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TO: CLEMIS Advisory Board
Finance Committee
Mike McCabe
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FROM: Bob Daddow 

SUBJECT: CLEMIS Funds – Financial Statements and Schedules for
The Quarter Ended December 31, 2015

DATE: March 3, 2016

This letter of transmittal covers the following fund financial statements as of and for the quarter ended December 31, 2015 for the Radio Communications, Fire Records Management System and CLEMIS Operating Funds.

RADIO COMMUNICATIONS FUND

The following financial statements are attached as of and for the quarter ended December 31, 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; such memorandum was used in setting the July 1, 2015 to June 30, 2016 operating surcharge. A similar memorandum will be prepared shortly to address the operating surcharge needs for the period from July 1, 2016 to June 30, 2017 as required by State statutes. This memorandum will be used in the support of that operating surcharge along with a more significant discussion of the status of the planned projects requiring capital funds. The Board of Commissioners will be required to act on the setting of the operating surcharge no later than mid-May 2016.

In connection with the required State statutes in the spring of 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). As outlined in the March 31, 2015 memorandum noted above used in connection with the current year's operating surcharge, additional fee increases may be necessary depending upon the cost projections arising from planned projects.

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 significant planned projects and preliminary funding requirements, 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 rapidly and has become a critical project. Replacement is planned for calendar 2016 through FY 2017. An 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 in the early 2000s. There are now 20 dispatch centers. Several local units are considering either continuing with their local dispatch centers or moving the function to the County Sheriff's operation. No final decisions have been made by the local units at this writing.

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. Additional reserves in the amount of \$3 million to \$5 million may be

needed to finish the installations in FY-2017. 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 current version of the OpenSky mobile and portable radios and underlying infrastructure after 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. A contractor has been secured to assess the alternatives associated with the replacement of this equipment.

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 December 31, 2015. Additional funds of perhaps \$6.1 million over the next 4 to 5 years may be required to ensure that there are sufficient available resources to replace the mobile and portable radios beginning in FY 2018 through anticipated completion (projected circa 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, including Lapeer, St. Clair and Lenawee Counties.

The estimated cost of this project was \$3.5 million. At present, there is \$86,367 remaining in the original reserve as of December 31, 2015.

- **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 have been modified downward at this point in the contract negotiations with the vendor. 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. If approved, a separate technical surcharge outside the Board of Commissioner approval would be required of the Michigan Public Services Commission that would fund a fair amount of this project.

Comments concerning the financial information follow:

- The Fund has approximately \$19.1 million in cash, investments and receivables, net of liabilities and excluding prepaid expenses and inventories at December 31, 2015 (\$18.8 million at September 30, 2015).
- The ending equity has been classified as ‘unrestricted – designated for projects’ in the amount of \$17,939,952 in Exhibit A as of December 31, 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 \$86,367.
 - Console replacement - \$3,000,000 for equipment replacement. Up to 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 \$17,939,952 (rounded).

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 relating to the Fire Records Management System Fund as of and for the quarter ended December 31, 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. The operating transfer in of \$108,576 was provided by the County's General Fund to cover its operating costs for the quarter ended December 31, 2015.
- 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 \$1,070,774 and is equal to the unrestricted equity amount (as currently presented).
- 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.

In the current quarter, an additional operating transfer into the FRMS was provided by the County's General Fund in the amount of \$716,252 towards the funding of the replacement of the existing software package; such amount has been reflected as unrestricted in the balance sheet (but in future quarterly reports will be provided as a restricted equity item net of accumulated expenditures incurred). An additional amount remains in the County's General Fund as a contingency of approximately \$200,000 should added programming be necessary.

CLEMIS OPERATING FUND

The following financial statements and schedules are attached as Exhibit C for the CLEMIS Operating Fund as of and for the quarter ended December 31, 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.
- 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 (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 for the quarter were \$511,046. 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 \$13.1 million in cash, investments and similar liquid assets, net of liabilities and excluding prepaid expenses at December 31, 2015 (at September 30, 2015 - \$11.7 million). The unrestricted equity is roughly equivalent to the net cash and liquid asset position.
- The computer-aided dispatch system development of \$.35 million is being deployed; funding is being paid by the Radio Communications Fund through FY-2015. Any residual amounts requiring enhancements and / or bug-fixes will be covered by the CLEMIS Operating Fund.
- The Fund's equity amounts to \$19.1 million as of December 31, 2015 (at September 30, 2015 - \$19.0 million) and is composed of the equipment acquired through the COPS MORE grant and other recent equipment acquisitions net of accumulated depreciation of \$5,980,809. The December 31, 2015 equity also includes designations for two projects: maintenance of the Jail Management System (\$171,969) and an amount of \$215,319 relating to 9-1-1 projects funded by the County's General Fund. The remaining unrestricted amount is \$12,731,477 at December 31, 2015 (September 30, 2015 - \$12.2 million) 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 \$37.9 million of accumulated depreciation against the cost, or roughly 86.7% 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
December 31, 2015**

EXHIBIT A

ASSETS

Current assets:

Cash and cash equivalents	\$ 17,714,554.04
Accrued interest on investment	103,533.08
Due from other funds	-
Due from other governments	26,547.85
Accounts receivable	1,420,712.85
Inventories	363,686.36
Prepaid items	245,943.04
Total current assets	<u>19,874,977.22</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>(28,226,338.52)</u>
Total capital assets (net of accumulated depreciation)	<u>21,171,097.19</u>
Total assets	<u>41,046,074.41</u>

LIABILITIES

Current liabilities:

Vouchers payable	45,409.72
Due to municipalities	4,885.65
Due to other funds	-
Accounts payable	92,872.31
Unearned revenue	252,225.60
Total current liabilities	<u>395,393.28</u>
Total liabilities	<u>395,393.28</u>

NET POSITION

Net Investment in capital assets	21,171,097.19
Unrestricted-designated for projects	17,939,952.49
Unrestricted	1,539,631.45
Total net position	<u>\$ 40,650,681.13</u>

EXHIBIT A-1

County of Oakland Radio Communications Fund Statement of Revenues, Expenses, and Changes in Net Position For the Three Months Ended December 31, 2015

	2016			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
E 911 Surcharge - Radio system	\$ 6,600,000.00	88.57%	\$ 1,650,000.00	\$ 1,621,317.60	87.87%	\$ (28,682.40)
Antenna site management	325,000.00	4.36%	81,250.00	84,075.21	4.56%	2,825.21
Leased equipment	230,788.00	3.10%	57,697.00	60,435.78	3.28%	2,738.78
Parts and accessories	220,000.00	2.95%	55,000.00	55,636.55	3.02%	636.55
Outside agencies	70,000.00	0.94%	17,500.00	16,452.72	0.89%	(1,047.28)
Productive labor	6,000.00	0.08%	1,500.00	7,281.00	0.39%	5,781.00
Miscellaneous	-	0.00%	-	5.50	0.00%	5.50
Total operating revenue	7,451,788.00	100.00%	1,862,947.00	1,845,204.36	100.00%	(17,742.64)
Operating expenses:						
Salaries	650,319.00	8.73%	162,579.75	144,961.44	7.86%	17,618.31
Fringe benefits	383,964.00	5.15%	95,991.00	86,795.18	4.70%	9,195.82
Contractual services:						
Communications	275,000.00	3.69%	68,750.00	85,233.33	4.62%	(16,483.33)
Contracted services	-	0.00%	-	900.00	0.05%	(900.00)
Electrical service	100,000.00	1.34%	25,000.00	17,382.89	0.94%	7,617.11
Equipment maintenance	325,000.00	4.36%	81,250.00	78,224.71	4.24%	3,025.29
Freight and express	8,500.00	0.11%	2,125.00	799.12	0.04%	1,325.88
Indirect costs	168,000.00	2.25%	42,000.00	51,070.75	2.77%	(9,070.75)
Laundry and cleaning	700.00	0.01%	175.00	142.20	0.01%	32.80
Membership, dues	1,000.00	0.01%	250.00	-	0.00%	250.00
Personal mileage	3,500.00	0.05%	875.00	755.85	0.04%	119.15
Printing	500.00	0.01%	125.00	-	0.00%	125.00
Professional services	500,000.00	6.71%	125,000.00	112,904.08	6.12%	12,095.92
Rebillable services	500.00	0.01%	125.00	-	0.00%	125.00
Software rental lease purchase	30,000.00	0.40%	7,500.00	6,350.00	0.34%	1,150.00
Software support maintenance	1,324,742.00	17.78%	331,185.50	23,401.89	1.27%	307,783.61
Special projects	40,000.00	0.54%	10,000.00	-	0.00%	10,000.00
Tower charges	434,392.00	5.83%	108,598.00	99,698.47	5.40%	8,899.53
Training	75,000.00	1.01%	18,750.00	-	0.00%	18,750.00
Travel and conference	22,500.00	0.30%	5,625.00	-	0.00%	5,625.00
Workshops and meetings	100.00	0.00%	25.00	-	0.00%	25.00
Total contractual services	3,309,434.00	44.41%	827,358.50	476,863.29	25.84%	350,495.21
Commodities:						
Dry goods and clothing	1,900.00	0.03%	475.00	-	0.00%	475.00
Expendable equipment	100,788.00	1.35%	25,197.00	499.85	0.03%	24,697.15
Metered postage	126.00	0.00%	31.50	-	0.00%	31.50
Office supplies	5,000.00	0.07%	1,250.00	282.15	0.02%	967.85
Parts and accessories	200,000.00	2.68%	50,000.00	71,613.81	3.88%	(21,613.81)
Shop supplies	12,000.00	0.16%	3,000.00	5,122.46	0.28%	(2,122.46)
Small tools	5,000.00	0.07%	1,250.00	657.22	0.04%	592.78
Total commodities	324,814.00	4.36%	81,203.50	78,175.49	4.24%	3,028.01
Depreciation:						
Equipment, structures and tower rights	6,192,047.00	83.09%	1,548,011.75	1,422,596.52	77.10%	125,415.23
Internal services:						
Building space allocation	31,511.00	0.42%	7,877.75	7,877.76	0.43%	(0.01)
Info Tech CLEMIS	1,201,000.00	16.12%	300,250.00	214,881.25	11.65%	85,368.75
Info Tech Development	-	0.00%	-	134.00	0.01%	(134.00)
Info Tech Operations	207,765.00	2.79%	51,941.25	61,699.44	3.34%	(9,758.19)
Info Tech Managed Print Services	1,037.00	0.01%	259.25	223.84	0.01%	35.41
Insurance fund	17,660.00	0.24%	4,415.00	660.72	0.04%	3,754.28
Maintenance Department charges	35,000.00	0.47%	8,750.00	2,957.10	0.16%	5,792.90
Motor Pool fuel charges	9,000.00	0.12%	2,250.00	2,012.25	0.11%	237.75
Motor Pool	33,000.00	0.44%	8,250.00	9,411.87	0.51%	(1,161.87)
Telephone communications	30,982.00	0.42%	7,745.50	7,731.56	0.42%	13.94
Total internal services	1,566,955.00	21.03%	391,738.75	307,589.79	16.67%	84,148.96
Total operating expense	12,427,533.00	166.77%	3,106,883.25	2,516,981.71	136.41%	589,901.54
Operating income (loss)	(4,975,745.00)	-66.77%	(1,243,936.25)	(671,777.35)	-36.41%	572,158.90

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended December 31, 2015

	2016			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	5,250,245.00	70.46%	1,312,561.25	-	0.00%	(1,312,561.25)
Income from investments	180,000.00	2.42%	45,000.00	46,510.85	2.52%	1,510.85
Total non-operating revenues (expenses)	5,430,245.00	72.87%	1,357,561.25	46,510.85	2.52%	(1,311,050.40)
Income (loss) before transfer	454,500.00	6.10%	113,625.00	(625,266.50)	-33.89%	(738,891.50)
Transfers in	31,500.00	0.42%	7,875.00	18,000.00	0.98%	10,125.00
Transfers out	(486,000.00)	-6.52%	(121,500.00)	(121,500.00)	-6.58%	-
Change in net position	\$ -	0.00%	\$ -	(728,766.50)	-39.50%	\$ (728,766.50)
Net Position - beginning				41,379,447.63		
Net Position - ending				<u>\$ 40,650,681.13</u>		

EXHIBIT A-2**RADIO COMMUNICATIONS - FUND 53600
Operating Transfers In - Fiscal Year 2016**

Description	Amount
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-294 for Sheriff's contract with Independence Township	\$ 4,500.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-295 for Sheriff's contract with Lyon Township	4,500.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-296 for Sheriff's contract with Oakland Township	4,500.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-297 for Sheriff's contract with Orion Township	4,500.00

Total	\$ 18,000.00
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RADIO COMMUNICATIONS - FUND 53600
Operating Transfers Out - Fiscal Year 2016

Description	Amount
Budgeted Operating Transfer from Radio fund to Info Tech fund for 1st quarter FY 2016 OakNet operation costs.	\$ 59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 1st quarter FY 2016 administrative support	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 1st quarter FY 2016 Help Desk support	12,500.00
Total	\$ 121,500.00

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2016 – 1st Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Radio Communications fund's 1st quarter Fiscal Year 2016 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 \$1,273,000 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, amounts due from non-governmental external users for leased equipment and anticipated amounts due for re-banding efforts.
- 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 1st quarter expenses.
- 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 is for telecommunications companies that have contracted with Oakland County to place equipment on county-owned towers.
- Parts and accessories revenue is for amounts billed for radio equipment repair requests.
- Productive labor revenue is higher than anticipated due to increased demand for service.

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

RADIO COMMUNICATIONS FUND 53600

Fiscal Year 2016 – 1st Quarter

Brief Explanation of “Actuals”

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 radio system.
- Software rental, lease purchase and software support maintenance is favorable due to the timing of the ESInet project.
- 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.
- Expendable equipment, parts and accessories and shop supplies combined are slightly under budget.
- Depreciation is favorable due to timing of capital projects.
- Internal service expense is favorable (overall) based on actual usage that falls below budgeted expectations.

Non-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.
- Transfers in includes: \$4,500 approved on Resolution 15-294 for the Sheriff’s contract with Independence Township, \$4,500 approved on Resolution 15-295 for the Sheriff’s contract with Lyon Township, \$4,500 approved on Resolution 15-296 for the Sheriff’s contract with Oakland Township, and \$4,500 approved on Resolution 15-297 for the Sheriff’s contract with Orion Township.
- Transfers out includes \$50,000 for administrative support provided by the CLEMIS fund, \$12,500 for Help Desk support provided by the Information Technology fund and \$59,000 to the Information Technology fund for OakNet operation costs.

EXHIBIT B

**County of Oakland
Fire Records Management Fund
Statement of Net Assets
December 31, 2015**

ASSETS

Current assets:

Cash and cash equivalents	\$ 929,604.00
Due from other governments	50,824.17
Accrued interest on investment	1,180.73
Accounts receivable	2,780.25
Prepaid expense	86,385.73
Total current assets	<u>1,070,774.88</u>

Noncurrent assets:

Capital projects in progress	241,710.75
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>241,710.76</u>
Total assets	<u>1,312,485.64</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	241,710.76
Unrestricted	<u>1,070,774.88</u>
Total net assets	<u>\$ 1,312,485.64</u>

County of Oakland
Fire Records Management Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Three Months Ended December 31, 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	\$ 141,504.00	71.98%	\$ 35,376.00	36,558.75	71.41%	\$ 1,182.75
Participation fees - non-Oakland agencies	37,950.00	19.30%	9,487.50	8,929.50	17.44%	(558.00)
Outside agencies-rebilled charges	17,133.00	8.72%	4,283.25	5,711.67	11.16%	1,428.42
Total operating revenues	196,587.00	100.00%	49,146.75	51,199.92	100.01%	2,053.17
Operating expenses:						
Salaries	274,061.00	139.41%	68,515.25	64,229.44	125.45%	4,285.81
Fringe benefits	161,189.00	81.99%	40,297.25	37,953.83	74.12%	2,343.42
Contractual services:						
Communications	29,000.00	14.76%	7,250.00	2,718.36	5.31%	4,531.64
Equipment repairs and maintenance	1,000.00	0.50%	250.00	0.00	0.00%	250.00
Indirect costs	50,000.00	25.43%	12,500.00	15,762.75	30.79%	(3,262.75)
Personal mileage	1,000.00	0.50%	250.00	0.00	0.00%	250.00
Professional services	916,252.00	466.07%	229,063.00	0.00	0.00%	229,063.00
Software rental lease purchase	0.00	0.00%	0.00	2,177.01	4.25%	(2,177.01)
Software support/maintenance	84,112.00	42.78%	21,028.00	19,669.50	38.42%	1,358.50
Travel and conference	4,000.00	2.03%	1,000.00	0.00	0.00%	1,000.00
Workshops and meeting	0.00	0.00%	0.00	0.00	0.00%	0.00
Total contractual services	1,085,364.00	552.07%	271,341.00	40,327.62	78.77%	231,013.38
Commodities:						
Expendable equipment	7,000.00	3.56%	1,750.00	0.00	0.00%	1,750.00
Total commodities	7,000.00	3.56%	1,750.00	0.00	0.00%	1,750.00
Depreciation:						
Equipment	63,333.00	32.22%	15,833.25	0.00	0.00%	15,833.25
Total depreciation	63,333.00	32.22%	15,833.25	0.00	0.00%	15,833.25
Internal services:						
Info Tech-CLEMIS	0.00	0.00%	0.00	0.00	0.00%	0.00
Info Tech-development	0.00	0.00%	0.00	25,490.44	49.79%	(25,490.44)
Info Tech-operations	59,577.00	30.30%	14,894.25	13,190.00	25.76%	1,704.25
Insurance fund	207.00	0.11%	51.75	51.72	0.10%	0.03
Telephone communications	610.00	0.32%	152.50	82.97	0.16%	69.53
Total internal services	60,394.00	30.73%	15,098.50	38,815.13	75.81%	(23,716.63)
Total operating expenses	1,651,341.00	839.98%	412,835.25	181,326.02	354.15%	231,509.23
Operating income (loss)	(1,454,754.00)	-739.98%	(363,688.50)	(130,126.10)	-254.14%	233,562.40
Nonoperating revenues (expenses):						
Planned use of balance	36,025.00	18.32%	9,006.25	0.00	0.00%	(9,006.25)
Income from investments	310,990.00	158.19%	3,000.00	702.27	1.37%	(2,297.73)
Total nonoperating revenues (expenses)	347,015.00	176.51%	12,006.25	702.27	1.37%	(11,303.98)
Income (loss) before transfers	(1,107,739.00)	-563.47%	(351,682.25)	(129,423.83)	-252.77%	222,258.42
Transfers in	1,140,764.00	580.28%	285,191.00	825,928.25	1613.14%	540,737.25
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net assets	\$ 33,025.00	16.81%	\$ (66,491.25)	696,504.42	1380.37%	\$ 762,995.67
Total net assets - beginning				615,981.22		
Total net assets - ending				<u>\$ 1,312,485.64</u>		

EXHIBIT B-2

TELEPHONE COMMUNICATIONS - FUND 67500
Operating Transfers In - Fiscal Year 2015

<u>Description</u>	<u>Amount</u>
Budgeted Operating Transfer from General fund to Fire Records Management fund for 1st quarter FY 2016 operating support	\$ 109,676
BOC Miscellaneous Resolution 15302 for Software Development of new FRMS system	716,252
Total	<u>\$825,928</u>

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2016 – 1st Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Fire Records Management Fund's 1st quarter FY 2016 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 and Township of Lyon Fire Dept were current at December 31, 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 1st quarter of FY 2016.
- 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 1st quarter of FY 2016.
- 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 2016 budget per Fiscal Services management.
- Income from investments is unfavorable due to decrease in cash balance anticipated for availability of investments during the 1st quarter.
- Transfers in includes an amount budgeted and received from the General fund quarterly for operating support for Oakland County agencies. Additionally, a transfer in for the amount of \$716,252 was received to assist with the FRMS rewrite project.

FIRE RECORDS MANAGEMENT FUND 53100

Fiscal Year 2016 – 1st 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 unfavorable due to one-time software license purchases for member agencies, offset by revenue from rebilled charges.
- 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 favorable due to FRMS projects still in the implementation phase rather than operational as projected at the time of the budget process.
- 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
December 31, 2015**

EXHIBIT C

ASSETS

Current assets:

Cash and cash equivalents	\$ 12,288,846.14
Due from other governments	985,163.41
Accounts receivable	137,323.14
Due from other funds	-
Accrued interest on investment	13,499.17
Prepaid items	744,640.64
Total current assets	<u>14,169,472.50</u>

Non-current assets:

Equipment	12,514,233.97
Equipment - 911	2,554,100.14
Equipment - COPS MORE	19,778,783.50
Equipment - OAKVIDEO	6,404,781.24
Capital projects in progress	2,614,366.14
Less accumulated depreciation	<u>(37,885,455.45)</u>
Total capital assets (net of accumulated depreciation)	<u>5,980,809.54</u>
Total assets	<u>20,150,282.04</u>

LIABILITIES

Current liabilities:

Vouchers payable	184,466.23
Due to municipalities	478,803.00
Due to other funds	-
Accounts payable	176,857.95
Unearned revenue	210,579.81
Total current liabilities	<u>1,050,706.99</u>

NET POSITION

Net Investment in capital assets	5,980,809.54
Unrestricted - designated for projects	387,288.13
Unrestricted	<u>12,731,477.38</u>
Total net position	<u>19,099,575.05</u>

EXHIBIT C-1

County of Oakland CLEMIS Fund Statement of Revenues, Expenses, and Changes in Net Position For the Three Months Ended December 31, 2015

	2016			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
In-car terminals - all other	1,587,494.00	25.48%	396,873.50	403,137.83	20.89%	6,264.33
Service fees	1,100,000.00	17.66%	275,000.00	214,101.25	11.10%	(60,898.75)
Access fees - non-Oakland	729,309.00	11.71%	182,327.25	208,007.92	10.78%	25,680.67
CLEMIS crash	550,000.00	8.83%	137,500.00	149,656.50	7.76%	12,156.50
Sheriff contracted services	410,357.00	6.59%	102,589.25	102,326.49	5.30%	(262.76)
Reimbursement general	350,000.00	5.62%	87,500.00	65,269.75	3.38%	(22,230.25)
Maintenance contracts - MugShot	308,000.00	4.94%	77,000.00	77,500.00	4.02%	500.00
Maintenance contracts - LiveScan	266,883.00	4.28%	66,720.75	65,373.81	3.39%	(1,346.94)
Access fees-police depts/other in Oakland County	320,810.00	5.15%	80,202.50	80,364.00	4.16%	161.50
In-car terminals - OC Sheriff	227,719.00	3.65%	56,929.75	57,161.50	2.96%	231.75
Rebilled charges	200,000.00	3.21%	50,000.00	455,678.60	23.62%	405,678.60
CLEMIS citation	150,000.00	2.41%	37,500.00	44,580.35	2.31%	7,080.35
Crime mapping	8,000.00	0.13%	2,000.00	2,637.36	0.14%	637.36
CLEMIS parking	7,000.00	0.11%	1,750.00	3,759.63	0.19%	2,009.63
Parts and accessories	6,000.00	0.10%	1,500.00	-	0.00%	(1,500.00)
Productive labor	200.00	0.00%	50.00	-	0.00%	(50.00)
Total operating revenue	6,230,379.00	100.00%	1,557,594.75	1,929,554.99	100.00%	371,960.24
Operating expenses:						
Salaries	1,852,360.00	29.73%	463,090.00	316,734.87	16.41%	146,355.13
Fringe benefits	1,048,232.00	16.82%	262,058.00	172,428.95	8.94%	89,629.05
Contractual services:						
Bank charges	150,000.00	2.41%	37,500.00	67,786.06	3.51%	(30,286.06)
Communications	900,000.00	14.45%	225,000.00	199,716.12	10.35%	25,283.88
Equipment repairs and maintenance	380,000.00	6.10%	95,000.00	6,401.97	0.33%	88,598.03
Freight and express	250.00	0.00%	62.50	20.10	0.00%	42.40
Indirect costs	275,000.00	4.41%	68,750.00	77,375.75	4.01%	(8,625.75)
Membership, dues & publications	2,000.00	0.03%	500.00	774.00	0.04%	(274.00)
Personal mileage	2,500.00	0.04%	625.00	518.08	0.03%	106.92
Printing	3,000.00	0.05%	750.00	-	0.00%	750.00
Professional services	552,868.00	8.87%	138,217.00	198,140.83	10.27%	(59,923.83)
Rebillable services	300,000.00	4.82%	75,000.00	356,648.65	18.48%	(281,648.65)
Software rental lease purchase	250,000.00	4.01%	62,500.00	58,263.67	3.02%	4,236.33
Software support/maintenance	750,000.00	12.04%	187,500.00	309,329.29	16.03%	(121,829.29)
Travel and conference	6,000.00	0.10%	1,500.00	3,753.49	0.19%	(2,253.49)
Workshops and meetings	1,250.00	0.02%	312.50	-	0.00%	312.50
Total contractual services	3,572,868.00	57.35%	893,217.00	1,278,728.01	66.27%	(385,511.01)
Commodities:						
Dry goods and clothing	1,200.00	0.02%	300.00	-	0.00%	300.00
Expendable equipment	20,000.00	0.32%	5,000.00	37.25	0.00%	4,962.75
Forensic Lab enhancement	-	0.00%	-	3,037.38	0.16%	(3,037.38)
Metered postage	287.00	0.00%	71.75	22.25	0.00%	49.50
Office supplies	1,000.00	0.02%	250.00	48.96	0.00%	201.04
Parts and accessories	25,000.00	0.40%	6,250.00	2,480.92	0.13%	3,769.08
Printing supplies	500.00	0.01%	125.00	-	0.00%	125.00
Total commodities	47,987.00	0.77%	11,996.75	5,626.76	0.29%	6,369.99
Depreciation	3,105,458.00	49.84%	776,364.50	515,162.46	26.70%	261,202.04
Internal services:						
Building space cost allocation	108,242.00	1.74%	27,060.50	27,060.51	1.40%	(0.01)
Info Tech - development	417,934.00	6.71%	104,483.50	42,891.07	2.22%	61,592.43
Info Tech - operations	201,436.00	3.23%	50,359.00	50,445.35	2.61%	(86.35)
Info Tech - managed print services	11.00	0.00%	2.75	0.60	0.00%	2.15
Motor pool fuel charges	2,400.00	0.04%	600.00	474.14	0.02%	125.86
Motor pool	20,500.00	0.33%	5,125.00	4,549.07	0.24%	575.93
Telephone communications	23,487.00	0.38%	5,871.75	5,371.57	0.28%	500.18
Total internal services	774,010.00	12.42%	193,502.50	130,792.31	6.78%	62,710.19
Total operating expense	10,400,915.00	166.94%	2,600,228.75	2,419,473.36	125.39%	180,755.39
Operating income (loss)	(4,170,536.00)	-66.94%	(1,042,634.00)	(489,918.37)	-25.39%	552,715.63

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended December 31, 2015

	2016			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Non-operating revenues (expenses):						
Planned use of fund balance	1,941,350.00	31.16%	485,337.50	-	0.00%	(485,337.50)
Income from investments	35,000.00	0.56%	8,750.00	30,863.64	1.60%	22,113.64
Capital contributions	150,000.00	2.41%	37,500.00	77,563.58	4.02%	40,063.58
Total nonoperating revenues (expenses)	2,126,350.00	34.13%	531,587.50	108,427.22	5.62%	(423,160.28)
Income (loss) before transfer	(2,044,186.00)	-32.81%	(511,046.50)	(381,491.15)	-19.77%	129,555.35
Transfers in	2,044,186.00	32.81%	511,046.50	511,046.50	26.49%	-
Transfers out	-	0.00%	-	-	0.00%	-
Change in net position	\$ -	0.00%	\$ -	129,555.35	6.71%	\$ 129,555.35
Net Position - beginning				18,970,019.70		
Net Position - ending				<u>\$19,099,575.05</u>		

COUNTY OF OAKLAND
CLEMIS FUND
FINANCIAL REPORT AS OF DECEMBER 31, 2015

EXHIBIT C-2

STATEMENT OF NET POSITION

ASSETS

Current Assets:	
Cash - Operating	\$ 12,288,846.14
Accrued Interest on Investments	13,499.17
Accounts Receivable	137,323.14
Due from other governments	985,163.41
Due from other funds	-
Prepaid Expenses	744,640.64
Total Current Assets	<u>14,169,472.50</u>
Non-current Assets:	
Property and Equipment at Cost:	
Equipment	12,514,233.97
Equipment - 911	2,554,100.14
Equipment - COPS MORE	19,778,783.50
Equipment - OAK VIDEO	6,404,781.24
Capital Projects in Progress	2,614,366.14
Accumulated Depreciation	(37,885,455.45)
Property and Equipment - Net	<u>5,980,809.54</u>
TOTAL ASSETS	<u>20,150,282.04</u>

LIABILITIES

Current Liabilities:	
Vouchers Payable	184,466.23
Due to other funds	-
Due to municipalities	478,803.00
Accounts Payable	176,857.95
Deferred Income	210,579.81
Total Current Liabilities	<u>1,050,706.99</u>
NET POSITION	
Invested in Capital Assets	5,980,809.54
Unrestricted-designated for projects	387,288.13
Unrestricted	<u>12,731,477.38</u>
Total Net Position	<u>\$ 19,099,575.05</u>

STATEMENT OF OPERATIONS

	Total Operations	CLEMIS Operations	Oak/Video Operations
Operating Revenues:			
Access fees-Police Depts/Other in Oakland	\$ 80,364.00	\$ 80,364.00	\$ -
Access fees-Non-Oakland County Users	208,007.92	208,007.92	-
In Car Terminals-All Other	403,137.83	403,137.83	-
In Car Terminals-OC Sheriff	57,161.50	57,161.50	-
Maintenance Contracts - MugsShot Capture Station	77,500.00	77,500.00	-
Maintenance Contracts - LiveScan	65,373.81	65,373.81	-
Service Fees	214,101.25	214,101.25	-
Sheriff Contracted Services	102,326.49	102,326.49	-
CLEMIS Citation	44,580.35	44,580.35	-
CLEMIS Crash	149,656.50	149,656.50	-
CLEMIS Parking	3,759.63	3,759.63	-
Parts and accessories	-	-	-
Miscellaneous	-	455,678.60	-
Rebilled Charges	65,269.75	65,269.75	-
Reimb General	2,637.36	2,637.36	-
Crime Mapping	-	-	-
Gain on Sale of Equipment	-	-	-
Productive labor	-	-	-
Seminars/Conferences	30,863.64	29,161.12	1,702.52
Income from Investments	77,563.58	74,561.08	3,002.50
Capital Contributions	511,046.50	411,046.50	100,000.00
Operating Transfers In	2,549,028.71	2,444,323.69	104,705.02
TOTAL REVENUES			
Operating Expenses:			
Salaries	316,734.87	278,558.30	38,176.57
Fringe Benefits	172,428.95	153,693.33	18,735.62
Adjustment of Prior Year's Expense	-	-	-
Bank Charges	67,786.06	67,786.06	-
Communications	199,716.12	199,716.12	-
Equipment Repairs & Maintenance	6,401.97	4,257.25	2,144.72
Forensic Lab Enhancement	3,037.38	3,037.38	-
Freight & Express	20.10	11.14	8.96
Garbage and rubbish disposal	-	-	-
Indirect Costs	77,375.75	77,375.75	-
Membership Dues & Publications	774.00	774.00	-
Personal Mileage	518.08	238.63	279.45
Printing	-	-	-
Professional Services	198,140.83	198,140.83	-
Rebillable Services	356,648.65	356,648.65	-
Software Rental Lease Purchase	58,263.67	58,263.67	-
Software Support/Maintenance	309,329.29	309,329.29	-
Travel and Conference	3,753.49	3,753.49	-
Workshops and Meetings	-	-	-
Dry Goods and Clothing	-	-	-
Expendable Equipment	37.25	37.25	-
Metered Postage	22.25	22.25	-
Office Supplies	48.96	48.96	-
Parts & Accessories	2,480.92	2,449.40	31.52
Depreciation	515,162.46	386,699.70	128,462.76
Bldg. Space Cost Allocation	27,060.51	27,060.51	-
Special Event Supplies	-	-	-
Info. Tech. - Development	42,891.07	42,891.07	-
Info. Tech. - Operations	50,445.35	50,445.35	-
Info. Tech. - Managed Print Services	0.60	0.60	-
Motor Pool	4,549.07	4,549.07	-
Motor Pool Fuel Charges	474.14	474.14	-
Radio Communications	-	-	-
Telephone Communications	5,371.57	5,371.57	-
TOTAL EXPENSES	<u>2,419,473.36</u>	<u>2,231,633.76</u>	<u>187,839.60</u>
NET INCOME (LOSS)	129,555.35	212,689.93	(83,134.58)
NET ASSETS, OCTOBER 1, 2015	18,970,019.70	17,833,302.54	1,136,717.16
NET ASSETS, DECEMBER 31, 2015	<u>\$ 19,099,575.05</u>	<u>\$ 18,045,992.47</u>	<u>\$ 1,053,582.58</u>

EXHIBIT C-3

CLEMIS - FUND 53500
Operating Transfers In - Fiscal Year 2015

Description	Amount
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2016 operating support.	\$ 361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2016 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 1st quarter FY 2016 administrative support.	50,000.00
Total	\$ 511,046.50

CLEMIS FUND 53500
Fiscal Year 2016 – 1st Quarter
Brief Explanation of “Actuals”

EXHIBIT C-4

Listed below are some comments regarding CLEMIS fund’s 1st quarter FY 2016 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 December 2015.
- Prepaid items are amounts paid in advance for contracted hardware and software support.
- Capital projects in progress are the amounts expended through December 2015 for Radio Fund’s CAD Upgrade project, OakVideo Upgrade project and Mugshot Upgrade project.
- Vouchers payable and Accounts payable include expenses accrued through December 2015.
- Due to municipalities are amount of revenue sharing for Citation and Crash through December 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 (\$171,968.27).

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITON

Revenues:

- In-car terminals—all other revenue is user MDC participation fees based upon the user’s actual MDC count multiplied by a per unit rate.
- 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. A positive variance indicates an actual FTE count greater than that used for budgeting.
- CLEMIS Crash revenue is generated from the online purchase of accident/crash reports.
- 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 unfavorable because billings were lower than anticipated for CLEMIS billable staff supporting Sheriff Projects and Radio fund through December 2015.
- In-car terminals—OC Sheriff Revenue is the Oakland County Sheriff’s Office MDC participation fee based upon an actual MDC count.
- 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.
- CLEMIS Parking is an application used by member agencies to issue parking citations via hand-held devices.

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.

CLEMIS FUND 53500
Fiscal Year 2016 – 1st Quarter
Brief Explanation of “Actuals”

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

- Communications expense is favorable due to less than anticipated MDC units in service.
- Equipment repairs and maintenance expense is favorable due to purchases of new hardware.
- Indirect costs expense is based on the County’s indirect cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, Budgeting, and Administrative services.
- Professional services expense is unfavorable due to on-going projects and staffing of vacant positions as contractors; those costs are offset by the favorability in salaries and fringe benefits.
- Rebillable services expense is favorable as the budget projection does not include expenses for 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 favorable due to lower than anticipated actual costs.
- Forensic Lab enhancements were paid from equity reserves.
- 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: \$50,000 from the Radio fund for CLEMIS administrative support of the radio system, \$361,046.50 from the General fund for operational support and \$100,000 from the General fund for OakVideo operational support.