



C O U N T Y M I C H I G A N

L. BROOKS PATTERSON, OAKLAND COUNTY EXECUTIVE

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Special Projects Deputy County Executive

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

SUBJECT: CLEMIS Funds – Financial Statements and Schedules for
The Nine Months Ended June 30, 2016

DATE: August 9, 2016

This letter of transmittal covers the following fund financial statements as of and for the nine months ended June 30, 2016 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 nine months ended June 30, 2016 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 Operating 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 April 1, 2016; such memorandum was used in setting the July 1, 2016 to June 30, 2017 operating surcharge and is incorporated within this memorandum by reference. The April 1, 2016 memorandum was used in the support of that FY-2017 operating surcharge along with a more significant discussion of the status of the planned projects requiring capital funds and the Radio Communication Fund's ability to cover those project costs now and into the future.

The Board of Commissioners acted on the recommendations in that memorandum and set the FY-2017 operating surcharge beginning July 1, 2016 at \$.28 (the same rate as used in the FY-2016 period).

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 15 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.

Comments on the status of significant planned projects and preliminary funding follow:

- **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 late 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 18 primary dispatch centers, plus one secondary PSAP (Oakland University) and a planned back-up center at the former Pontiac Police Department. Oxford Village Council has recently voted to transfer its dispatch operations in late calendar 2016 to the Sheriff's Office. No other local units of government are seriously considering eliminating their dispatch function at this time.

At June 30, 2016 the unreserved equity-designated for projects includes \$6.25 million set aside to address the console replacement anticipated to be purchased. Additional reserves might be necessary in FY-2017 depending upon the number of dispatch centers still remaining at the time the ESINet project gets underway.

- **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 received notification that the current

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. The April 1, 2016 memorandum describes in detail the projects, operating surcharge and other funding needs, and timing relating thereto. A report is due late into the fourth quarter of FY-2016 or early FY-2017.

The County has restricted equity relating to depreciation in the amount of \$10.0 million as of June 30, 2016 (less additional equipment acquired in October 2013 in the amount of \$266,415) for a net amount restricted of \$9,733,584. Additional funds of perhaps \$10.0 million over the next 4 to 5 years may be required to ensure that there are sufficient available resources to fully replace the mobile and portable radios beginning in FY 2018 through anticipated completion (projected circa FY-2021) either through bonding (as outlined in the April 1, 2016 memorandum), securing support from the State's operating surcharge fund and / or by increasing the operating surcharge (likely in FY-2019, if necessary).

- **Computer-aided Dispatch Project:** the County's computer-aided dispatch center equipment software for CLEMIS was 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. The estimated cost of this project was \$3.5 million and amounts for the creation of the software have been expended and largely completed. Future deployment costs will be borne by the CLEMIS Operating Fund.
- **NG-911 Project Needs (ESInet):** 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 18 local dispatch centers will need to be replaced in the 2017-2018 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 PFN contract was signed early in the third quarter of FY-2016. As described in the April 1, 2016 memorandum, PFN has proposed the significant cost recovery from the State and Technical Surcharge pool. At this time, 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 by the State, a separate technical surcharge outside the Board of Commissioner approval would be required of the Michigan Public Services Commission that would fund this project, in whole or part. However, given the underlying State and Technical Surcharge pool is presently stressed, to do so may require the State Legislature will need to increase the current \$.19 per month per device State surcharge to the maximum amount of \$.25 per month per device. The willingness of the State Legislature to do so is presently uncertain.

At June 30, 2016, \$2,282,516 has been restricted for the ESInet project, along with an anticipated WAN upgrade (restricted equity of \$350,000 at June 30, 2016).

Comments concerning the financial information follow:

- The Fund has approximately \$20.0 million in cash, investments and receivables, net of liabilities and excluding prepaid expenses and inventories at June 30, 2016 (\$19.8 million at March 31, 2016).
- The ending equity has been classified as ‘unrestricted – designated for projects’ in the amount of \$18,616,101 as of March 31, 2016 with the following components:
 - Funding of depreciation: \$9,733,585 has been set aside currently in equity to be used towards future capital projects.
 - Console replacement - \$6,250,000 for equipment replacement. Additional amounts may be needed to complete this project depending upon the number and size of PSAPs remaining at the time of conversion.
 - ESInet equipment and related costs - \$2,282,516 (net of expenses to date of \$592,445).
 - WAN upgrade - \$350,000 at June 30, 2016.

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, interference-free frequencies to accommodate them and replacing a fairly extensive local bi-directional radio 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 nine months ended June 30, 2016:

- 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 to date of \$328,729 was provided by the County's General Fund to cover its operating costs for the nine months ended June 30, 2016. An additional \$716,252 was provided by the County's General Fund for the re-write of the underlying FRMS system. While costs have been incurred through June 30, 2016 for the re-write of the system, they have yet to be summarized and charged to the FRMS Fund; such effort will be conducted in the fourth quarters of FY-2016 as part of the closing of the accounting records.
- 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 (excluding prepaid expenses), net of amounts owed, of roughly \$890,035 and is equal to the unrestricted equity amount (as currently presented). The preponderance of the cash included on the balance sheet arises from the amounts restricted for the re-write of the FRMS computer system.
- 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.

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 first FY-2016 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 nine months ended June 30, 2016:

- 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 and OAKVideo Operations (e.g. video conferencing that operate only 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 To the Radio Communications 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 nine months ended June 30, 2016 \$1,533,140. 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 \$12.0 million in cash, investments and similar liquid assets, excluding prepaid expenses at June 30, 2016 and less current liabilities (March 31, 2015 - \$12.3 million). The unrestricted equity is roughly equivalent to the net cash and liquid asset position.
- The computer-aided dispatch system development of \$3.5 million has largely been completed and is now being deployed. Development funding was paid by the Radio Communications Fund through March 2016. Any residual amounts requiring enhancements and / or bug-fixes will be covered by the CLEMIS Operating Fund as well as the deployment costs to the local dispatch operations.
- The Fund's equity amounts to \$18.0 million as of June 30, 2016 (at March 31, 2016 - \$18.7 million) and is composed of the equipment acquired through the COPS MORE grant and other recent equipment acquisitions net of accumulated depreciation of \$5,749,206. The June 30, 2016 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 \$12,237,078 at March 31, 2016 (March 31, 2016 - \$12.5 million).
- 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 March 31, 2016). The aggregate balance of fixed assets in this Fund is \$44.3 million, with \$38.9 million of accumulated depreciation against the cost, or roughly 87.8% 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
June 30, 2016**

EXHIBIT A

ASSETS

Current assets:

Cash and cash equivalents	\$ 18,813,072.16
Accrued interest on investment	107,520.49
Due from other funds	-
Due from other governments	19,924.00
Accounts receivable	1,301,472.37
Inventories	363,686.36
Prepaid items	227,194.17
Total current assets	<u>20,832,869.55</u>

Non-current assets:

Capital projects in progress	1,961,615.35
Tower rights	8,585,770.20
Equipment	26,604,459.06
Structures	12,831,806.50
Less accumulated depreciation	<u>(31,070,765.38)</u>
Total capital assets (net of accumulated depreciation)	<u>18,912,885.73</u>
Total assets	<u>39,745,755.28</u>

LIABILITIES

Current liabilities:

Vouchers payable	42,876.33
Due to municipalities	9,917.86
Accounts payable	92,699.72
Unearned revenue	84,075.18
Total current liabilities	<u>229,569.09</u>
Total liabilities	<u>229,569.09</u>

NET POSITION

Net Investment in capital assets	18,912,885.73
Unrestricted-designated for projects	18,616,100.50
Unrestricted	1,987,199.96
Total net position	<u>\$ 39,516,186.19</u>

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Nine Months Ended June 30, 2016

EXHIBIT A-1

	2016			Year to Date		Favorable (Unfavorable)
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	Variance
Operating revenues:						
E 911 Surcharge - Radio system	\$ 6,600,000.00	88.57%	\$ 4,950,000.00	\$ 4,935,433.96	87.37%	\$ (14,566.04)
Antenna site management	325,000.00	4.36%	243,750.00	267,805.63	4.74%	24,055.63
Leased equipment	230,788.00	3.10%	173,091.00	182,576.84	3.23%	9,485.84
Parts and accessories	220,000.00	2.95%	165,000.00	188,944.59	3.34%	23,944.59
Outside agencies	70,000.00	0.94%	52,500.00	49,358.16	0.87%	(3,141.84)
Productive labor	6,000.00	0.08%	4,500.00	24,562.18	0.43%	20,062.18
Miscellaneous	-	0.00%	-	5.50	0.00%	5.50
Total operating revenue:	7,451,788.00	100.00%	5,588,841.00	5,648,686.86	100.00%	59,845.86
Operating expenses:						
Salaries	650,319.00	8.73%	487,739.25	438,499.87	7.76%	49,239.38
Fringe benefits	363,593.00	4.88%	272,694.75	247,453.22	4.38%	25,241.53
Contractual services:						
Adjustment of prior year's revenue	-	0.00%	-	6,135.94	0.11%	(6,135.94)
Communications	275,000.00	3.69%	206,250.00	255,112.15	4.52%	(48,862.15)
Contracted services	-	0.00%	-	2,700.00	0.05%	(2,700.00)
Electrical service	100,000.00	1.34%	75,000.00	50,711.37	0.90%	24,288.63
Equipment maintenance	325,000.00	4.36%	243,750.00	207,980.15	3.68%	35,769.85
Freight and express	8,500.00	0.11%	6,375.00	3,248.88	0.06%	3,126.12
Indirect costs	168,000.00	2.25%	126,000.00	153,212.25	2.71%	(27,212.25)
Laundry and cleaning	700.00	0.01%	525.00	577.56	0.01%	(52.56)
Membership, dues	1,000.00	0.01%	750.00	-	0.00%	750.00
Personal mileage	3,500.00	0.05%	2,625.00	1,846.30	0.03%	778.70
Printing	500.00	0.01%	375.00	311.00	0.01%	64.00
Professional services	500,000.00	6.71%	375,000.00	180,523.60	3.20%	194,476.40
Rebillable services	500.00	0.01%	375.00	-	0.00%	375.00
Software rental lease purchase	30,000.00	0.40%	22,500.00	8,658.00	0.15%	13,842.00
Software support maintenance	1,324,742.00	17.78%	993,556.50	69,068.30	1.22%	924,488.20
Special projects	40,000.00	0.54%	30,000.00	1,559.87	0.03%	28,440.13
Tower charges	434,392.00	5.83%	325,794.00	310,347.48	5.49%	15,446.52
Training	75,000.00	1.01%	56,250.00	-	0.00%	56,250.00
Travel and conference	22,500.00	0.30%	16,875.00	547.48	0.01%	16,327.52
Workshops and meetings	100.00	0.00%	75.00	-	0.00%	75.00
Total contractual services	3,309,434.00	44.41%	2,482,075.50	1,252,540.33	22.17%	1,229,535.17
Commodities:						
Dry goods and clothing	1,900.00	0.03%	1,425.00	-	0.00%	1,425.00
Expendable equipment	100,788.00	1.35%	75,591.00	12,630.53	0.22%	62,960.47
Metered postage	126.00	0.00%	94.50	2.60	0.00%	91.90
Office supplies	5,000.00	0.07%	3,750.00	4,902.48	0.09%	(1,152.48)
Parts and accessories	200,000.00	2.68%	150,000.00	200,869.51	3.56%	(50,869.51)
Shop supplies	12,000.00	0.16%	9,000.00	26,041.25	0.46%	(17,041.25)
Small tools	5,000.00	0.07%	3,750.00	1,437.44	0.03%	2,312.56
Total commodities	324,814.00	4.36%	243,610.50	245,883.81	4.35%	(2,273.31)
Depreciation:						
Equipment, structures and tower rights	6,192,047.00	83.09%	4,644,035.25	4,267,609.45	75.55%	376,425.80
Internal services:						
Building space allocation	31,511.00	0.42%	23,633.25	23,633.28	0.42%	(0.03)
Info Tech CLEMIS	1,201,000.00	16.12%	900,750.00	594,105.11	10.52%	306,644.89
Info Tech Development	-	0.00%	-	32,844.75	0.58%	(32,844.75)
Info Tech Operations	207,765.00	2.79%	155,823.75	184,147.94	3.26%	(28,324.19)
Info Tech Managed Print Services	1,037.00	0.01%	777.75	930.76	0.02%	(153.01)
Insurance Fund	17,660.00	0.24%	13,245.00	16,789.96	0.30%	(3,544.96)
Maintenance Department charges	35,000.00	0.47%	26,250.00	7,002.40	0.12%	19,247.60
Motor Pool fuel charges	9,000.00	0.12%	6,750.00	4,809.33	0.09%	1,940.67
Motor Pool	33,000.00	0.44%	24,750.00	27,618.43	0.49%	(2,868.43)
Telephone Communications	30,982.00	0.42%	23,236.50	22,212.05	0.39%	1,024.45
Total internal services	1,566,955.00	21.03%	1,175,216.25	914,094.01	16.18%	261,122.24
Total operating expense	12,407,162.00	166.50%	9,305,371.50	7,366,080.69	130.40%	1,939,290.81
Operating income (loss)	(4,955,374.00)	-66.50%	(3,716,530.50)	(1,717,393.83)	-30.40%	1,999,136.67

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Nine Months Ended June 30, 2016

	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	5,219,910.00	70.05%	3,914,932.50	-	0.00%	(3,914,932.50)
Transfer to municipalities	50,000.00	0.67%	37,500.00	-	0.00%	(37,500.00)
Income from investments	180,000.00	2.42%	135,000.00	127,168.39	2.25%	(7,831.61)
Total nonoperating revenues (expenses)	5,449,910.00	73.14%	4,087,432.50	127,168.39	2.25%	(3,960,264.11)
Income (loss) before transfer	494,536.00	6.64%	370,902.00	(1,590,225.44)	-28.15%	(1,961,127.44)
Transfers in	91,464.00	1.23%	68,598.00	91,464.00	1.62%	22,866.00
Transfers out	(486,000.00)	-6.52%	(364,500.00)	(364,500.00)	-6.45%	-
Change in net position	\$ 100,000.00	1.34%	\$ 75,000.00	(1,863,261.44)	-32.99%	\$ (1,938,261.44)
Net Position - beginning				41,379,447.63		
Net Position - ending				<u>\$39,516,186.19</u>		

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
Budgeted Operating Transfer from Radio fund to Info Tech fund for 2nd quarter FY 2016 OakNet operation costs.	59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 2nd quarter FY 2016 administrative support.	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 2nd quarter FY 2016 Help Desk support.	12,500.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 3rd quarter FY 2016 OakNet operation costs.	59,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 3rd quarter FY 2016 administrative support.	50,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 3rd quarter FY 2016 Help Desk support.	12,500.00
Total	\$ 364,500.00

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
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 15-299 for Sheriff's contract with the City of Pontiac	13,500.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund for fourteen hand held radios	52,164.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 16-154 for the Sheriff's contract with the Auburn Hills	7,800.00
Total	<u>\$ 91,464.00</u>

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2016 – 3rd Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Radio Communications fund's 3rd 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 \$1,299,000 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 3rd quarter expenses and prior year's over-payment 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 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 16-091 maintained the E-911 surcharge rate of \$0.28 for the period covering July 1, 2016 through June 30, 2017. 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 and reimbursement from CLEMIS for work performed by Radio technical staff on CLEMIS work orders.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2016 – 3rd Quarter
Brief Explanation of “Actuals”

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

Expenses:

- Salary and Fringe Benefit variances are favorable due to lower than anticipated overtime, on-call hours and un-filled 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 under budget, as CLEMIS Fund is now absorbing costs related to the CAD 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. Recorded expenses relate to the Sheriff's Dispatch Control Station Project.
- Tower charges represent payments for tower rental agreements.
- Expendable equipment, parts and accessories and shop supplies combined are slightly over 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, \$4,500 approved on Resolution 15-297 for the Sheriff's contract with Orion Township, \$13,500 approved on Resolution 15-299 for the Sheriff's contract with the City of Pontiac, \$7,800 approved on Resolution 16-154 for the Sheriff's contract with Auburn Hills and \$52,164 from the General Fund for fourteen hand-held radios for the Oakland County Sheriff's department.
- Transfers out includes \$150,000 for administrative support provided by the CLEMIS fund, \$37,500 for Help Desk support provided by the Information Technology fund and \$177,000 to the Information Technology fund for OakNet operation costs.

County of Oakland
Fire Records Management Fund
Statement of Net Assets
June 30, 2016

EXHIBIT B

ASSETS

Current assets:	
Cash and cash equivalents	\$ 850,057.74
Due from other governments	51,948.70
Accrued interest on investment	1,317.11
Accounts receivable	2,912.92
Prepaid expense	46,247.63
Total current assets	<u>952,484.10</u>
Noncurrent assets:	
Capital projects in progress	289,490.75
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>289,490.76</u>
Total assets	<u>1,241,974.86</u>

LIABILITIES

Current liabilities:	
Vouchers payable	15,965.00
Total current liabilities	<u>15,965.00</u>

NET ASSETS

Invested in capital assets, net of related debt	289,490.76
Unrestricted	936,519.10
Total net assets	<u>\$ 1,226,009.86</u>

County of Oakland
Fire Records Management Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Nine Months Ended June 30, 2016

EXHIBIT B-1

	2016			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%	\$ 106,128.00	109,676.25	71.24%	\$ 3,548.25
Participation fees - non-Oakland agencies	37,950.00	19.30%	28,462.50	26,788.50	17.40%	(1,674.00)
Outside agencies-rebilled charges	17,133.00	8.72%	12,849.75	17,436.18	11.32%	4,586.43
Sale of Equipment	0.00	0.00%	0.00	34.64	0.03%	34.64
Total operating revenues	196,587.00	100.00%	147,440.25	153,935.57	99.99%	6,495.32
Operating expenses:						
Salaries	274,061.00	139.41%	205,545.75	192,838.41	125.28%	12,707.34
Fringe benefits	151,676.00	77.15%	113,757.00	109,323.25	71.01%	4,433.75
Contractual services:						
Communications	29,000.00	14.75%	21,750.00	8,157.75	5.30%	13,592.25
Equipment repairs and maintenance	1,000.00	0.51%	750.00	0.00	0.00%	750.00
Indirect costs	50,000.00	25.43%	37,500.00	47,288.25	30.72%	(9,788.25)
Personal mileage	1,000.00	0.51%	750.00	0.00	0.00%	750.00
Professional services	916,252.00	466.08%	687,189.00	0.00	0.00%	687,189.00
Software rental lease purchase	0.00	0.00%	0.00	(808.89)	-0.52%	808.89
Software support/maintenance	84,112.00	42.79%	63,084.00	59,568.50	38.70%	3,515.50
Travel and conference	4,000.00	2.03%	3,000.00	0.00	0.00%	3,000.00
Total contractual services	1,085,364.00	552.10%	814,023.00	114,205.61	74.20%	699,817.39
Commodities:						
Expendable equipment	7,000.00	3.56%	5,250.00	0.00	0.00%	5,250.00
Total commodities	7,000.00	3.56%	5,250.00	0.00	0.00%	5,250.00
Depreciation:						
Equipment	63,333.00	32.22%	47,499.75	0.00	0.00%	47,499.75
Total depreciation	63,333.00	32.22%	47,499.75	0.00	0.00%	47,499.75
Internal services:						
Info Tech-development	0.00	0.00%	0.00	137,043.46	89.03%	(137,043.46)
Info Tech-operations	59,577.00	30.31%	44,682.75	39,570.00	25.70%	5,112.75
Insurance fund	207.00	0.11%	155.25	155.16	0.10%	0.09
Telephone communications	610.00	0.31%	457.50	242.92	0.16%	214.58
Total internal services	60,394.00	30.73%	45,295.50	177,011.54	114.99%	(131,716.04)
Total operating expenses	1,641,828.00	835.17%	1,231,371.00	593,378.81	385.48%	637,992.19
Operating income (loss)	(1,445,241.00)	-735.17%	(1,083,930.75)	(439,443.24)	-285.49%	644,487.51
Nonoperating revenues (expenses):						
Planned use of balance	301,477.00	153.35%	226,107.75	0.00	0.00%	(226,107.75)
Income from investments	3,000.00	1.52%	2,250.00	4,191.13	2.72%	1,941.13
Total nonoperating revenues (expenses)	304,477.00	154.87%	228,357.75	4,191.13	2.72%	(224,166.62)
Income (loss) before transfers	(1,140,764.00)	-580.30%	(855,573.00)	(435,252.11)	-282.77%	420,320.89
Transfers in	1,140,764.00	580.28%	855,573.00	1,045,280.75	679.04%	189,707.75
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net assets	\$ 0.00	-0.02%	\$ 0.00	610,028.64	396.27%	\$ 610,028.64
Total net assets - beginning				615,981.22		
Total net assets - ending				<u>\$ 1,226,009.86</u>		

EXHIBIT B-2

FIRE RECORDS MANAGEMENT - FUND 53100 Operating Transfers In - Fiscal Year 2016

Description	Amount
Budgeted Operating Transfer from General fund to Fire Records Management fund for 1st quarter FY 2016 operating support	109,676.25
Transfer from GF to Fire Records Mang. Fund per BOC reso. No. 15302 dated 12/9/2015. Rewrite of Fire Records Mang. Program	716,252.00
Budgeted Operating Transfer from General fund to Fire Records Management fund for 2nd quarter FY 2016 operating support	109,676.25
Budgeted Operating Transfer from General fund to Fire Records Management fund for 3rd quarter FY 2016 operating support	109,676.25
Total	<u>\$ 1,045,280.75</u>

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2016 – 3rd Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Fire Records Management Fund's 3rd 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 City of Taylor Fire Dept and Township of Lyon Fire Dept were current at June 30, 2016.
- 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. Capital projects in progress is the effort to date on the new FRMS system being written on the CLEMIS CAD platform. 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 3rd 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 3rd 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 favorable due to increased cash balance available for investments.
- 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 – 3rd 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 3rd quarter.
- Professional service expense is favorable due to the capitalization of the FRMS re-write project.
- 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 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
June 30, 2016

EXHIBIT C

ASSETS

Current assets:

Cash and cash equivalents	\$ 12,051,277.11
Due from other governments	920,306.74
Accounts receivable	145,940.27
Accrued interest on investment	16,161.78
Prepaid items	674,970.87
Total current assets	<u>13,808,656.77</u>

Non-current assets:

Equipment	12,806,483.33
Equipment - 911	2,554,100.14
Equipment - COPS MORE	19,775,063.27
Equipment - OAKVIDEO	6,388,751.84
Capital projects in progress	2,799,961.59
Less accumulated depreciation	<u>(38,918,218.76)</u>
Total capital assets (net of accumulated depreciation)	<u>5,406,141.41</u>
Total assets	<u>19,214,798.18</u>

LIABILITIES

Current liabilities:

Vouchers payable	191,611.52
Due to municipalities	330,685.00
Due to other funds	-
Accounts payable	345,596.56
Unearned revenue	317,396.36
Total current liabilities	<u>1,185,289.44</u>

NET POSITION

Net Investment in capital assets	5,406,141.41
Unrestricted - designated for projects	387,288.13
Unrestricted	12,236,079.20
Total net position	<u>\$ 18,029,508.74</u>

EXHIBIT C-1

County of Oakland CLEMIS Fund Statement of Revenues, Expenses, and Changes in Net Position For the Nine Months Ended June 30, 2016

	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%	\$ 1,190,620.50	\$ 1,188,871.23	23.24%	\$ (1,749.27)
Service fees	1,100,000.00	17.65%	825,000.00	593,325.11	11.60%	(231,674.89)
Access fees - non-Oakland	729,309.00	11.71%	546,981.75	605,017.11	11.83%	58,035.36
CLEMIS Crash	550,000.00	8.83%	412,500.00	449,939.00	8.80%	37,439.00
Sheriff contracted services	410,357.00	6.59%	307,767.75	306,979.47	6.00%	(788.28)
Reimbursement general	350,000.00	5.62%	262,500.00	192,031.60	3.75%	(70,468.40)
Access fees-police depts/other in Oakland County	320,810.00	5.15%	240,607.50	242,955.25	4.75%	2,347.75
Maintenance contracts - MugShot	308,000.00	4.94%	231,000.00	232,000.00	4.54%	1,000.00
Maintenance contracts - LiveScan	266,883.00	4.28%	200,162.25	202,316.63	3.96%	2,154.38
In-car terminals - OC Sheriff	227,931.00	3.66%	170,948.25	171,211.00	3.35%	262.75
Rebilled charges	200,000.00	3.21%	150,000.00	649,177.31	12.69%	499,177.31
CLEMIS Citation	150,000.00	2.41%	112,500.00	138,959.36	2.72%	26,459.36
Crime Mapping	8,000.00	0.13%	6,000.00	8,118.13	0.16%	2,118.13
CLEMIS Parking	7,000.00	0.11%	5,250.00	10,086.64	0.20%	4,836.64
Parts and accessories	6,000.00	0.10%	4,500.00	280.00	0.01%	(4,220.00)
Productive labor	200.00	0.00%	150.00	-	0.00%	(150.00)
Miscellaneous	-	0.00%	-	15.00	0.00%	15.00
Prior year adjustment	-	0.00%	-	123,366.95	2.41%	123,366.95
Seminars/Conferences	-	0.00%	-	432.00	0.01%	432.00
Sale of equipment	-	0.00%	-	5.00	0.00%	5.00
Total operating revenue:	6,230,591.00	100.00%	4,672,943.25	5,115,086.79	100.00%	442,143.54
Operating expenses:						
Salaries	1,852,360.00	29.73%	1,389,270.00	976,462.63	19.09%	412,807.37
Fringe benefits	982,206.00	15.76%	736,654.50	482,895.24	9.44%	253,759.26
Contractual services:						
Adjustment of prior year's expense	-	0.00%	-	96,871.50	1.89%	(96,871.50)
Bank charges	150,000.00	2.41%	112,500.00	196,416.13	3.84%	(83,916.13)
Communications	900,000.00	14.44%	675,000.00	609,346.09	11.91%	65,653.91
Equipment, repairs and maintenance	380,000.00	6.10%	285,000.00	295,109.47	5.77%	(10,109.47)
Freight and express	250.00	0.00%	187.50	32.29	0.00%	155.21
Garbage and rubbish disposal	-	0.00%	-	42.00	0.00%	(42.00)
Indirect costs	275,000.00	4.41%	206,250.00	232,127.25	4.54%	(25,877.25)
Membership. Dues and publications	2,000.00	0.03%	1,500.00	3,464.00	0.07%	(1,964.00)
Miscellaneous	-	0.00%	-	241,245.10	4.72%	(241,245.10)
Personal mileage	2,500.00	0.04%	1,875.00	837.71	0.02%	1,037.29
Printing	3,000.00	0.05%	2,250.00	-	0.00%	2,250.00
Professional services	552,868.00	8.87%	414,651.00	1,073,888.59	20.99%	(659,237.59)
Rebillable services	300,000.00	4.81%	225,000.00	568,904.19	11.12%	(343,904.19)
Software rental lease purchase	250,000.00	4.01%	187,500.00	187,812.72	3.67%	(312.72)
Software support/maintenance	750,000.00	12.04%	562,500.00	729,477.12	14.26%	(166,977.12)
Travel and conference	6,000.00	0.10%	4,500.00	6,225.27	0.12%	(1,725.27)
Workshops and meetings	1,250.00	0.02%	937.50	1,160.93	0.02%	(223.43)
Total contractual services	3,572,868.00	57.34%	2,679,651.00	4,242,960.36	82.95%	(1,563,309.36)
Commodities:						
Dry goods and clothing	1,200.00	0.02%	900.00	-	0.00%	900.00
Expendable equipment	20,000.00	0.32%	15,000.00	10,836.08	0.21%	4,163.92
Forensic Lab enhancement	-	0.00%	-	6,074.76	0.12%	(6,074.76)
Metered postage	287.00	0.00%	215.25	144.39	0.00%	70.86
Office supplies	1,000.00	0.02%	750.00	994.26	0.02%	(244.26)
Parts and accessories	25,000.00	0.40%	18,750.00	5,201.57	0.10%	13,548.43
Printing supplies	500.00	0.01%	375.00	-	0.00%	375.00
Total commodities	47,987.00	0.77%	35,990.25	23,251.06	0.45%	12,739.19
Depreciation:	3,105,458.00	49.84%	2,329,093.50	1,551,646.00	30.33%	777,447.50

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Nine Months Ended June 30, 2016

	2016			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Internal services:						
Building space cost allocation	61,027.00	0.98%	45,770.25	49,705.05	0.97%	(3,934.80)
Info Tech - development	417,934.00	6.71%	313,450.50	215,089.81	4.21%	98,360.69
Info Tech - operations	201,436.00	3.23%	151,077.00	170,403.62	3.33%	(19,326.62)
Info Tech - managed print services	11.00	0.00%	8.25	3.33	0.00%	4.92
Motor Pool fuel charges	2,400.00	0.04%	1,800.00	928.73	0.02%	871.27
Motor Pool	20,500.00	0.33%	15,375.00	12,237.73	0.24%	3,137.27
Radio communications	-	0.00%	-	8,361.33	0.16%	(8,361.33)
Telephone communications	23,487.00	0.38%	17,615.25	15,708.01	0.31%	1,907.24
Total internal services	726,795.00	11.66%	545,096.25	472,437.61	9.24%	72,658.64
Total operating expense	10,287,674.00	165.12%	7,715,755.50	7,749,652.90	151.51%	(33,897.40)
Operating income (loss)	(4,057,083.00)	-65.12%	(3,042,812.25)	(2,634,566.11)	-51.51%	408,246.14
Non-operating revenues (expenses):						
Planned use of fund balance	1,827,897.00	29.34%	1,370,922.75	-	0.00%	(1,370,922.75)
Income from investments	35,000.00	0.56%	26,250.00	83,328.97	1.63%	57,078.97
Capital contributions	150,000.00	2.41%	112,500.00	77,563.58	1.52%	(34,936.42)
Gain on exchange of assets	-	0.00%	-	23.10	0.00%	23.10
Total non-operating revenues (expenses)	2,012,897.00	32.31%	1,509,672.75	160,915.65	3.15%	(1,348,757.10)
Income (loss) before transfer	(2,044,186.00)	-32.81%	(1,533,139.50)	(2,473,650.46)	-48.36%	(940,510.96)
Transfers in	2,044,186.00	32.81%	1,533,139.50	1,533,139.50	29.97%	-
Change in net position	\$ -	0.00%	\$ -	(940,510.96)	-18.39%	\$ (940,510.96)
Net Position - beginning				18,970,019.70		
Net Position - ending				<u>\$18,029,508.74</u>		

COUNTY OF OAKLAND
CLEMIS FUND
FINANCIAL REPORT AS OF JUNE 30, 2016

EXHIBIT C-2

STATEMENT OF NET POSITION

ASSETS

Current Assets:	
Cash - Operating	\$ 12,051,277.11
Accrued Interest on Investments	16,161.78
Accounts Receivable	145,940.27
Due from other governments	920,306.74
Due from other funds	-
Prepaid Expenses	674,970.87
Total Current Assets	<u>13,808,656.77</u>
Non-current Assets:	
Property and Equipment at Cost:	
Equipment	12,806,483.33
Equipment - 911	2,554,100.14
Equipment - COPS MORE	19,775,063.27
Equipment - Oak VIDEO	6,388,751.84
Capital Projects in Progress	2,799,961.59
Accumulated Depreciation	<u>(38,918,218.76)</u>
Property and Equipment - Net	5,405,141.41
TOTAL ASSETS	<u>19,214,798.18</u>

LIABILITIES

Current Liabilities:	
Vouchers Payable	191,611.52
Due to other funds	-
Due to municipalities	330,685.00
Accounts Payable	345,596.56
Deferred Income	317,396.36
Total Current Liabilities	<u>1,185,289.44</u>

NET POSITION

Invested in Capital Assets	5,405,141.41
Unrestricted-designated for projects	387,288.13
Unrestricted	<u>12,236,079.20</u>
Total Net Position	<u>\$ 18,029,508.74</u>

STATEMENT OF OPERATIONS

	Total Operations	CLEMIS Operations	Oak/Video Operations
Operating Revenues:			
Access fees-Police Depts/Other in Oakland	\$ 242,955.25	\$ 242,955.25	\$ -
Access fees-Non-Oakland County Users	605,017.11	605,017.11	-
In Car Terminals-All Other	1,188,871.23	1,188,871.23	-
In Car Terminals-OC Sheriff	171,211.00	171,211.00	-
Maintenance Contracts - Mugshot Capture Station	232,000.00	232,000.00	-
Maintenance Contracts - LiveScan	202,316.63	202,316.63	-
Service Fees	593,325.11	593,325.11	-
Sheriff Contracted Services	306,979.47	306,979.47	-
CLEMIS Citation	138,959.36	138,959.36	-
CLEMIS Crash	449,939.00	449,939.00	-
CLEMIS Parking	10,086.64	10,086.64	-
Parts and accessories	280.00	280.00	-
Miscellaneous	15.00	15.00	-
Rebilled Charges	649,177.31	649,177.31	-
Reimb General	192,031.60	192,031.60	-
Crime Mapping	8,118.13	8,118.13	-
Gain on Sale/Exchange of Equipment	28.10	28.10	-
Prior Year's Adjustment	123,366.95	123,366.95	-
Seminars/Conferences	432.00	432.00	-
Income from Investments	83,328.97	79,240.87	4,088.30
Capital Contributions	77,563.58	74,561.08	3,002.50
Operating Transfers In	1,533,139.50	1,233,139.50	300,000.00
TOTAL REVENUES	<u>6,809,141.94</u>	<u>6,502,051.14</u>	<u>307,090.80</u>
Operating Expenses:			
Salaries	976,462.63	864,458.23	112,004.40
Fringe Benefits	482,895.24	430,449.72	52,445.52
Adjustment of Prior Year's Expense	96,871.50	96,871.50	-
Bank Charges	196,416.13	196,416.13	-
Communications	609,346.09	609,346.09	-
Equipment Repairs & Maintenance	295,109.47	288,414.85	6,694.62
Forensic Lab Enhancement	6,074.76	6,074.76	-
Freight & Express	32.29	23.33	8.96
Garbage and rubbish disposal	42.00	42.00	-
Indirect Costs	232,127.25	232,127.25	-
Membership Dues & Publications	3,464.00	3,464.00	-
Personal Mileage	837.71	238.63	599.08
Printing	-	-	-
Professional Services	1,073,888.59	1,072,088.59	1,800.00
Rebillable Services	568,904.19	568,904.19	-
Software Rental Lease Purchase	187,812.72	187,812.72	-
Software Support/Maintenance	729,477.12	729,477.12	-
Travel and Conference	6,225.27	6,225.27	-
Workshops and Meetings	1,160.93	1,160.93	-
Miscellaneous	241,245.10	241,245.10	-
Expendable Equipment	10,836.08	10,486.20	349.88
Metered Postage	144.39	144.39	-
Office Supplies	994.26	994.26	-
Parts & Accessories	5,201.57	5,170.05	31.52
Depreciation	1,551,646.00	1,166,339.21	385,306.79
Bldg. Space Cost Allocation	49,705.05	49,705.05	-
Special Event Supplies	-	-	-
Info. Tech. - Development	215,089.81	215,089.81	-
Info. Tech. - Operations	170,403.62	170,403.62	-
Info. Tech - Managed Print Services	3.33	3.33	-
Motor Pool	12,237.73	12,237.73	-
Motor Pool Fuel Charges	928.73	928.73	-
Radio Communications	8,361.33	8,361.33	-
Telephone Communications	15,708.01	15,708.01	-
TOTAL EXPENSES	<u>7,749,652.90</u>	<u>7,190,412.13</u>	<u>559,240.77</u>
NET INCOME (LOSS)	(940,510.96)	(688,360.99)	(252,149.97)
NET ASSETS, OCTOBER 1, 2015	18,970,019.70	17,833,302.54	1,136,717.16
NET ASSETS, JUNE 30, 2016	<u>\$ 18,029,508.74</u>	<u>\$ 17,144,941.55</u>	<u>\$ 884,567.19</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
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2016 operating support.	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2016 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 2nd quarter FY 2016 administrative support.	50,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2016 operating support.	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2016 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from Radio Communications fund to CLEMIS fund for 3rd quarter FY 2016 administrative support.	50,000.00
Total	<u>\$ 1,533,139.50</u>

CLEMIS FUND 53500
Fiscal Year 2016 – 3rd Quarter
Brief Explanation of “Actuals”

EXHIBIT C-4

Listed below are some comments regarding CLEMIS fund’s 3rd 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 June 2016.
- Prepaid items are amounts paid in advance for contracted hardware and software support.
- Capital projects in progress are the amounts expended through June 2016 for Radio Fund’s CAD Upgrade project, OakVideo Upgrade project, Crash software rewrite project and the Mugshot Upgrade project.
- Vouchers payable and Accounts payable include expenses accrued through June 2016.
- Due to municipalities are amount of revenue sharing for Citation and Crash through June 2016 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.
- Lower than expected Service fees revenue for amounts charged to Radio fund for MDC/CAD/911 support costs for Oakland County agencies account for the unfavorable line item variance.
- 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 June 2016.
- 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 for the rebilling of LeadsOnline, connectivity costs billed to Tier 2.5 and 3.0 agencies and billings to agencies for LiveScan upgrades. This revenue source is offset by the Rebillable services expense.
- CLEMIS Citation revenue is generated from the electronic citation system.
- CLEMIS Parking is an application used by member agencies to issue parking citations via hand-held devices.
- The Prior year’s adjustment is for professional services expensed in the prior year associated with the Crash software rewrite project. The costs incurred have met the Oakland County threshold for in-house software capitalization.

CLEMIS FUND 53500
Fiscal Year 2016 – 3rd 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 is favorable. This line item was reduced by \$86,283.31, which was reclassified to the rebillable service expense account; as this cost is rebilled to the participating members.
- 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.
- CLEMIS SAN upgrade costs are recorded as miscellaneous expenses.
- Rebillable services expense offsets Rebilled charges revenue.
- Software rental lease purchase and Software support maintenance expenses combined are unfavorable due to additional software purchases in excess of budget projections.
- 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: \$150,000 from the Radio fund for CLEMIS administrative support of the radio system, \$1,083,139.50 from the General fund for operational support and \$300,000 from the General fund for OakVideo operational support.