



Robert J. Daddow
Special Projects Deputy County Executive

TO: CLEMIS Advisory Board
Finance Committee
Mike McCabe
Jeff Werner
Pat Coates
Steve Murphy
Holly Conforti
Shawn Phelps

FROM: Bob Daddow *Daddow*

SUBJECT: CLEMIS Funds – Financial Statements and Schedules for
The Year Ended September 30, 2015

DATE: January 22, 2016

This letter of transmittal covers the following fund financial statements as of and for the year ended September 30, 2015 for the Radio Communications, Fire Records Management System and CLEMIS Operating Funds.

The CLEMIS manager retired as of December 31, 2015 and as of this writing has yet to be replaced. The CLEMIS chief has been recuperating from an unfortunate accident and is expected to return to work in early February at which time he would assume the CLEMIS manager's role and position.

Due to other pressing issues, a quarterly financial report for June 30, 2015 has not been prepared.

RADIO COMMUNICATIONS FUND

The following financial statements are attached as of and for the year ended September 30, 2015 for the Radio Communications Fund.:

- Statement of Net Position (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 Position (Exhibit A-1). This statement compares the adopted budget to actual operating results.

- Operating Transfers In and Out (Exhibits A-2 and A-3) - the operating transfers in and out to the General, CLEMIS and Information Technology Funds represent cost reimbursements for the administrative and other support of the radio communications system and operations and the Fund's cost reimbursements from other funds for services and equipment provided.
- Brief Explanations (Exhibit A-4) – a set of explanations of operating budget to actual variances included in the financial statements and schedules above.

The Radio Communications Fund has a number of planned projects as outlined in a memorandum to the Finance Committee dated March 31, 2015 involving the setting of the operating surcharge for the fiscal year beginning July 1, 2015. The Board of Commissioners approved the extension of the \$.20 per communication line per month, as defined, for the period July 1, 2015 to June 30, 2016 on May 6, 2015 as well as an \$.08 increase – bringing the total surcharge to \$.28 per month.

The Radio Communication Fund operating budgets for FY-2016 and beyond are currently based on \$.28 telephone operating surcharge (fee). The budgetary adjustment for the increased fee for the last quarter and through June 30, 2016 will be reflected in the next quarter's Radio Communication Fund financial report. As outlined in the March 31, 2015 memorandum noted above, additional fee increases may be necessary in the coming years depending upon the cost projections arising from anticipated projects yet under contract.

At present, the radio communication system has 53 towers (County owned, locally owned by governmental units within the County or leased space from private vendors), 1,834 mobile radios and 4,263 portable radios in use. Radio consoles are located in 20 public safety dispatch centers (PSAPs) throughout Oakland County. There are 14 hospital emergency rooms tied to the County's radio communication system and a number of private ambulance companies as well. Some non-public safety units use the County's radio system for a monthly operating fee.

Further comments on the status of major projects anticipated and requiring funding will be submitted to the Board of Commissioners as part of the consideration involving the telephone operating surcharge in March 2016 and based upon the December 31, 2015 Radio Communications Fund operations at that time. In the interim, the following is the status of the major projects in progress:

- **Radio Consoles:** because the County distributed the radio consoles located in the dispatch centers as the first priority in the radio project (circa 2003 through roughly 2006), this equipment is aging very rapidly and has become a critical project. Replacement is planned for FY 2016 through FY 2017. CLEMIS has yet to assemble an estimated cost of the replacement of this equipment. However, the estimated cost could approach \$6 million to \$8 million, depending upon the number of dispatch centers remaining in Oakland County at the time of replacement. The original deployment of consoles cost roughly \$5.9 million for

31 dispatch centers. There are now 20 dispatch centers. Presently, there are no active discussions on further consolidation of dispatch centers in the County that have progressed to a point where actions can be incorporated into the console considerations.

The Radio Communications and Information Technology staffs are presently assembling a scope of work in order to issue a request for proposal in the first quarter of calendar 2016.

At September 30, 2015 the unreserved equity-designated for projects includes \$3.0 million set aside to address the console replacement anticipated to be purchased and installed in FY 2016 (unadjusted during 2015). Additional reserves in the amount of \$3 million to \$5 million may be needed to finish the installations in FY-2017. However, the capital needs of this Fund are not independent from other capital needs as noted subsequently.

- **Mobile / Portable Radios:** County administration was notified in 2013 that the radio communications vendor will no longer support the mobile and portable radios at the end of calendar year 2017. While the County administration has been notified that the radios will be end-of-life, history would suggest that few governmental units (unlike the County) set money aside for replacement equipment. As such, as the end-of-life date closes in, governments seek federal / state assistance and/or bring pressure on the vendor to delay the actual end-of-life date. While the County cannot be assured of a delay in the future, the County's maintenance efforts, ability to use the equipment beyond 2017 and the potential delay of the actual end-of-life of the equipment itself suggests that the actual replacement period could be delayed, from 2018 and beyond.

At this time and assuming that a future assessment would require replacement, the aggregate original cost of the mobile and portable radios as of September 30, 2014 was \$17.36 million. The County has restricted equity relating to depreciation in the amount of \$14.85 million as of September 30, 2015, but needs to continue to set aside additional funds of \$6.1 million over the next 4 to 5 years to ensure that there are sufficient available resources to replace the mobile and portable radios beginning in FY 2018 through anticipated completion (projected up to FY-2022).

- **Computer-aided Dispatch Project:** the County's computer-aided dispatch center equipment software for CLEMIS is being re-written as the vendor-acquired software is no longer easily maintained and the software licensing to maintain this equipment is very costly. The County started this project in 2013 with an anticipated completion in FY 2016. However, technical issues in 2015 caused delays in the project as a number of issues were detected as more users were added to the CLEMIS system. Those issues have been resolved by the CLEMIS programmers and it is anticipated that training and deployment will begin in earnest in the second quarter of 2016 (roughly a half dozen CAD users have

received earlier versions of the CAD software for testing and use). Completion of the deployment is expected in the first quarter of 2017.

Additionally, several new counties have joined the CLEMIS consortium in the interim, bringing additional revenues but creating additional programming needs.

The estimated cost of this project was \$3.5 million, but completion is anticipated with a favorable variance. In addition, \$450,000 was set aside in the third quarter to complete the project with \$198,000 remaining within the restricted equity of the Radio Communications Fund as of September 30, 2016.

- **NG-911 Project Needs:** in FY-2009-2010 as the equipment at that time was obsolete and parts were unavailable from the vendor, the County acquired new call-taking equipment (NG-911 Project) utilizing a cost sharing with the local public safety dispatch centers. Unlike older telephony-based call-taking equipment, NG-911 systems are IP-based software-driven systems and can be expected to have a shorter useful life than earlier systems before requiring a technology refresh. It is therefore anticipated that the call-taking equipment at the 20 local PSAPs will need to be replaced in the 2016-2018 time frame.

Additionally, the County is preparing for the establishment of a local NG-911 ESInet (Emergency Services IP network) through a leased commercial network, as the present 911 network provider gradually migrates away from the legacy copper-wire trunks installed in 1963.

A request for proposal was issued and the project awarded to Peninsula Fiber Network (PFN) for the ESInet and Emergency Call Works for the call processing equipment. The earlier projections used in the discussions involving the telephone operating surcharge are believed to be reasonably accurate at this point of the vendor negotiations. However, as PFN is proposing the potential for significant cost recovery from the State and Technical Surcharge pool, the actual cost of the ESInet cannot be determined until such time as that cost recovery is approved by the Michigan Public Services Commission, in part or in whole, or denied.

Comments concerning the financial information follow:

- The Fund has approximately \$18.8 million in cash, investments and receivables, net of liabilities and excluding prepaid expenses and inventories at March 31, 2015 (\$17.5 million at September 30, 2015).
- The ending equity has been classified as 'unrestricted – designated for projects' in the amount of \$18,052,032 in Exhibit A as of September 30, 2015 with the following components:

- Funding of depreciation: \$14.85 million (net of recent purchases of new equipment of \$266,000) would normally have been set aside currently in equity to be used towards future capital projects.
- PSAP software and CAD update project implementation: \$3,500,000 originally set aside less costs incurred leaves a net remaining amount of \$198,500.
- Console replacement - \$3,000,000 for equipment replacement beginning in FY-2016. An additional \$5.0 million may be needed to complete this project but since no request for proposal has yet been released, the amount cannot be reasonably determined at this point in time.
- Total unrestricted equity for the Radio Communications Fund is \$18,050,000 (rounded).

Several matters of other interest are provided below:

- The CLEMIS manager retired as of December 31, 2015 and as of this writing has yet to be replaced. The CLEMIS chief has been recuperating from an unfortunate accident and is expected to return to work in early February at which time he would assume the CLEMIS manager's role and position.
- Due to other pressing issues, a quarterly financial report for June 30, 2015 has not been prepared.
- The City of Southfield has requested that the County assist in acquiring its portable and mobile radios (at an estimated cost of \$800,000). Southfield did not join the radio communications system at the time offered in the early 2000s and is not presently using the Harris radios today. Converting Southfield to the Harris radio system has some serious barriers not least of which is securing adequate, clear frequencies to accommodate them and replacing a fairly extensive bi-directional system in many of the high-rise units within the City. The City's residents have been funding the operating surcharge since its inception. The final resolution of this matter is pending.

FIRE RECORDS MANAGEMENT SYSTEM

Attached are the following schedules described as Exhibit B (Exhibit A is related to Radio Communications Fund in another letter of transmittal) relating to the Fire Records Management System Fund as of and for the year ended September 30, 2015:

- 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 operations.

- Schedule of Operating Transfers in (Exhibit B-2). This schedule identifies the sources of the operating transfers into the FRMS.
- Brief Explanations (Exhibit B-3). This exhibit provides explanations of matters included in the financial statements noted above.

The operating transfer in of \$432,052 was provided by the County's General Fund to cover its operating costs for the year ended September 30, 2015. An additional operating transfer into the FRMS occurred arising from an interlocal agreement between the County and Springfield Township under Misc. Resolution number 14291.

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 \$374,910 and is equal to the unrestricted equity amount.
- The originally acquired equipment is fully depreciated. In prior years, operations bore the cost of new computers at fire halls that should last for several more years. No funding provision has been provided in the Fund operations to capture funds sufficient to replace the computers in several years. The entire amount of capital assets involves the investment to date in the earlier phases in the replacement of the existing software system and interim application needs of the fire community (such amount is \$241,070 and was largely funded by grants).

The Fire Records Management Committee approved a feasibility study and estimate of costs for the replacement of the FRMS computer system acquired from a vendor many years ago. The system replacement will maintain the same technical standards of other CLEMIS law enforcement systems to provide seamless data integration. FRMS received Homeland Security Grant Program monies to cover costs of both the feasibility study and the development phase of a Fire Records Management software application.

Subsequent to September 30, 2015, the County administration sought an appropriation and the Board of Commissioners approved the resolution to begin programming for a new computer system to be maintained in-house. An appropriation of \$720,000 was provided by the Board of Commissioners from the County's General Fund for the necessary resources, along with \$200,000 of the FRMS appropriation. An additional amount remains in the County's General Fund as a contingency of approximately \$200,000 should added programming be necessary.

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, 2015:

- Statement of Net Position (Exhibit C).
- Statement of Revenues, Expenses, and Changes in Net Position (Exhibit C-1). This statement provides a budget to actual comparison for operations.
- Financial Report (Exhibit C-2). The Financial Report segregates the revenues and costs between the regional CLEMIS operations (“CLEMIS Operations”) and OAKVideo Operations (e.g. video conferencing) that operate within the geographic boundaries of Oakland County. OAKVideo is funded by an appropriation of \$400,000 annually and paid quarterly by the County’s General Fund.

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 re-write of the underlying software. The OAKVideo hardware has been replaced and the software re-write has been completed at a total cost of \$1,301,319 through December 31, 2014.

- Operating Transfers In to the Fund (Exhibit C-3). The schedule includes the budgeted quarterly operating transfer in from the County’s General Fund as appropriated by the Board of Commissioners of \$361,046.50 (or \$1,444,186 annually, the same as prior years). In addition, an operating transfer in the amount of \$50,000 from the Radio Communications Fund occurred (\$200,000 annually) to cover administration of the radio communications system. There are quarterly transfers in of \$100,000 from the County’s General Fund (\$400,000 annually, the same as prior years) for OAKVideo operations. Total operating transfers in of \$2,044,186. There were no operating transfers out.
- 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 Fund has approximately \$11.7 million in cash, investments and similar liquid assets, net of liabilities and excluding prepaid expenses at September 30, 2015 (at March 31, 2015 - \$11.9 million). The unrestricted equity is roughly equivalent to the net cash and liquid asset position.
- The computer-aided dispatch system development is being deployed; funding is being paid by the Radio Communications Fund (estimated at \$3.5 million budgeted of which just under \$200,000 remains for enhancements).

- The Fund's equity amounts to \$19.0 million as of September 30, 2015 (at March 31, 2015 - \$19.9 million) and is composed of the equipment acquired through the COPS MORE grant and other recent equipment acquisitions net of accumulated depreciation of \$6,354,784. The September 30, 2015 equity also includes designations for two projects: maintenance of the Jail Management System (\$197,068) and an amount of \$215,319 relating to 9-1-1 projects funded by the County's General Fund. The remaining unrestricted amount is \$12,202,847 at September 30, 2015 is significantly improved over unrestricted equity levels for the past several years.
- 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 (most of which would be substantially depreciated through September 30, 2015). The aggregate balance of fixed assets in this Fund is \$43.7 million, with \$37.4 million of accumulated depreciation against the cost, or roughly 84.8% fully depreciated (generally meaning that this equipment is nearing end of life and may 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.

Should there be any questions concerning this report, please do not hesitate to ask.

**County of Oakland
Radio Communications Fund
Statement of Net Position
September 30, 2015**

EXHIBIT A

ASSETS

Current assets:

Cash and cash equivalents	\$ 17,025,609.60
Accrued interest on investment	97,309.56
Due from other funds	404.03
Due from other governments	20,305.08
Accounts receivable	1,266,972.14
Inventories	363,686.36
Prepaid items	238,754.23
Total current assets	<u>19,013,041.00</u>

Non-current assets:

Capital projects in progress	1,369,169.95
Tower rights	8,585,770.20
Equipment	26,489,858.48
Structures	12,952,637.08
Less accumulated depreciation	<u>(26,803,742.00)</u>
Total capital assets (net of accumulated depreciation)	<u>22,593,693.71</u>
Total assets	<u>41,606,734.71</u>

LIABILITIES

Current liabilities:

Vouchers payable	133,989.84
Due to municipalities	4,885.65
Due to other funds	1,152.00
Accounts payable	87,259.59
Unearned revenue	-
Total current liabilities	<u>227,287.08</u>
Total liabilities	<u>227,287.08</u>

NET POSITION

Net Investment in capital assets	22,593,693.71
Unrestricted-designated for projects	18,052,031.57
Unrestricted	733,722.35
Total net position	<u>\$ 41,379,447.63</u>

EXHIBIT A-1

County of Oakland Radio Communications Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2015

	2015			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Operating revenues:						
E 911 Surcharge - Radio system	\$ 5,550,000.00	87.66%	\$ 5,550,000.00	\$ 5,223,088.50	83.90%	\$ (326,911.50)
Antenna site management	325,000.00	5.13%	325,000.00	302,969.85	4.87%	(22,030.15)
Leased equipment	230,066.00	3.63%	230,066.00	238,190.46	3.83%	8,124.46
Parts and accessories	150,000.00	2.37%	150,000.00	252,238.78	4.05%	102,238.78
Outside agencies	70,000.00	1.11%	70,000.00	64,896.84	1.04%	(5,103.16)
Productive Labor	6,000.00	0.09%	6,000.00	33,036.25	0.53%	27,036.25
Miscellaneous	-	0.00%	-	16.50	0.00%	16.50
Adjustment of prior year's revenue	-	0.00%	-	5,193.40	0.08%	5,193.40
Refund of prior year's expenditure	-	0.00%	-	105,794.15	1.70%	105,794.15
Total operating revenue:	6,331,066.00	100.00%	6,331,066.00	6,225,424.73	100.00%	(105,641.27)
Operating expenses:						
Salaries	649,527.00	10.26%	649,527.00	596,970.55	9.59%	52,556.45
Fringe benefits	371,849.00	5.87%	371,849.00	351,614.75	5.65%	20,234.25
Contractual services:						
Communications	225,000.00	3.55%	225,000.00	252,285.47	4.05%	(27,285.47)
Contracted services	-	0.00%	-	3,600.00	0.06%	(3,600.00)
Electrical service	100,000.00	1.58%	100,000.00	65,677.56	1.05%	34,322.44
Equipment maintenance	315,000.00	4.98%	315,000.00	313,333.05	5.03%	1,666.95
Freight and express	8,500.00	0.13%	8,500.00	3,790.01	0.06%	4,709.99
Indirect costs	196,000.00	3.10%	196,000.00	147,776.00	2.37%	48,224.00
Laundry and cleaning	700.00	0.01%	700.00	595.59	0.01%	104.41
Membership, dues	1,000.00	0.02%	1,000.00	210.00	0.00%	790.00
Personal mileage	3,500.00	0.06%	3,500.00	2,455.09	0.04%	1,044.91
Printing	500.00	0.01%	500.00	326.00	0.01%	174.00
Professional services	800,000.00	12.64%	800,000.00	519,061.90	8.34%	280,938.10
Rebillable services	500.00	0.01%	500.00	-	0.00%	500.00
Software rental lease purchase	30,000.00	0.47%	30,000.00	58,526.00	0.94%	(28,526.00)
Software support maintenance	-	0.00%	-	2,276.58	0.04%	(2,276.58)
Special projects	40,000.00	0.63%	40,000.00	-	0.00%	40,000.00
Tower charges	390,000.00	6.16%	390,000.00	413,705.05	6.65%	(23,705.05)
Training, travel and conference	22,500.00	0.36%	22,500.00	16,045.00	0.26%	6,455.00
Workshops and Meeting	100.00	0.00%	100.00	-	0.00%	100.00
Total contractual services	2,133,300.00	33.70%	2,133,300.00	1,799,663.30	28.91%	333,636.70
Commodities:						
Dry goods and clothing	1,900.00	0.03%	1,900.00	2,410.75	0.04%	(510.75)
Expendable equipment	100,066.00	1.58%	100,066.00	7,030.44	0.11%	93,035.56
Metered postage	126.00	0.00%	126.00	18.54	0.00%	107.46
Office supplies	5,000.00	0.08%	5,000.00	4,441.63	0.07%	558.37
Parts and accessories	200,000.00	3.16%	200,000.00	362,624.59	5.82%	(162,624.59)
Shop supplies	12,000.00	0.19%	12,000.00	29,895.83	0.48%	(17,895.83)
Small tools	5,000.00	0.08%	5,000.00	7,982.57	0.13%	(2,982.57)
Total commodities	324,092.00	5.12%	324,092.00	414,404.35	6.66%	(90,312.35)
Depreciation:						
Equipment, structures and tower rights	3,912,925.00	61.81%	3,912,925.00	5,673,959.43	91.14%	(1,761,034.43)
Internal services:						
Building space allocation	25,472.00	0.40%	25,472.00	25,472.04	0.41%	(0.04)
Info Tech CLEMIS	1,201,000.00	18.97%	1,201,000.00	940,607.61	15.11%	260,392.39
Info Tech Development	-	0.00%	-	4,430.50	0.07%	(4,430.50)
Info Tech Operations	208,657.00	3.30%	208,657.00	232,336.00	3.73%	(23,679.00)
Info Tech Managed Print Services	2,547.00	0.04%	2,547.00	1,370.14	0.02%	1,176.86
Insurance fund	16,540.00	0.26%	16,540.00	16,846.26	0.27%	(306.26)
Maintenance Department charges	35,000.00	0.55%	35,000.00	13,752.56	0.22%	21,247.44
Motor Pool fuel charges	9,411.00	0.15%	9,411.00	8,058.15	0.13%	1,352.85
Motor Pool	26,466.00	0.42%	26,466.00	38,460.87	0.62%	(11,994.87)
Telephone Communications	31,408.00	0.50%	31,408.00	30,710.87	0.49%	697.13
Total internal services	1,556,501.00	24.59%	1,556,501.00	1,312,045.00	21.08%	244,456.00

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2015

	2015			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Intergovernmental:						
Transfer to municipalities	50,000.00	0.79%	50,000.00	50,000.00	0.80%	-
Total intergovernmental	50,000.00	0.79%	50,000.00	50,000.00	0.80%	-
Total operating expense	8,998,194.00	142.13%	8,998,194.00	10,198,657.38	163.82%	(1,200,463.38)
Operating income (loss)	(2,667,128.00)	-42.13%	(2,667,128.00)	(3,973,232.65)	-63.82%	(1,306,104.65)
Non-operating revenues (expenses):						
Planned use of fund balance	2,932,828.00	46.32%	2,932,828.00	-	0.00%	(2,932,828.00)
Budgeted equity adjustments	4,500.00	0.07%	4,500.00	-	0.00%	(4,500.00)
Income from investments	180,000.00	2.84%	180,000.00	147,471.23	2.37%	(32,528.77)
Total non-operating revenues (expenses)	3,117,328.00	49.24%	3,117,328.00	147,471.23	2.37%	(2,969,856.77)
Income (loss) before transfer	450,200.00	7.11%	450,200.00	(3,825,761.42)	-61.45%	(4,275,961.42)
Transfers in	44,800.00	0.71%	44,800.00	71,880.60	1.15%	27,080.60
Transfers out	(486,000.00)	-7.68%	(486,000.00)	(486,000.00)	-7.81%	-
Change in net position	\$ 9,000.00	0.14%	\$ 9,000.00	(4,239,880.82)	-68.11%	\$ (4,248,880.82)
Net position - beginning				45,619,328.45		
Net position - ending				<u>\$ 41,379,447.63</u>		

RADIO COMMUNICATIONS - FUND 53600 Operating Transfers In - Fiscal Year 2015
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Description	Amount
Transfer from the General Fund approved on Resolution 14-200 for court security radios.	\$ 7,800.00
Transfer of the remaining balance approved on Resolution 14-017 for radios on the prisoner transportation bus.	100.00
Transfer from the General fund, Sheriff's Dept. to Radio Communications Fund per Res. 14-281 for Sheriff's contract with Lyon Township	15,600.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-013 for Sheriff's contract with Independence Township	4,500.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-014 for Sheriff's contract with the Commerce Township	4,500.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-071 for Sheriff's contract with the Orion Township	4,500.00
Transfer from the General Fund Contingency approved on Resolution 15-156 for hand held portable radios needed for Phase I of the Enhanced County Building Security initiative (Resolution 15-026)	3,300.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-186 for NET Interlocal Agreement with Farmington	4,500.00
Transfer from PSIC Grant GR415 to Correct for Prior Year's Grant Match for the Public Safety Interoperable Communications per MR 08271	27,080.60
Total	<u>\$ 71,880.60</u>

RADIO COMMUNICATIONS - FUND 53600 Operating Transfers Out - Fiscal Year 2015

Description	Amount
Budgeted Operating Transfer from Radio fund to Info Tech fund for 1st quarter FY 2015 OakNet operation costs.	\$ 59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 1st quarter FY 2015 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 1st quarter FY 2015 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 2nd quarter FY 2015 OakNet operation costs.	59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 2nd quarter FY 2015 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 2nd quarter FY 2015 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 3rd quarter FY 2015 OakNet operation costs.	59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 3rd quarter FY 2015 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 3rd quarter FY 2015 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 4th quarter FY 2015 OakNet operation costs.	59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 4th quarter FY 2015 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 4th quarter FY 2015 Help Desk support	12,500.00
Total	\$ 486,000.00

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2015 – 4th Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Radio Communications fund's 4th quarter Fiscal Year 2015 financial statements.

STATEMENT OF NET POSITION

- Radio Communications fund reports all monetary assets as Cash. Available cash is invested and managed by the Treasurer as a pool. The Treasurer's Office allocates interest earned to the participating funds on a monthly basis.
- Due from other governments is the amount due from municipalities for leased equipment.
- Accounts receivable includes \$1,286,000 for accrued E-911 operational surcharge revenue which is paid to the County quarterly. The remaining balance is prepaid rent and rent due from antenna site co-locators and amounts due from non-governmental external users for leased equipment.
- Inventories are parts and accessories used to maintain customer equipment and the radio system; including equipment purchased for the completion of the radio system.
- Prepaid items are rent paid in advance per the lease agreements for co-location of radio system equipment and advanced maintenance contract payments.
- 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 updated in Fiscal Year 2014 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 fourth 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 for co-locators on Novi's antenna site as is set forth in the Board of Commissioners Resolution 98-291.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Revenues:

- The Board of Commissioners Resolution 15-128 increased the E-911 surcharge rate by \$0.08 to \$0.28 for the period covering July 1, 2015 through June 30, 2016. The revenue reported for this quarter is based upon current estimated surcharge filings.
- Antenna site management revenue, which is for telecommunications companies that have contracted with Oakland County to place equipment on county-owned towers, is slightly unfavorable. A portion of this unfavorable variance is for one company that was not billed in Fiscal Year 2014 and Fiscal Year 2015. Oakland County's Corporation Counsel is working with this organization to resolve pending contract issues.
- Parts and accessories revenue is higher than the estimated budget due to increased repair requests.
- Productive labor revenue is higher than anticipated due to increased demand for service.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2015 – 4th Quarter
Brief Explanation of “Actuals”

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

- Refund of prior year's expenditure and adjustment of prior year's revenue are prior period corrections; and to correct for professional services charged to the CAD Upgrade project in excess of hours worked.

Expenses:

- Salary variance is favorable due to lower than anticipated overtime, on-call hours and unfilled positions.
- Communications cost is unfavorable due to higher than anticipated cell tower connectivity costs.
- Contracted services are for leased space at the Oakland County International Airport.
- Indirect cost expense is based on the County's Indirect Cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, and Budgeting and Administrative services.
- Professional services expense is for costs relating to the CAD Upgrade project and ESInet (Emergency Services IP network) RFP assistance. All expenses related to the CAD project are recognized in Radio fund, while CLEMIS fund receives contributed capital.
- Software rental, lease purchase and software support maintenance is unfavorable due to necessity of software purchases after the budget process was complete.
- Special projects expense is favorable due to the timing of projects. The budget for this line item is for costs associated with tower painting.
- Tower charges represent our payment for tower rental agreements. A low budget estimate and the exclusion of revenue sharing due to the City of Novi for co-location account for the unfavorable variance.
- Expendable equipment, parts and accessories and shop supplies are unfavorable (overall) because of low budget expectations and higher than normal expenses.
- Depreciation is unfavorable due to the reduction of useful-lives for all portable and mobile radios.
- Internal service expense is favorable (overall) based on actual usage that falls below budgeted expectations.

Operating Revenues and Expenses:

- Income from investments represents the portion of income from cash managed and allocated by the Treasurer's Office to Radio fund. The deficit indicates a lower than anticipated monthly cash balance.
- A transfer to municipalities is for payment to the Village of Milford per Miscellaneous Resolution 15-194. This transfer is the result of Oakland County's receipt of notice from the Village of Milford of its intention to cease functioning as a Primary PSAP; and its subsequent designation of the Oakland County Sheriff Office as the Primary PSAP for the Township and Village of Milford.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2015 – 4th Quarter
Brief Explanation of “Actuals”

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

- Transfers in includes: \$7,800 from the General fund approved on Resolution 14-200 for court security radios, the remaining balance of \$100 approved on Resolution 14-017 for prisoner transportation bus radios, \$15,600 approved on Resolution 14-281 for the Sheriff's contract with Lyon Township, \$4,500 approved on Resolution 15-013 for the Sheriff's contract with Independence Township, \$4,500 approved on Resolution 15-014 for the Sheriff's contract with Commerce Township, \$4,500 approved on Resolution 15-071 for the Sheriff's contract with Orion Township, \$3,300 approved on Resolution 15-156 for hand held portable radios relating to Phase I of the Enhanced County Building Security initiative, \$4,500 approved on Resolution 15-186 for NET Inter-local Agreement with Farmington and \$27,080.60 to correct for a prior year's Public Safety Interoperable Communications grant match.
- Transfers out includes \$200,000 for administrative support provided by the CLEMIS fund, \$50,000 for Help Desk support provided by the Information Technology fund and \$236,000 to the Information Technology fund for OakNet operation costs.

EXHIBIT B

**County of Oakland
Fire Records Management Fund
Statement of Net Assets
Spetember 30, 2015**

ASSETS

Current assets:

Cash and cash equivalents	\$ 279,045.18
Due from other governments	49,715.42
Accrued interest on investment	1,082.87
Accounts receivable	2,879.75
Dues from other funds	76,968.00
Prepaid expense	28,434.24
Total current assets	<u>438,125.46</u>

Noncurrent assets:

Capital projects in progress	241,070.75
Equipment	125,141.91
Computer software	409,195.95
Less accumulated depreciation	<u>(534,337.85)</u>
Total capital assets (net of accumulated depreciation)	<u>241,070.76</u>
Total assets	<u>679,196.22</u>

LIABILITIES

Current liabilities:

Vouchers payable	63,215.00
Due to other funds	<u>0.00</u>
Total current liabilities	<u>63,215.00</u>

NET ASSETS

Invested in capital assets, net of related debt	241,070.76
Unrestricted	<u>374,910.46</u>
Total net assets	<u>\$ 615,981.22</u>

County of Oakland
Fire Records Management Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Twelve Months Ended September 30, 2015

EXHIBIT B-1

	2015			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
Outside agencies	\$ 137,715.00	67.75%	\$ 137,715.00	141,800.00	69.68%	\$ 4,085.00
Participation fees - non-Oakland agencies	48,431.00	23.82%	48,431.00	35,718.00	17.56%	(12,713.00)
Outside agencies-rebilled charges	17,133.00	8.42%	17,133.00	25,956.19	12.76%	8,823.19
Total operating revenues	203,279.00	99.99%	203,279.00	203,474.19	100.00%	195.19
Operating expenses:						
Salaries	276,886.00	136.21%	276,886.00	217,539.34	106.91%	59,346.66
Fringe benefits	165,363.00	81.35%	165,363.00	131,070.45	64.42%	34,292.55
Contractual services:						
Communications	29,000.00	14.27%	29,000.00	10,869.95	5.34%	18,130.05
Equipment repairs and maintenance	1,000.00	0.50%	1,000.00	0.00	0.00%	1,000.00
Indirect costs	50,000.00	24.60%	50,000.00	80,625.00	39.62%	(30,625.00)
Personal mileage	1,000.00	0.50%	1,000.00	0.00	0.00%	1,000.00
Professional Services	85,000.00	41.82%	85,000.00	29,852.29	14.67%	55,147.71
Software rental lease purchase	14,779.00	7.28%	14,779.00	7,308.10	3.59%	7,470.90
Software support/maintenance	83,828.00	41.24%	83,828.00	77,900.50	38.29%	5,927.50
Travel and conference	4,000.00	1.97%	4,000.00	0.00	0.00%	4,000.00
Total contractual services	268,607.00	132.18%	268,607.00	206,555.84	101.51%	62,051.16
Commodities:						
Expendable equipment	7,000.00	3.45%	7,000.00	3,708.24	1.82%	3,291.76
Depreciation:						
Equipment	0.00	0.00%	0.00	1,850.24	0.91%	(1,850.24)
Total depreciation	0.00	0.00%	0.00	1,850.24	0.91%	(1,850.24)
Internal services:						
Info Tech-CLEMIS	400.00	0.20%	400.00	0.00	0.00%	400.00
Info Tech-development	0.00	0.00%	0.00	5,165.80	2.54%	(5,165.80)
Info Tech-operations	50,992.00	25.09%	50,992.00	52,760.00	25.93%	(1,768.00)
Insurance fund	207.00	0.11%	207.00	206.88	0.10%	0.12
Telephone communications	652.00	0.32%	652.00	553.34	0.27%	98.66
Total internal services	52,251.00	25.72%	52,251.00	58,686.02	28.84%	(6,435.02)
Total operating expenses	770,107.00	3.79	770,107.00	619,410.13	3.04	150,696.87
Operating income (loss)	(566,828.00)	-278.92%	(566,828.00)	(415,935.94)	-204.41%	150,892.06
Nonoperating revenues (expenses):						
Planned use of balance	121,025.00	59.53%	121,025.00	0.00	0.00%	(121,025.00)
Income from investments	3,000.00	1.47%	3,000.00	2,595.53	1.28%	(404.47)
Capital contributions	0.00	0.00%	0.00	166,951.75	82.05%	166,951.75
Total nonoperating revenues (expenses)	124,025.00	61.00%	124,025.00	169,547.28	83.33%	45,522.28
Income (loss) before transfers	(442,803.00)	-217.92%	(442,803.00)	(246,388.66)	-121.08%	196,414.34
Transfers in	442,803.00	217.83%	442,803.00	461,710.50	226.91%	18,907.50
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net assets	\$ 0.00	-0.09%	\$ 0.00	215,321.84	105.83%	\$ 215,321.84
Total net assets - beginning				400,659.38		
Total net assets - ending				\$ 615,981.22		

<p align="center">FIRE RECORDS MANAGEMENT - FUND 53100 Operating Transfers In - Fiscal Year 2015</p>

Description	Amount
Budgeted Operating Transfer from General fund to Fire Records Management fund for 1st quarter FY 2015 operating support	106,350.00
Transfer \$29,658 from GF to Fire Records Mang. Fund per comm. reso. no. 14291 dated 12/11/2014. Interlocal Agreement w/Springfield Twp.	29,658.00
Budgeted Operating Transfer from General fund to Fire Records Management fund for 2nd quarter FY 2015 operating support	106,350.00
Budgeted Operating Transfer from General fund to Fire Records Management fund for 3rd quarter FY2015 operating support	109,676.25
Budgeted Operating Transfer from General fund to Fire Records Management fund for 4th quarter FY2015 operating support	109,675.75
Total \$	<u>461,710.00</u>

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2015 – 4th Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Fire Records Management Fund's 4th quarter FY 2015 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 Township of White Lake Fire Dept were current at September 30, 2015.
- 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 31 Oakland County agencies for participation during the 4th quarter of FY 2015.
- Participation fees - non-Oakland agencies is the amount billed to municipalities and agencies outside of Oakland County. The fund billed five non-Oakland County users during the 4th quarter of FY 2015.
- 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 2015 budget per Fiscal Services management.
- Income from investments is unfavorable due to decrease in cash balance anticipated for availability of investments during the 4th quarter.
- 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 2015 – 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, and a currently vacant position.
- 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 since there have been no server maintenance incidents in the past year.
- 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 no on-site service calls through the 4th quarter.
- Professional service expense is favorable due to lower than anticipated contract rates.
- Software rental/lease purchase is favorable due to a decrease in the number of 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.
- 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 Position
September 30, 2015**

EXHIBIT C

ASSETS

Current assets:

Cash and cash equivalents	\$ 11,859,344.03
Due from other governments	1,002,977.26
Accounts receivable	188,051.67
Due from other funds	1,152.00
Accrued interest on investment	9,277.76
Prepaid items	<u>964,709.75</u>
Total current assets	<u>14,025,512.47</u>

Non-current assets:

Equipment	12,450,609.97
Equipment - 911	2,554,100.14
Equipment - COPS MORE	19,778,783.50
Equipment - OAKVIDEO	6,404,781.24
Capital projects in progress	<u>2,536,802.56</u>
Less accumulated depreciation	<u>(37,370,292.99)</u>
Total capital assets (net of accumulated depreciation)	<u>6,354,784.42</u>
Total assets	<u>20,380,296.89</u>

LIABILITIES

Current liabilities:

Vouchers payable	201,949.98
Due to municipalities	570,197.00
Due to other funds	404.03
Accounts payable	<u>359,038.38</u>
Unearned Revenue	<u>278,687.80</u>
Total current liabilities	<u>1,410,277.19</u>

NET POSITION

Net Investment in capital assets	6,354,784.42
Unrestricted - designated for projects	<u>412,388.13</u>
Unrestricted	<u>12,202,847.15</u>
Total net position	<u><u>\$ 18,970,019.70</u></u>

EXHIBIT C-1

County of Oakland CLEMIS Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2015

	2015			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Operating revenues:						
In-car terminals - all other	\$ 1,572,109.00	26.24%	\$ 1,572,109.00	\$ 1,551,677.00	24.23%	\$ (20,432.00)
Service fees	1,201,000.00	20.04%	1,201,000.00	935,375.11	14.60%	(265,624.89)
Access fees - non-Oakland	744,979.00	12.43%	744,979.00	749,848.42	11.71%	4,869.42
CLEMIS Crash	425,000.00	7.09%	425,000.00	569,782.50	8.90%	144,782.50
Sheriff contracted services	388,932.00	6.49%	388,932.00	395,701.35	6.18%	6,769.35
Reimbursement general	350,000.00	5.84%	350,000.00	296,734.50	4.63%	(53,265.50)
Maintenance contracts - MugShot	308,000.00	5.14%	308,000.00	311,000.00	4.86%	3,000.00
Maintenance contracts - LiveScan	266,883.00	4.45%	266,883.00	267,415.06	4.18%	532.06
Access fees-police depts/other in Oakland County	275,045.00	4.59%	275,045.00	309,351.12	4.83%	34,306.12
In-car terminals - OC Sheriff	222,629.00	3.72%	222,629.00	233,287.00	3.64%	10,658.00
Rebilled charges	130,000.00	2.17%	130,000.00	574,143.42	8.96%	444,143.42
CLEMIS Citation	100,000.00	1.67%	100,000.00	183,495.07	2.86%	83,495.07
Crime mapping	5,400.00	0.09%	5,400.00	9,951.92	0.16%	4,551.92
Parts and accessories	1,500.00	0.03%	1,500.00	4,140.83	0.06%	2,640.83
Productive labor	200.00	0.00%	200.00	270.00	0.00%	70.00
CLEMIS parking	-	0.00%	-	11,974.78	0.19%	11,974.78
Miscellaneous	-	0.00%	-	191.00	0.00%	191.00
Seminars/conferences	-	0.00%	-	541.00	0.01%	541.00
Sale of equipment	-	0.00%	-	32.00	0.00%	32.00
Total operating revenue	5,991,677.00	100.00%	5,991,677.00	6,404,912.08	100.00%	413,235.08
Operating expenses:						
Salaries	1,762,125.00	29.41%	1,762,125.00	1,310,354.31	20.46%	451,770.69
Fringe benefits	1,027,173.00	17.14%	1,027,173.00	697,538.24	10.89%	329,634.76
Contractual services:						
Adjustment of prior year's expense	-	0.00%	-	39,733.25	0.62%	(39,733.25)
Bank charges	100,000.00	1.67%	100,000.00	215,873.36	3.37%	(115,873.36)
Communications	1,000,000.00	16.69%	1,000,000.00	749,412.83	11.70%	250,587.17
Equipment repairs and maintenance	380,000.00	6.34%	380,000.00	158,282.28	2.47%	221,717.72
Freight and express	250.00	0.00%	250.00	37.45	0.00%	212.55
Garbage and rubbish disposal	-	0.00%	-	57.59	0.00%	(57.59)
Indirect costs	240,000.00	4.01%	240,000.00	258,120.00	4.03%	(18,120.00)
Membership, dues	2,000.00	0.03%	2,000.00	2,723.99	0.04%	(723.99)
Personal mileage	2,500.00	0.04%	2,500.00	1,956.54	0.03%	543.46
Printing	3,000.00	0.05%	3,000.00	45.00	0.00%	2,955.00
Professional services	650,000.00	10.85%	650,000.00	1,327,287.29	20.72%	(677,287.29)
Rebillable services	130,000.00	2.17%	130,000.00	664,718.69	10.38%	(534,718.69)
Software rental lease purchase	250,000.00	4.17%	250,000.00	148,554.14	2.32%	101,445.86
Software support/maintenance	750,000.00	12.52%	750,000.00	1,219,072.79	19.03%	(469,072.79)
Travel and conference	6,000.00	0.10%	6,000.00	12,497.98	0.20%	(6,497.98)
Workshops and meetings	1,250.00	0.02%	1,250.00	642.18	0.01%	607.82
Total contractual services	3,515,000.00	58.66%	3,515,000.00	4,799,015.36	74.93%	(1,284,015.36)
Commodities:						
Dry goods and clothing	1,200.00	0.02%	1,200.00	1,379.00	0.02%	(179.00)
Expendable equipment	20,000.00	0.33%	20,000.00	37,197.04	0.58%	(17,197.04)
Forensic Lab enhancement	-	0.00%	-	91,274.07	1.43%	(91,274.07)
Metered postage	287.00	0.00%	287.00	275.20	0.00%	11.80
Office supplies	1,000.00	0.02%	1,000.00	841.36	0.01%	158.64
Parts and accessories	25,000.00	0.42%	25,000.00	20,599.63	0.32%	4,400.37
Printing and special event supplies	500.00	0.01%	500.00	945.00	0.01%	(445.00)
Total commodities	47,987.00	0.80%	47,987.00	152,511.30	2.38%	(104,524.30)
Depreciation:	1,699,868.00	28.37%	1,699,868.00	2,962,825.72	46.26%	(1,262,957.72)
Internal services:						
Building space cost allocation	102,901.00	1.72%	102,901.00	102,900.96	1.61%	0.04
Info Tech - development	417,934.00	6.98%	417,934.00	222,272.23	3.47%	195,661.77
Info Tech - operations	201,436.00	3.36%	201,436.00	201,984.70	3.15%	(548.70)
Info Tech - managed print services	-	0.00%	-	6.78	0.00%	(6.78)
Motor pool fuel charges	1,863.00	0.03%	1,863.00	2,001.10	0.03%	(138.10)
Motor pool	17,592.00	0.29%	17,592.00	20,272.42	0.32%	(2,680.42)
Radio communications	-	0.00%	-	230.95	0.00%	(230.95)
Telephone communications	23,156.00	0.39%	23,156.00	22,963.04	0.36%	192.96
Total internal services	764,882.00	12.77%	764,882.00	572,632.18	8.94%	192,249.82
Total operating expense	8,817,035.00	147.15%	8,817,035.00	10,494,877.11	163.86%	(1,677,842.11)
Operating income (loss)	(2,825,358.00)	-47.15%	(2,825,358.00)	(4,089,965.03)	-63.86%	(1,264,607.03)

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2015

	2015			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Non-operating revenues (expenses):						
Planned use of fund balance	746,172.00	12.45%	746,172.00	-	0.00%	(746,172.00)
Income from investments	35,000.00	0.58%	35,000.00	100,487.54	1.57%	65,487.54
Capital contributions	-	0.00%	-	594,061.20	9.28%	594,061.20
Gain on exchange of assets	-	0.00%	-	152.00	0.00%	152.00
Total non-operating revenues (expenses)	781,172.00	13.04%	781,172.00	694,700.74	10.85%	(86,471.26)
Income (loss) before transfer	(2,044,186.00)	-34.12%	(2,044,186.00)	(3,395,264.29)	-53.01%	(1,351,078.29)
Transfers in	2,044,186.00	34.12%	2,044,186.00	2,044,186.00	31.92%	-
Change in net position	\$ -	0.00%	\$ -	(1,351,078.29)	-21.09%	\$ (1,351,078.29)
Total net position - beginning				20,321,097.99		
Total net position - ending				<u>\$18,970,019.70</u>		

STATEMENT OF NET POSITION

ASSETS

Current Assets:	
Cash - Operating	\$ 11,859,344.03
Accrued Interest on Investments	9,277.76
Accounts Receivable	188,051.67
Due from other governments	1,002,977.26
Due from other funds	1,152.00
Prepaid Expenses	964,709.75
Total Current Assets	<u>14,025,512.47</u>
Non-current Assets:	
Property and Equipment at Cost:	
Equipment	12,450,609.97
Equipment - 911	2,554,100.14
Equipment - COPS MORE	19,778,783.50
Equipment - Oak VIDEO	6,404,781.24
Capital Projects in Progress	2,536,802.56
Accumulated Depreciation	<u>(37,370,292.99)</u>
Property and Equipment - Net	<u>6,354,784.42</u>
TOTAL ASSETS	<u>20,380,296.89</u>

LIABILITIES

Current Liabilities:	
Vouchers Payable	201,949.98
Due to other funds	404.03
Due to municipalities	570,197.00
Accounts Payable	359,038.38
Deferred Income	278,687.80
Total Current Liabilities	<u>1,410,277.19</u>

NET POSITION

Invested in Capital Assets	6,354,784.42
Unrestricted-designated for projects	412,388.13
Unrestricted	<u>12,202,847.15</u>
Total Net Position	<u>\$ 18,970,019.70</u>

STATEMENT OF OPERATIONS

	Total Operations	CLEMIS Operations	Oak/Video Operations
Operating Revenues:			
Access fees-Police Depts/Other in Oakland	\$ 309,351.12	\$ 309,351.12	\$ -
Access fees-Non-Oakland County Users	749,848.42	749,848.42	-
In Car Terminals-All Other	1,551,677.00	1,551,677.00	-
In Car Terminals-OC Sheriff	233,287.00	233,287.00	-
Maintenance Contracts - Mugshot Capture Station	311,000.00	311,000.00	-
Maintenance Contracts - LiveScan	267,415.06	267,415.06	-
Service Fees	935,375.11	935,375.11	-
Sheriff Contracted Services	395,701.35	395,701.35	-
CLEMIS Citation	183,495.07	183,495.07	-
CLEMIS Crash	569,782.50	569,782.50	-
CLEMIS Parking	11,974.78	11,974.78	-
Parts and accessories	4,140.83	4,140.83	-
Miscellaneous	191.00	191.00	-
Rebilled Charges	574,143.42	574,143.42	-
Reimb General	296,734.50	296,734.50	-
Crime Mapping	9,951.92	9,951.92	-
Gain on Sale of Equipment	184.00	32.00	152.00
Productive labor	270.00	270.00	-
Seminars/Conferences	541.00	541.00	-
Income from Investments	100,487.54	94,466.15	6,021.39
Capital Contributions	594,061.20	419,629.46	174,431.74
Operating Transfers In	2,044,186.00	1,644,186.00	400,000.00
TOTAL REVENUES	<u>9,143,798.82</u>	<u>8,563,193.69</u>	<u>580,605.13</u>
Operating Expenses:			
Salaries	1,310,354.31	1,167,419.10	142,935.21
Fringe Benefits	697,538.24	626,036.36	71,501.88
Adjustment of Prior Year's Expense	39,733.25	39,733.25	-
Bank Charges	215,873.36	215,873.36	-
Communications	749,412.83	749,412.83	-
Equipment Repairs & Maintenance	158,282.28	146,221.07	12,061.21
Forensic Lab Enhancement	91,274.07	91,274.07	-
Freight & Express	37.45	(1.26)	38.71
Garbage and rubbish disposal	57.59	57.59	-
Indirect Costs	258,120.00	258,120.00	-
Membership Dues & Publications	2,723.99	2,723.99	-
Personal Mileage	1,956.54	564.02	1,392.52
Printing	45.00	45.00	-
Professional Services	1,327,287.29	1,315,651.78	11,635.51
Rebillable Services	664,718.69	664,718.69	-
Software Rental Lease Purchase	148,554.14	148,554.14	-
Software Support/Maintenance	1,219,072.79	1,219,072.79	-
Travel and Conference	12,497.98	12,497.98	-
Workshops and Meetings	642.18	642.18	-
Dry Goods and Clothing	1,379.00	1,379.00	-
Expendable Equipment	37,197.04	36,318.46	878.58
Metered Postage	275.20	275.20	-
Office Supplies	841.36	841.36	-
Parts & Accessories	20,599.63	20,007.18	592.45
Depreciation	2,962,625.72	2,521,872.03	440,953.69
Bldg. Space Cost Allocation	102,900.96	102,900.96	-
Special Event Supplies	945.00	945.00	-
Info. Tech. - Developments	222,272.23	222,272.23	-
Info. Tech. - Operations	201,984.70	201,984.70	-
Info. Tech. - Managed Print Services	6.78	6.78	-
Motor Pool	20,272.42	20,272.42	-
Motor Pool Fuel Charges	2,001.10	2,001.10	-
Radio Communications	230.95	230.95	-
Telephone Communications	22,963.04	22,963.04	-
TOTAL EXPENSES	<u>10,494,877.11</u>	<u>9,812,887.35</u>	<u>681,989.76</u>
NET INCOME (LOSS)	(1,351,078.29)	(1,249,693.66)	(101,384.63)
NET ASSETS, OCTOBER 1, 2014	20,321,097.99	19,082,996.20	1,238,101.79
NET ASSETS, SEPTEMBER 30, 2015	<u>\$ 18,970,019.70</u>	<u>\$ 17,833,302.54</u>	<u>\$ 1,136,717.16</u>

EXHIBIT C-3

CLEMIS - FUND 53500 Operating Transfers In - Fiscal Year 2015
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Description	Amount
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2015 operating support.	\$ 361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2015 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 1st quarter FY 2015 administrative support.	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2015 operating support.	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2015 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 2nd quarter FY 2015 administrative support.	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2015 operating support.	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2015 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 3rd quarter FY 2015 administrative support.	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 4th quarter FY 2015 operating support.	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 4th quarter FY 2015 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 4th quarter FY 2015 administrative support.	50,000.00
Total	<u>\$ 2,044,186.00</u>

CLEMIS FUND 53500
Fiscal Year 2015 – 4th Quarter
Brief Explanation of “Actuals”

EXHIBIT C-4

Listed below are some comments regarding CLEMIS fund’s 4th quarter FY 2015 financial statements.

STATEMENT OF NET POSITION

- CLEMIS fund reports all monetary assets as Cash. Available cash is invested, managed and distributed by the Treasurer’s Office.
- Due from other governments and accounts receivable include CLEMIS member fees and Crash charges through September 2015.
- Prepaid items are amounts paid in advance for contracted hardware and software support.
- Capital projects in progress are the amounts expended through September 2015 for Radio Fund’s CAD Upgrade project and the Mugshot Upgrade project.
- Vouchers payable and Accounts payable include expenses accrued through September 2015.
- Due to municipalities are amount of revenue sharing for Citation and Crash through September 2015 that will be distributed to participating CLEMIS agencies.
- Unearned revenue includes amounts billed in advance for LiveScan maintenance, Mugshot investigative software maintenance and LeadsOnline.
- Unrestricted – designated for projects is the balance of funds received for future expenditures pertaining to the E911 system (\$215,319.86) and Jail Management System (\$197,068.27).

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITON

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.
- Access fees non-Oakland user’s revenue is for membership usage fees based upon the user’s actual FTE count; an 8% rate increase went into effect July 2015.
- CLEMIS Crash revenue is favorable due to low 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. Revenue is slightly higher than budget expectations due to a 5% rate increase that went into effect July 2015.
- Reimbursement general is unfavorable because billings were lower than anticipated for CLEMIS billable staff supporting Sheriff Projects and Radio fund through September 2015.
- Access fees revenue for police departments and other agencies in Oakland County are favorable due to low budget expectations and a 5% rate increase that went into effect July 2015.
- 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 are favorable due in large part to the addition of LeadsOnline. Also included are amounts billed to Tier 2.5 and 3.0 agencies for connectivity costs and billings to agencies for LiveScan upgrades. This revenue source is offset by the Rebillable services expense.
- Crime Mapping is favorable due to low budget expectations.
- CLEMIS Parking is an application used by member agencies to issue parking citations via hand-held devices. This is a fairly new revenue source excluded from the annual budget. The prior year’s revenue for fiscal year 2013 and 2014 are \$1,218 and \$6,455, respectively.

CLEMIS FUND 53500
Fiscal Year 2015 – 4th Quarter
Brief Explanation of “Actuals”

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Cont’d).

Expenses:

- Salaries and Fringe benefits are favorable due to unfilled positions.
- Bank charges are unfavorable due to PayPal service costs which are greater than budgeted. The service allows on-line processing and payment of CLEMIS Citation and Crash transactions.
- Communications expense was reduced by approximately \$107,865. This amount was added to the Rebillable services line item, as CLEMIS rebills for connectivity costs. Actual communication costs were lower than budgeted.
- Equipment repairs and maintenance expense is favorable due to actual maintenance costs being lower than the budget projections.
- Indirect costs 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.
- Professional services expense is for contracted employee wages. In prior years, grants and Radio fund paid a portion of CLEMIS contracted employee’s wages; which explains the unfavorable variance. Also, approximately \$80,100 of this line item is for unusual Oracle Platform Refresh Assessment and Planning.
- Rebillable services expense is favorable as the budget projection does not include expenses for LeadsOnline, connectivity projects and LiveScan upgrade costs. This amount offsets Rebilled charges revenue.
- Software rental lease purchase and Software support maintenance expenses combined are over budget due to additional software purchases in excess of budget projections.
- Expendable equipment is unfavorable due to higher than anticipated actual costs.
- Forensic Lab enhancements were paid from equity reserves.
- Depreciation expense is unfavorable due to additional equipment not included in the original budget projection.
- Internal service charges are favorable, as actual usage was less than budget projections.

Non-Operating Revenues and Expenses:

- Income from Investments is the income allocated and distributed by the Treasurer’s Office.
- Capital contributions are capital items received from the Radio fund and Building Authority.
- Transfers in includes: \$200,000 from the Radio fund for CLEMIS administrative support of the radio system, \$1,444,186 from the General fund for FY 2015 operational support and \$400,000 from the General fund for OakVideo operational support.