,092.00	2.66%	27,908.00
Laundry and cleaning	700.00	0.01%	700.00	379.08	0.01%	320.92
Maintenance contract	350,000.00	5.29%	350,000.00	153,374.63	2.43%	196,625.37
Memberships, dues	1,000.00	0.02%	1,000.00	530.00	0.01%	470.00
Periodicals, books, publications	-	0.00%	-	584.25	0.01%	(584.25)
Personal mileage	3,500.00	0.05%	3,500.00	2,684.67	0.04%	815.33
Printing	500.00	0.01%	500.00	497.00	0.01%	3.00
Professional services	120,000.00	1.81%	120,000.00	508,707.33	8.06%	(388,707.33)
Rebillable services	500.00	0.01%	500.00	-	0.00%	500.00
Software rental lease purchase	700.00	0.01%	700.00	146,072.79	2.31%	(145,372.79)
Software support maintenance	-	0.00%	-	211,104.79	3.34%	(211,104.79)
Special projects	40,000.00	0.60%	40,000.00	13,569.00	0.21%	26,431.00
Tower charges	350,000.00	5.29%	350,000.00	378,382.62	5.99%	(28,382.62)
Travel and conference	15,000.00	0.23%	15,000.00	-	0.00%	15,000.00
Workshops and meeting	100.00	0.00%	100.00	-	0.00%	100.00
Total contractual services	1,631,500.00	24.67%	1,631,500.00	2,287,827.77	36.23%	(656,327.77)
Commodities:						
Dry goods and clothing	1,900.00	0.03%	1,900.00	85.00	0.00%	1,815.00
Expendable equipment expense	50,000.00	0.76%	50,000.00	61,263.52	0.97%	(11,263.52)
Metered postage	126.00	0.00%	126.00	29.90	0.00%	96.10
Office supplies	5,000.00	0.08%	5,000.00	3,553.76	0.06%	1,446.24
Parts and accessories	200,000.00	3.02%	200,000.00	119,199.06	1.89%	80,800.94
Shop supplies	12,000.00	0.18%	12,000.00	15,799.13	0.25%	(3,799.13)
Small tools	7,000.00	0.11%	7,000.00	5,927.17	0.09%	1,072.83
Total commodities	276,026.00	4.17%	276,026.00	205,857.54	3.26%	70,168.46
Depreciation:						
Depreciation Equipment	5,732,000.00	86.66%	5,732,000.00	5,554,530.38	87.96%	177,469.62
Total depreciation	5,732,000.00	86.66%	5,732,000.00	5,554,530.38	87.96%	177,469.62

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended September 30, 2013

	2013			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Internal services:						
Building space allocation	25,420.00	0.38%	25,420.00	24,278.16	0.38%	1,141.84
Convenience copier	436.00	0.01%	436.00	156.65	0.00%	279.35
Info Tech CLEMIS	1,201,000.00	18.16%	1,201,000.00	328,255.86	5.20%	872,744.14
Info Tech - development	-	0.00%	-	19,732.50	0.31%	(19,732.50)
Info Tech - operations	230,857.00	3.49%	230,857.00	226,489.64	3.59%	4,367.36
Insurance fund	17,495.00	0.26%	17,495.00	13,182.88	0.21%	4,312.12
Maintenance department charges	35,000.00	0.53%	35,000.00	7,484.69	0.12%	27,515.31
Motor pool fuel charges	7,844.00	0.12%	7,844.00	6,462.07	0.10%	1,381.93
Motor pool	28,066.00	0.42%	28,066.00	20,546.00	0.33%	7,520.00
Telephone communications	29,056.00	0.44%	29,056.00	28,588.83	0.45%	467.17
Total internal services	1,575,174.00	23.82%	1,575,174.00	675,177.28	10.69%	899,996.72
Total operating expense	10,244,892.00	154.89%	10,244,892.00	9,548,966.59	151.22%	695,925.41
Operating income (loss)	(3,630,753.00)	-54.89%	(3,630,753.00)	(3,234,287.14)	-51.22%	396,465.86
Nonoperating revenues (expenses):						
Budgeted equity adjustment	4,569,098.00	69.08%	4,569,098.00	-	0.00%	(4,569,098.00)
Income (loss) from investments	180,000.00	2.72%	180,000.00	33,886.01	0.54%	(146,113.99)
Total nonoperating revenues (expenses)	4,749,098.00	71.80%	4,749,098.00	33,886.01	0.54%	(4,715,211.99)
Income (loss) before transfer	1,118,345.00	16.91%	1,118,345.00	(3,200,401.13)	-50.68%	(4,318,746.13)
Transfers in	28,800.00	0.44%	28,800.00	28,800.00	0.46%	-
Transfers out	(1,147,145.00)	-17.34%	(1,147,145.00)	(1,147,145.00)	-18.17%	-
Change in net assets	\$ -	0.00%	\$ -	(4,318,746.13)	-68.39%	\$ (4,318,746.13)
Total net assets - beginning				55,650,673.95		
Total net assets - ending				<u>\$51,331,927.82</u>		

RADIO COMMUNICATIONS - FUND 53600 Operating Transfers In - Fiscal Year 2013
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Description	Amount
Transfer from General fund, Sheriff's Dept. to Radio Communications fund per Res. 12-265 for Sheriff's contract with Commerce Township	\$ 3,300.00
Transfer from General fund, Sheriff's Dept. to Radio Communications fund per Res. 12-305 for Sheriff's contract with Highland Township	6,600.00
Transfer from General fund, Sheriff's Dept. to Radio Communications fund per Res. 12-334 for Sheriff's contract with Oxford Township	3,300.00
Transfer from General fund, Sheriff's Dept. forfeited funds to Radio Communications fund per Res. 13-027 for equipment and training	6,600.00
Transfer from General fund, Sheriff's Dept. to Radio Communications fund per Res. 13-070 for Sheriff's contract with Independence Township	4,500.00
Transfer from General fund, Sheriff's Dept. to Radio Communications fund per Res. 13-051 for Sheriff's contract with the City of Pontiac	4,500.00
Rescind Transfer from General fund, Sheriff's Dept. to Radio Communications fund per Res. 13-192 for an Amendment to Sheriff's contract with the City of Pontiac	(4,500.00)
Transfer from General fund, Sheriff's Dept. to Radio Communications fund per Res. 13-110 for an Amendment to Sheriff's contract with the City of Pontiac	4,500.00
Total	<u><u>\$28,800.00</u></u>

EXHIBIT A-2

RADIO COMMUNICATIONS - FUND 53600 Operating Transfers Out - Fiscal Year 2013

Description	Amount
Budgeted Operating Transfer from Radio fund to Info Tech fund for 1st quarter FY 2013 OakNet operation costs regarding the extension of the E911 surcharge approved on Res. 10-076	\$ 59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 1st quarter FY 2013 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 1st quarter FY 2013 Help Desk support	12,500.00
Transfer from Radio Communications fund to Project Work Orders fund per Res. 13-012 for Vehicle Operations and Radio Service Building Expansion Project 1_1768.	630,067.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 2nd quarter FY 2013 OakNet operation costs regarding the extension of the E911 surcharge approved on Res. 10-076	59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 2nd quarter FY 2013 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 2nd quarter FY 2013 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 3rd quarter FY 2013 OakNet operation costs regarding the extension of the E911 surcharge approved on Res. 10-076	59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 3rd quarter FY 2013 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 3rd quarter FY 2013 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 4th quarter FY 2013 OakNet operation costs regarding the extension of the E911 surcharge approved on Res. 10-076	59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 4th quarter FY 2013 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 4th quarter FY 2013 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio Communications fund to FM&O Work Orders fund for the Radio Shop expansion approved by Budget Task Force for FY 2013 Year End Report	31,078.00
Total	<u><u>\$1,147,145.00</u></u>

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2013 – 4th Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Radio Communications Fund's 4th quarter FY 2013 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 \$1,315,100 for accrued E-911 operational surcharge revenue which is paid to the County quarterly. The balance is rent due from antenna site co-locators 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 was classified as an Enterprise Fund with a capitalization threshold for Equipment of \$5,000. The 821 MHz radio system was fully operational on July 1, 2010 and all related asset expenditures for equipment and radio tower structures were originally capitalized with a ten-year life. The useful-lives for all portable and mobile radios were recently updated to end in 2017, when this equipment will no longer be supported.
- 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 upon 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 and prior year's over-payments by E911 surcharge filers.
- 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:

- The Board of Commissioners Resolution 12-086 reduced the E-911 surcharge rate from \$0.23 to \$0.20 for the period covering July 1, 2012 through June 30, 2013. The Board subsequently approved Resolution 13-077 which maintains the same rate for the period covering July 1, 2013 through June 30, 2014. This change accounts for the variance in the anticipated E911 reported revenue.
- Antenna site management is revenue from telecommunication companies that have placed equipment on county owned towers.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2013 – 4th Quarter
Brief Explanation of “Actuals”

- Outside agency revenue is unfavorable due to fewer than anticipated non-public safety users of the new system within Oakland County departments and outside agencies.
- Parts and accessories and Productive labor revenues are both favorable due to increasing orders for replacement of damaged equipment by participating agencies.
- Prior year’s adjustments are rents paid in FY 2012 which should have been classified as advance payments of FY 2013 rent.

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.
- Adjustment of prior year’s revenue is unfavorable due to corrections of prior year’s antenna site billings.
- Communications cost is unfavorable due to additional connectivity costs for several cell tower sites used for coverage enhancements of the Radio system.
- Electrical service is favorable due to decreased seasonal utility demand at tower sites.
- Equipment repairs and maintenance expense is unfavorable due to higher than anticipated maintenance costs of the radio system.
- Indirect cost expense is based on the County’s Indirect Cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, and 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 the CAD Upgrade project which was initiated after adoption of the budget.
- Software rental, lease purchase is unfavorable primarily due to the purchase of Arc-GIS software required for the CAD Upgrade project.
- Software support and maintenance is unfavorable due to reclassification of E911 related costs after adoption of the budget.
- Special projects expense is favorable due to timing of projects including tower painting.
- Tower charges are unfavorable due to the addition of several leased cell tower sites for coverage enhancement.
- Travel and conference expense is favorable due to timing of expenditures and cost-cutting.
- Dry goods and clothing is favorable due to cost-cutting measures.
- Expendable equipment is unfavorable primarily due to the purchase of equipment required for the CAD Upgrade project.
- Parts and accessories expense is favorable due to lower than anticipated parts cost.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2013 – 4th Quarter
Brief Explanation of “Actuals”

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

Expenses (Cont'd):

- Shop supplies expense is unfavorable due to purchases for maintenance of the Radio system.
- Small tool expense is favorable due to decreased usage.
- Depreciation is favorable due to timing of additional capitalized costs for coverage enhancements at cell tower sites.
- Internal Service expense is favorable overall based on reduced actual usage during FY 2013.
- 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 2013 budget per Fiscal Services management.
- Income from investment revenue is unfavorable due to a decrease in market value of the County's pooled investments. All of Radio Fund's available cash, including cash received for the E-911 operational surcharge, is invested in the pool managed by the Treasurer.
- Transfers in includes amounts received from the General Fund to offset the cost of Radio equipment in support of five Sheriff's Department contracts, and two additional radios for new Sheriff vehicles.
- Transfers out includes \$486,000 budgeted for administrative and operating support provided by the CLEMIS and Information Technology Funds. Radio Communications Fund transferred \$31,078 to the FM&O Work Orders Fund and \$630,067 the Project Work Order Fund for the expansion of the vehicle operations and radio service building.

EXHIBIT B

**County of Oakland
Fire Records Management Fund
Statement of Net Assets
September 30, 2013**

ASSETS

Current assets:

Cash and cash equivalents	\$ 372,020.27
Due from other governments	44,656.50
Accrued interest on investment	911.59
Accounts receivable	2,780.25
Prepaid expense	19,017.82
Total current assets	<u>439,386.43</u>

Noncurrent assets:

Equipment	125,141.91
Computer software	409,195.95
Less accumulated depreciation	<u>(528,787.11)</u>
Total capital assets (net of accumulated depreciation)	<u>5,550.75</u>
Total assets	<u>444,937.18</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	5,550.75
Unrestricted	<u>439,386.43</u>
Total net assets	<u><u>\$ 444,937.18</u></u>

County of Oakland
Fire Records Management Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2013

	2013			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Operating revenues:						
Outside agencies	\$ 142,000.00	65.70%	\$ 142,000.00	\$ 137,715.00	78.62%	\$ (4,285.00)
Participation fees - non-Oakland agencies	39,160.00	18.11%	39,160.00	17,450.50	9.97%	(21,709.50)
Outside agencies-rebilled charges	35,000.00	16.19%	35,000.00	19,933.50	11.38%	(15,066.50)
Gain of Sale of Equipment	0.00	0.00%	0.00	65.23	0.04%	65.23
Total operating revenues	216,160.00	100.00%	216,160.00	175,164.23	100.01%	(40,995.77)
Operating expenses:						
Salaries	237,082.00	109.68%	237,082.00	231,812.47	132.34%	5,269.53
Fringe benefits	175,979.00	81.42%	175,979.00	168,163.89	96.00%	7,815.11
Contractual services:						
Communications	29,000.00	13.42%	29,000.00	10,130.12	5.78%	18,869.88
Equipment repairs and maintenance	1,000.00	0.47%	1,000.00	0.00	0.00%	1,000.00
Indirect costs	50,000.00	23.14%	50,000.00	65,141.00	37.19%	(15,141.00)
Personal mileage	1,000.00	0.47%	1,000.00	0.00	0.00%	1,000.00
Software rental lease purchase	14,000.00	6.48%	14,000.00	639.36	0.37%	13,360.64
Software support/maintenance	79,899.00	36.97%	79,899.00	76,443.00	43.64%	3,456.00
Travel and conference	4,000.00	1.86%	4,000.00	0.00	0.00%	4,000.00
Workshops and meeting	-	0.00%	-	4.99	0.00%	(4.99)
Total contractual services	178,899.00	82.81%	178,899.00	152,358.47	86.98%	26,540.53
Commodities:						
Expendable equipment	7,000.00	3.24%	7,000.00	0.00	0.00%	7,000.00
Depreciation:						
Equipment	0.00	0.00%	0.00	3,700.50	2.11%	(3,700.50)
Total depreciation	0.00	0.00%	0.00	3,700.50	2.11%	(3,700.50)
Internal services:						
Info Tech-CLEMIS	400.00	0.19%	400.00	0.00	0.00%	400.00
Info Tech-development	0.00	0.00%	0.00	7,308.33	4.17%	(7,308.33)
Info Tech-operations	53,670.00	24.83%	53,670.00	52,760.00	30.12%	910.00
Insurance fund	207.00	0.10%	207.00	206.88	0.12%	0.12
Telephone communications	589.00	0.27%	589.00	565.23	0.32%	23.77
Total internal services	54,866.00	25.39%	54,866.00	60,840.44	34.73%	(5,974.44)
Total operating expenses	653,826.00	3.03	653,826.00	616,875.77	3.52	36,950.23
Operating income (loss)	(437,666.00)	-202.54%	(437,666.00)	(441,711.54)	-252.15%	(4,045.54)
Nonoperating revenues (expenses):						
Planned use of balance	9,637.00	4.45%	9,637.00	0.00	0.00%	(9,637.00)
Income from investments	3,000.00	1.38%	2,000.00	2,571.85	1.47%	571.85
Total nonoperating revenues (expenses)	12,637.00	5.83%	11,637.00	2,571.85	1.47%	(9,065.15)
Income (loss) before transfers	(425,029.00)	-196.71%	(426,029.00)	(439,139.69)	-250.68%	(13,110.69)
Transfers in	430,185.00	199.01%	430,185.00	416,821.50	237.96%	(13,363.50)
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net assets	\$ 5,156.00	2.30%	\$ 4,156.00	(22,318.19)	-12.72%	\$ (26,474.19)
Total net assets - beginning				467,255.37		
Total net assets - ending				\$ 444,937.18		

FIRE RECORDS MANAGEMENT - FUND 53100 Operating Transfers In - Fiscal Year 2013

Description	Amount
Budgeted Operating Transfer from General fund to Fire Records Management fund for 1st quarter FY 2013 operating support	\$ 112,399.83
Budgeted Operating Transfer from General fund to Fire Records Management fund for 2nd quarter FY 2013 operating support	94,172.67
Budgeted Operating Transfer from General fund to Fire Records Management fund for 3rd quarter FY 2013 operating support	103,286.25
Budgeted Operating Transfer from General fund to Fire Records Management fund for 4th quarter FY 2013 operating support	106,962.75
Total	<u>\$ 416,821.50</u>

FIRE RECORDS MANAGEMENT FUND 53100

Fiscal Year 2013 – 4th Quarter

Brief Explanation of “Actuals”

Following are some comments regarding Fire Records Management Fund's 4th quarter FY 2013 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 were current at September 30, 2013.
- 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 2013.
- 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 2013.
- 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 2013 budget per Fiscal Services management.
- Income from investments is unfavorable 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 2013 – 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 rental/lease purchase is favorable due to a decrease in the number of new software modules required.
- Software support is favorable due to a decrease in the maintenance contract rate.
- Travel and conference expense is favorable due to cost-cutting efforts.
- Workshops and meeting expense is unfavorable due to the timing of petty cash made by tech support subsequent to the budget projection.
- 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.

EXHIBIT C

**County of Oakland
CLEMIS Fund
Statement of Net Assets
September 30, 2013**

ASSETS

Current assets:

Cash and cash equivalents	\$ 8,908,206.09
Due from other governments	791,042.33
Due from other funds	3,665.82
Accounts receivable	112,444.25
Accrued interest on investment	7,167.55
Prepaid items	898,223.49
Total current assets	<u>10,720,749.53</u>

Noncurrent assets:

Equipment	9,029,932.70
Equipment - 911	2,548,271.14
Equipment - COPS MORE	24,851,840.28
Equipment - OAKVIDEO	7,051,187.77
Capital projects in progress	835,100.31
Less accumulated depreciation	<u>(36,245,100.83)</u>
Total capital assets (net of accumulated depreciation)	<u>8,071,231.37</u>
Total assets	<u>18,791,980.90</u>

LIABILITIES

Current liabilities:

Vouchers payable	2,312.96
Due to municipalities	437,585.00
Due to other funds	27,819.66
Accounts payable	129,472.09
Deferred income	134,759.34
Total current liabilities	<u>731,949.05</u>

NET ASSETS

Invested in capital assets, net of related debt	8,071,231.37
Unrestricted - designated for projects	499,608.63
Unrestricted	9,489,191.85
Total net assets	<u>\$ 18,060,031.85</u>

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended September 30, 2013

	2013			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Operating revenues:						
In-car terminals - all other	\$ 1,541,054.00	26.39%	\$ 1,541,054.00	\$ 1,557,798.00	31.62%	\$ 16,744.00
Service fees	1,201,000.00	20.56%	1,201,000.00	289,028.36	5.87%	(911,971.64)
Access fees - non-Oakland users	619,025.00	10.60%	619,025.00	644,551.41	13.08%	25,526.41
CLEMIS Crash	500,000.00	8.56%	500,000.00	383,875.50	7.79%	(116,124.50)
Sheriff contracted services	352,972.00	6.04%	352,972.00	348,813.50	7.08%	(4,158.50)
Reimbursement general	350,000.00	5.99%	350,000.00	353,245.75	7.17%	3,245.75
Maintenance contracts - Mugshot Capture Station	300,000.00	5.14%	300,000.00	307,500.00	6.24%	7,500.00
Access fees - police depts./other in Oakland County	272,199.00	4.66%	272,199.00	283,410.50	5.75%	11,211.50
Maintenance contracts - LiveScan	260,000.00	4.45%	260,000.00	273,889.67	5.56%	13,889.67
In-car terminals - OC Sheriff	215,534.00	3.69%	215,534.00	220,159.00	4.47%	4,625.00
Rebilled charges	125,000.00	2.14%	125,000.00	126,388.03	2.57%	1,388.03
CLEMIS Citation	100,000.00	1.71%	100,000.00	129,359.61	2.63%	29,359.61
Parts and accessories	3,500.00	0.06%	3,500.00	3,867.56	0.08%	367.56
Productive labor	200.00	0.00%	200.00	0.00	0.00%	(200.00)
CLEMIS Parking	0.00	0.00%	0.00	1,218.38	0.02%	1,218.38
Crime Mapping	0.00	0.00%	0.00	3,691.46	0.07%	3,691.46
Miscellaneous	0.00	0.00%	0.00	165.00	0.00%	165.00
Sale of equipment	0.00	0.00%	0.00	234.11	0.00%	234.11
Total operating revenue:	5,840,484.00	100.00%	5,840,484.00	4,927,195.84	100.00%	(913,288.16)
Operating expenses:						
Salaries	1,626,624.00	27.85%	1,626,624.00	1,222,484.21	24.81%	404,139.79
Fringe benefits	1,102,502.00	18.88%	1,102,502.00	784,696.70	15.93%	317,805.30
Contractual services:						
Auction expense	0.00	0.00%	0.00	5.86	0.00%	(5.86)
Bank charges	8,000.00	0.14%	8,000.00	102,694.52	2.08%	(94,694.52)
Communications	1,000,000.00	17.12%	1,000,000.00	788,732.51	16.01%	211,267.49
Equipment repairs and maintenance	380,000.00	6.51%	380,000.00	264,138.76	5.36%	115,861.24
Freight and express	250.00	0.00%	250.00	316.40	0.01%	(66.40)
Indirect costs	240,000.00	4.11%	240,000.00	254,405.00	5.16%	(14,405.00)
Membership dues	750.00	0.01%	750.00	634.00	0.01%	116.00
Personal mileage	2,500.00	0.04%	2,500.00	2,213.87	0.04%	286.13
Printing	3,000.00	0.05%	3,000.00	217.60	0.00%	2,782.40
Professional services	570,455.00	9.77%	570,455.00	376,727.83	7.65%	193,727.17
Rebillable services	130,000.00	2.23%	130,000.00	87,278.96	1.77%	42,721.04
Software rental lease purchase	0.00	0.00%	0.00	213,596.52	4.34%	(213,596.52)
Software support/maintenance	650,000.00	11.13%	650,000.00	753,748.67	15.30%	(103,748.67)
Travel and conference	6,000.00	0.10%	6,000.00	2,284.09	0.05%	3,715.91
Workshops and meeting	1,250.00	0.02%	1,250.00	104.83	0.00%	1,145.17
Total contractual services	2,992,205.00	51.23%	2,992,205.00	2,847,099.42	57.78%	145,105.58
Commodities:						
Dry goods and clothing	1,200.00	0.02%	1,200.00	487.08	0.01%	712.92
Expendable equipment	20,000.00	0.34%	20,000.00	15,180.93	0.31%	4,819.07
Metered postage	287.00	0.00%	287.00	717.32	0.01%	(430.32)
Office supplies	1,000.00	0.02%	1,000.00	541.88	0.01%	458.12
Parts and accessories	5,000.00	0.09%	5,000.00	9,591.52	0.19%	(4,591.52)
Printing supplies	500.00	0.01%	500.00	2,181.03	0.04%	(1,681.03)
Total commodities	27,987.00	0.48%	27,987.00	28,699.76	0.58%	(712.76)
Depreciation	1,699,868.00	29.10%	1,699,868.00	1,532,313.45	31.10%	167,554.55
Internal services:						
Bldg space cost allocation	137,171.00	2.35%	137,171.00	131,011.04	2.66%	6,159.96
Info Tech development	417,934.00	7.16%	417,934.00	131,656.58	2.67%	286,277.42
Info Tech operations	201,436.00	3.45%	201,436.00	202,933.52	4.12%	(1,497.52)
Motor pool	10,746.00	0.18%	10,746.00	16,584.82	0.34%	(5,838.82)
Motor pool fuel charges	2,274.00	0.04%	2,274.00	1,670.93	0.03%	603.07
Radio communications	600.00	0.01%	600.00	0.00	0.00%	600.00
Telephone communications	22,050.00	0.38%	22,050.00	19,685.89	0.40%	2,364.11
Total internal services	792,211.00	13.56%	792,211.00	503,542.78	10.22%	288,668.22
Total operating expense	8,241,397.00	141.11%	8,241,397.00	6,918,836.32	140.42%	1,322,560.68

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended September 30, 2013

	2013			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Operating income (loss)	(2,400,913.00)	-41.11%	(2,400,913.00)	(1,991,640.48)	-40.42%	409,272.52
Nonoperating revenues (expenses)						
Planned use of fund balance	251,272.00	4.30%	251,272.00	0.00	0.00%	(251,272.00)
Income from investments	35,000.00	0.60%	35,000.00	61,966.34	1.26%	26,966.34
Capital contributions	0.00	0.00%	0.00	2,189,505.63	44.44%	2,189,505.63
Gain on exchange of assets	0.00	0.00%	0.00	183.35	0.00%	183.35
Total non-operating revenues (expenses)	286,272.00	4.90%	286,272.00	2,251,655.32	45.70%	1,965,383.32
Income (loss) before transfer	(2,114,641.00)	-36.21%	(2,114,641.00)	260,014.84	5.28%	2,374,655.84
Transfers in	2,114,641.00	36.21%	2,114,641.00	2,114,641.00	42.92%	0.00
Change in net assets	\$0.00	0.00%	\$ 572,544.00	2,374,655.84	48.19%	\$ 2,374,655.84
Total net assets - beginning				15,685,376.01		
Total net assets - ending				<u>\$ 18,060,031.85</u>		

**COUNTY OF OAKLAND
CLEMIS FUND
FINANCIAL REPORT AS OF SEPTEMBER 30, 2013**

EXHIBIT C-2

<u>STATEMENT OF NET ASSETS</u>		<u>STATEMENT OF OPERATIONS</u>			
ASSETS			<u>Total Operations</u>	<u>CLEMIS Operations</u>	<u>OakVideo Operations</u>
Current Assets:		Operating Revenues:			
Cash - Operating	\$ 8,908,206.09	Access fees-Police Depts/Other in Oakland	\$ 644,551.41	\$ 644,551.41	\$0.00
Accrued Interest on Investments	7,167.55	Access fees-Non-Oakland County Users	283,410.50	283,410.50	0.00
Accounts Receivable	112,444.25	In Car Terminals-All Other	1,557,798.00	1,557,798.00	0.00
Due from other governments	791,042.33	In Car Terminals-OC Sheriff	220,159.00	220,159.00	0.00
Due from other funds	3,665.82	Maintenance Contracts - Mugshot Capture Station	307,500.00	307,500.00	0.00
Prepaid Expenses	898,223.49	Maintenance Contracts - LiveScan	273,889.67	273,889.67	0.00
Total Current Assets	<u>10,720,749.53</u>	Service Fees	289,028.36	289,028.36	0.00
Noncurrent Assets:		Sheriff Contracted Services	348,813.50	348,813.50	0.00
Property and Equipment at Cost:		CLEMIS Citation	129,359.61	129,359.61	0.00
Equipment	9,029,932.70	CLEMIS Crash	383,875.50	383,875.50	0.00
Equipment - 911	2,548,271.14	CLEMIS Parking	1,218.38	1,218.38	0.00
Equipment - COPS MORE	24,851,840.28	Parts and accessories	3,867.56	3,867.56	0.00
Equipment - Oak VIDEO	7,051,187.77	Miscellaneous	165.00	165.00	0.00
Capital Projects in Progress	835,100.31	Rebilled Charges	126,388.03	126,388.03	0.00
Accumulated Depreciation	<u>(36,245,100.83)</u>	Reimb General	353,245.75	353,245.75	0.00
Property and Equipment - Net	<u>8,071,231.37</u>	Crime Mapping	3,691.46	3,691.46	0.00
TOTAL ASSETS	<u>18,791,980.90</u>	Sale of Equipment	234.11	234.11	0.00
		Gain on Exchange of Assets	183.35	183.35	0.00
		Income from Investments	61,966.34	59,342.32	2,624.02
		Capital Contributions	2,189,505.63	1,616,739.21	572,766.42
		Operating Transfers In	2,114,641.00	1,714,641.00	400,000.00
		TOTAL REVENUES	<u>9,293,492.16</u>	<u>8,318,101.72</u>	<u>975,390.44</u>
LIABILITIES		Operating Expenses:			
Current Liabilities:		Salaries	1,222,484.21	1,082,716.32	139,767.89
Vouchers Payable	2,312.96	Fringe Benefits	784,696.70	685,234.02	99,462.68
Due to other funds	27,819.66	Auction Expense	5.86	5.86	0.00
Due to municipalities	437,585.00	Bank Charges	102,694.52	102,694.52	0.00
Accounts Payable	129,472.09	Communications	788,732.51	788,732.51	0.00
Deferred Income	134,759.34	Equipment Repairs & Maintenance	264,138.76	264,138.76	0.00
Total Current Liabilities	<u>731,949.05</u>	Freight & Express	316.40	316.40	0.00
		Indirect Costs	254,405.00	254,405.00	0.00
NET ASSETS		Membership Dues & Publications	634.00	634.00	0.00
Invested in Capital Assets	8,071,231.37	Personal Mileage	2,213.87	0.00	2,213.87
Unrestricted-designated for projects	499,608.63	Printing	217.60	217.60	0.00
Unrestricted	<u>9,489,191.85</u>	Professional Services	376,727.83	376,727.83	0.00
Total Net Assets	<u>\$ 18,060,031.85</u>	Rebillable Services	87,278.96	87,278.96	0.00
		Software Rental Lease Purchase	213,596.52	213,596.52	0.00
		Software Support/Maintenance	753,748.67	753,669.47	79.20
		Travel and Conference	2,284.09	2,284.09	0.00
		Workshops and Meeting	104.83	72.51	32.32
		Dry Goods and Clothing	487.08	487.08	0.00
		Expendable Equipment	15,180.93	12,504.06	2,676.87
		Metered Postage	717.32	717.32	0.00
		Office Supplies	541.88	541.88	0.00
		Parts & Accessories	9,591.52	9,591.52	0.00
		Depreciation	1,532,313.45	1,516,403.27	15,910.18
		Bldg. Space Cost Allocation	131,011.04	131,011.04	0.00
		Printing Supplies	2,181.03	2,181.03	0.00
		Info. Tech. - Development	131,656.58	131,656.58	0.00
		Info. Tech. - Operations	202,933.52	202,933.52	0.00
		Motor Pool	16,584.82	16,584.82	0.00
		Motor Pool Fuel Charges	1,670.93	1,670.93	0.00
		Telephone Communications	19,685.89	19,685.89	0.00
		TOTAL EXPENSES	<u>6,918,836.32</u>	<u>6,658,693.31</u>	<u>260,143.01</u>
		NET INCOME (LOSS)	<u>2,374,655.84</u>	<u>1,659,408.41</u>	<u>715,247.43</u>
		NET ASSETS, OCTOBER 1, 2012	<u>15,685,376.01</u>	<u>15,535,855.30</u>	<u>149,520.71</u>
		NET ASSETS, SEPTEMBER 30, 2013	<u>\$ 18,060,031.85</u>	<u>\$ 17,195,263.71</u>	<u>\$ 864,768.14</u>

<p align="center">CLEMIS - FUND 53500 Operating Transfers In - Fiscal Year 2013</p>
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Description	Amount
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2013 operating support	\$ 361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2013 OakVideo operating support	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 1st quarter FY 2013 administrative support	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2013 operating support	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2013 OakVideo operating support	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 2nd quarter FY 2013 administrative support	50,000.00
Transfer from General fund, Sheriff's Dept. Law Enforcement funds to CLEMIS fund per Res. 13-064 for Forensic Lab project enhancements.	25,455.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2013 operating support	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2013 OakVideo operating support	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 3rd quarter FY 2013 administrative support	50,000.00
Transfer from General fund, Sheriff's Dept. to CLEMIS fund for Crime Mapping project per Res. 12-322 BOC FY 2012 Year End Carryforwards	45,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 4th quarter FY 2013 operating support	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 4th quarter FY 2013 OakVideo operating support	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 4th quarter FY 2013 administrative support	50,000.00
Total	\$ 2,114,641.00

CLEMIS FUND 53500
Fiscal Year 2013 – 4th Quarter
Brief Explanation of “Actuals”

Following are some comments regarding CLEMIS Fund’s 4th quarter FY 2013 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, 2013 CLEMIS member fees and September, 2013 CLEMIS Crash charges.
- 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 is the amount expended through September 30, 2013 for Radio Fund’s CAD Upgrade project, pending completion of the project.
- Vouchers payable and Accounts payable include expenses accrued through September 30, 2013.
- Due to municipalities is the amount of revenue sharing for Citation and Crash through September 30, 2013 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, 2013.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Revenues:

- In-car terminals—all other revenue is favorable due to an actual MDC count which is higher 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. It is unfavorable due to a decrease in volume of support requests.
- Access fees non-Oakland users revenue is slightly favorable due to an actual FTE count which is higher than the projected count used for budgeting.
- CLEMIS Crash revenue is unfavorable due to a lower volume of purchased reports by insurance companies than estimated for budget projections.
- Sheriff contracted services revenue is based on the actual FTE count for the OCSD and other OC Non-Emergency Departments that utilize CLEMIS services.
- Reimbursement general is favorable because billings are higher than budgeted for CLEMIS billable staff supporting Sheriff projects such as the Jail Management system through September 30, 2013.
- Maintenance contracts revenue for both Mugshot and Livescan is favorable due to an increase in the volume 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 the budget projection.
- In-car terminals—OC Sheriff Revenue is favorable due to an actual MDC count which is higher than the projected count used for budgeting.
- 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 Citation revenue is favorable due to increased usage by Oakland and non-Oakland agencies.

CLEMIS FUND 53500
Fiscal Year 2013 – 4th Quarter
Brief Explanation of “Actuals”

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

Revenues:

- CLEMIS Parking is a new application used by member agencies to issue parking citations via hand-held devices.
- Crime mapping is a new CLEMIS application used to keep citizens informed of crimes in their communities and to assist with law enforcement.

Expenses:

- Salaries and Fringe benefits are favorable due to vacancies and underfilled positions.
- Bank charges are unfavorable due to PayPal service costs which are greater than anticipated. The service allows on-line processing and payment of CLEMIS Citation and Crash transactions.
- Communications expense is favorable due to lower than anticipated connectivity costs.
- 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 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.
- Printing expense is favorable due to cost-cutting efforts.
- Professional services expense is favorable because contracted service costs for the development of CLEMIS enhancement projects have been offset by grant funding.
- Rebillable services expense 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 purchase of Crime mapping software licenses.
- Software support and maintenance is unfavorable due to the timing of maintenance contract renewals for Livescan and AFIS.
- Travel and conference and Workshops and meeting expenses are both favorable due to cost-cutting efforts and reduction in staff attendance at out of state training and conferences.
- Expendable equipment is favorable due to lower than anticipated cost of equipment replacement.
- Parts and accessories cost is unfavorable due to increased volume of non-billable equipment repairs.
- Printing supplies expense is greater than anticipated at the time of budget adoption.
- Depreciation expense is favorable due to an increase in the budget projection that anticipated additional RMS Upgrade equipment in operation.
- Building space cost, Info Tech development and operations, Motor pool, Radio communications and Telephone communications Internal Service Charges are favorable overall based on actual usage.

Non-Operating Revenues and Expenses:

- Planned use of fund balance represents the amount that is an offset to total revenue to balance CLEMIS Fund's FY 2013 budget per Fiscal Services management.
- Income from investments is favorable due to higher cash balance than projected.
- Capital contributions revenue is the amount of contributions from Radio fund for the CAD Upgrade project, from General fund approved by Building Authority for the Oak Video Replacement project and from several DOJ Technical grants for Integrated Biometric ID Systems.

CLEMIS FUND 53500
Fiscal Year 2013 – 4th Quarter
Brief Explanation of “Actuals”

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

- 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 2013 operational support; \$400,000 from the General Fund for OakVideo operational support; \$25,455 from the General Fund, Sheriff’s Department for Forensic Lab project enhancements and \$45,000 from the General Fund, Sheriff’s Department for the Crime Mapping project.