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TO: CLEMIS Advisory Board
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FROM: Bob Daddow *Daddow*

SUBJECT: CLEMIS Funds – Financial Statements and Schedules for
The Third Quarter Ended June 30, 2017

DATE: August 28, 2017

This letter of transmittal covers the following fund financial statements as of and for the third quarter ended June 30, 2017 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 third quarter ended June 30, 2017 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 into the Fund were largely for the acquisition of individual portable and mobile radios (\$62,315). The operating transfers out of \$214,500 involved the reimbursement of the Information Technology and the CLEMIS Operating Funds for administrative and communications services and Help Desk support costs.
- 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 10, 2017; such memorandum was used in the establishment of the July 1, 2017 to June 30, 2018 operating surcharge and is incorporated within this memorandum by reference. The memorandum is available on the County's CLEMIS website. The County administration recommended and the Board of Commissioners approved a four cent increase in the monthly operating surcharge effective July 1, 2017 to bring the total monthly surcharge to \$.32 per device as defined.

The April 10, 2017 memorandum included a significant discussion of the projects, funding of those projects and the status of the needed capital funds now and into the future. The conclusions in that memorandum remain unchanged, but will be addressed more fully in the coming months once the radio communications project is underway and certain of the project's components are completed.

A radio consultant has been secured to develop the implementation plan and manage the project. A mid-July 2017 meeting was held to kick-off the project. A detailed implementation plan is expected in late summer. Efforts have been underway since mid-July to obtain material necessary to develop the scope of work for a request for proposal expected to be released in early fall 2017.

At present, the radio communication system has 55 towers and cell units (County-owned or locally-owned by governmental units within the County or leased space from private vendors), 1,861 mobile radios and 4,343 portable radios in use. Radio consoles are located in 18 public safety dispatch centers (PSAPs) throughout Oakland County. There are 15 hospital emergency rooms using the County's radio communication system and a number of private ambulance companies as well. 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:** the radio console replacement has the highest priority as the consoles are no longer being sold and the County is relying on the parts it can scavenge in the market or those that can be obtained as the PSAPs consolidate with one another. The equipment is a critical component of communications and is aging rapidly.

Unfortunately, the decision relating to the consoles is entirely dependent upon the technology platform and vendor system relating to the replacement of the mobiles, portables and radio frequency infrastructure (e.g. tower equipment) – all of which is still pending. The outside consultant is assisting in the development of the scope of work for a request for proposal to be issued in the near term.

The equipment replacement is expected to begin in early to mid-FY-2018. A radio console cost estimate for replacement has been provided at \$6.25 million,

depending upon the number of dispatch centers remaining in Oakland County at the time of replacement (presently at 18 in the County).

At June 30, 2017 the unreserved equity-designated for projects includes \$6.25 million set aside to address the console replacement (unchanged from prior periods). As discussed subsequently, given that the ESINet project is now in its deployment phase and should be completed in the early fall, it is unlikely that any immediate consolidation of dispatch centers will occur to mitigate the console needs.

The Radio Shop has had a standing order to acquire radio console parts when available. Recently, the Radio Shop personnel became aware of equipment on the market (estimated list price of roughly \$500,000) that it acquired for \$50,000. This additional equipment and parts should continue to help ensure that the existing consoles at the dispatch centers will remain functional through conversion to the new system.

- **Mobile / Portable Radios and Tower Equipment:** The County's radio communication vendor placed the County on notice in 2013 that it 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 *technically* will be end-of-life, history would suggest otherwise. The radios will continue to function well into the future but parts and replacement of damaged equipment will be more difficult to ensure as well as a loss of potential functionality present in the newer versions of the radio equipment.

The County's ability to maintain the existing portable and mobile radios on the current platform is not in jeopardy of service loss to the public safety community. However, as is the case with the consoles, problems could begin to arise in near term (roughly 2 to 4 years) absent the replacement of the portables and mobile units. The County's radio vendor has stopped versioning the existing radio equipment in use by the County and the County is behind on a software version that could assist in future transitioning to a newer system.

County's maintenance efforts, an upgrade of a current available version for the County's older equipment and ability to use the equipment beyond 2017 suggests that the actual replacement period could be delayed, from 2018 and beyond, particularly for the mobile units which have shown virtually no failure rates (absent vehicle accidents) over the past decade. While the vendor considers the equipment at that point to be 'end-of-life' and will discontinue production of this equipment and future versioning, the equipment is still functional and could be used for several years thereafter on the current platform, as well as the tower equipment. While the mobile units will need replacement, the replacement may be able to be delayed longer than originally anticipated. These timing issues were

considered in the April 10, 2017 memorandum on the detailed project costs, funding and timing of the project replacement.

Included within the ‘unrestricted – designated for projects’ equity is \$12,233,585 applicable to the replacement of the mobile and portable radios. As noted in the April 10, 2017 fee memorandum cited previously, the amount is insufficient to replace all of the radios in the field today. Bonding has proposed to be a partial fiscal solution as well as a delay in the implementation of the mobile units that are more versatile and will last longer than the portable radios.

- **NG-911 Project Needs (ESInet):** in FY-2010 the infrastructure equipment was nearing obsolescence and parts were becoming increasingly scarce from the vendor or other sources; such equipment was replaced with digital equipment at that time. Unlike older telephony-based call-taking equipment, new NG-911 systems equipment and software (provided by ECW) are IP-based software-driven systems and can be expected to have a shorter useful life than earlier systems before requiring a technology refresh (an issue of note when considering the replacement of this equipment and the assembling the funding to do so in the next half dozen years).

A telecom vendor (PFN) is installing 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 and installs fiber as the communications backbone. The County has entered into a 5-year lease for the use of this network. The network will be managed by PFN. The PFN network has been installed and is being deployed and tested by the County’s Information Technology network team.

As described in the April 10, 2017 memorandum, PFN has proposed a 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 the final costs have been assembled in its creation and submitted to the Michigan Public Services Commission (MPSC). The MPSC can approve, in part or in whole, or deny the reimbursement of these costs.

If approved by the State, a separate technical surcharge *outside the Board of Commissioner approval* would be provided through the Michigan Public Services Commission that would fund this project, in whole or part. While the County attempted to complete the project in order to submit completed cost information within the State’s current fiscal year, this will not occur. Issues arose in the spring and summer that has delayed the project; such issues have now been largely resolved with full deployment of the NG-911 system early in the first quarter of FY-2018.

As outlined in the April 10, 2017 memorandum, the uncertainty surrounding the ESInet project at this time is the principal cause of a wide fluctuation in just how

much the replacement of the existing equipment and network will be. It also gives rise to how much may have to be borrowed to complete the project.

The underlying State and Technical Surcharge funding pool is presently fiscally stressed and will require the State Legislature to increase the current \$.19 per month per device to the maximum amount of \$.25 per month per device to assist in the local counties' funding issues related to NG-911, including Oakland County. Other funding opportunities exist as well including the State's improved monitoring of the fees charged on prepaid telephone card fees - which have been assessed by the State, but the State has not previously been actively pursuing in their collection at local sales points – often gas stations and party stores. The State has introduced funding legislation but there can be no assurances that it will be passed on a timely basis.

At June 30, 2017, \$2,874,961 has been restricted for the ESInet project with \$1,322,284 having been spent to date (net - \$1,552,677 available).

- **WAN Upgrade** – equipment relating to the County's Wide Area Network applicable to radio operations will be necessary and equity has been restricted of \$350,000 at June 30, 2017.

Comments concerning the financial information follow:

- The Fund has approximately \$22.5 million in cash, investments and receivables, net of liabilities and excluding prepaid expenses and inventories at June 30, 2017 (\$21.8 million at March 31, 2017). The net cash position is consistent with the expectations in the April 10, 2017 project memorandum.
- The ending equity has been classified as 'unrestricted – designated for projects' in the amount of \$20,386,262 as of March 31, 2017 with the following components:
 - Funding of depreciation: \$12,233,585 has been set aside currently in equity to be used towards mobile and portable radio and tower equipment replacement.
 - Console replacement - \$6,250,000 for console equipment replacement.
 - ESInet equipment and related costs - \$1,552,677 (\$2,874,961, net of expenses to date of \$1,322,284).
 - WAN upgrade - \$350,000.

The City of Southfield has requested that the County assist in acquiring its portable and mobile radios (at an estimated cost of \$820,000). 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 (and likely the future system as well) 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. It should be noted, however, that the portable and mobile radio equipment's increased functionality will enable much better interoperability between Southfield and other public safety communities within Oakland County once implemented.

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 third quarter ended June 30, 2017:

- Statement of Net Assets (Exhibit B). This Fund statement provides a listing of assets, liabilities and equity.
- Statement of Revenues, Expenses, and Changes in Net Assets (Exhibit B-1). This Fund statement provides a budget to actual comparison for operations.
- Operating Transfers In (Exhibit B-2). The total operating transfers in from the County's General fund for the third quarter of FY-2017 was \$320,662. The General Fund's operating transfers in covers the Fund's operating costs.
- Brief Explanations (Exhibit B-3). This exhibit provides explanations of the line items in the financial statements and operating matters.

Comments on the FRMS financial statements follow:

- The June 30, 2017 balance sheet reflects cash, investments and similar *liquid* assets (excluding prepaid expenses) and net of amounts owed, of \$759,923 (down from \$839,365 at March 31, 2017). The net cash decline is applicable to the new FRMS system being developed.
- The originally acquired equipment is fully depreciated with the only significant capital asset with value being the construction in progress for the re-write of the fire system. During the two quarters, the FRMS Fund incurred \$478,727 in consulting and software development costs recorded in capital projects in progress as the re-write is fully underway.

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 several years ago. The initial phases of the project were funded by Homeland Security Grant Program monies to cover costs of both the feasibility study and the development phase of a Fire Records Management software application. The system coding and replacement arising from these earlier efforts, which is underway, will maintain the same technical

standards of other CLEMIS law enforcement systems to provide seamless data integration.

A general status of the project is provided below –

- The new FRMS is named ‘CLEMIS Fire Integrated Records System (CFIRS) and was deployed as a pilot in West Bloomfield since February 1, 2017. CFIS is a comprehensive reporting system that will meet or exceed federal standards. Completed modules include: basic incidents, personnel, rosters, and training (to be moved into the West Bloomfield pilot in early September).
- Additional deployments anticipated include: Auburn Hills (September 16) and Detroit Metro Airport Fire Department (Sept. 25). Once these two pilots are determined to be operations without any substantial issues, further deployments should proceed quickly thereafter.
- Originally, FRMS intended on completing all FRMS modules and then addressing the issues of medical reporting and other related data needs of the fire departments. However, new State requirements have accelerated this need. The types, vendors and software currently in use by the fire departments are varied and in various stages of versions by fire department. Fifteen fire departments that transport (not all fire departments transport medical events) are using third-party hardware / software for data capture and billing. FRMS computer-aided dispatch (CAD) data is sent to a secure location for pick-up by these NEMSIS 2 fire departments.

The State is requiring that all fire departments be NEMSIS 3 compliant by December 31, 2017. Eight fire departments are NEMSIS 2 compliant, do not provide transport services, and will need to be upgraded as well (the County provides exports of CAD data for these agencies as well). The County has been working on a NEMSIS 3 compliant program for these eight fire departments and the first pilot is expected to go live on October 1, 2017. If the pilot proves to be satisfactory as developed, the other seven fire departments will be deployed shortly thereafter in advance of the State required timeframe for NEMSIS 3.

The FRMS Committee believes once the County has a NEMSIS 3 compliance system, many, if not all of the other 15 fire departments currently having NEMSIS 3 compliant systems will gravitate to the County’s NEMSIS 3.

- Other remaining tasks include developing a mobile-based solution for fire vehicles. Additionally, three modules need to be finalized as they were delayed in favor of the NEMSIS 3 project noted above – occupancies (desktop version is written but the inspection module needs to be developed), hydrant module interfacing with the County’s GIS system, and vehicle and equipment status. These three modules are expected to start development no later than January 2018.

In the first quarter of FY-2017, an 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. The unrestricted net equity of \$804,045 is the amount remaining from equity amounts before the transfer and the transfer itself and would be available for the re-write of the fire system. An assessment of the status of the remaining funds will be made during the fall and the County's closing relative to the successful completion of the project.

CLEMIS OPERATING FUND

The following financial statements and schedules are attached as Exhibit C for the CLEMIS Operating Fund as of and for the third quarter ended June 30, 2017:

- Statement of Net Position (Exhibit C). This statement reflects the assets, liabilities and net position (equity) of the Fund.
- 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 operates only within the geographic boundaries of Oakland County). OAKVideo is funded by an appropriation of \$100,000 quarterly (\$400,000 annually) by the County's General Fund.
- Operating Transfers In - the schedule includes the three budgeted quarterly operating transfer in from the County's General Fund as appropriated by the Board of Commissioners of \$361,046 per quarter (or \$1,444,186 annually, the same as prior years). 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. There were no operating transfers out of this Fund.
- Brief Explanations (Exhibit C-4) – represents explanations of various matters included in the financial statements noted above.

Comments on the CLEMIS Operating Fund financial statements follow:

- The Fund has approximately \$11.8 million in *liquid* cash, investments and similar liquid assets, excluding prepaid expenses at March 31, 2017 and less current liabilities (March 31, 2017 - \$11.9 million, largely unchanged). The unrestricted equity is roughly equivalent to the net cash and liquid asset position.
- The computer-aided dispatch system development with a budget of \$3.5 million has largely been completed and is now actively being deployed. Enhancements

are on-going. Development funding was paid by the Radio Communications Fund through March 2016. Any residual amounts requiring deployment, enhancements and / or bug-fixes are being covered by the CLEMIS Operating Fund.

- The Fund's equity amounts to \$17.1 million as of June 30, 2017 (at March 31, 2017 - \$17.4 million) and is composed of the equipment acquired through the COPS MORE grant and other recent equipment acquisitions net of accumulated depreciation of \$4,397,681. The June 30, 2017 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 at June 30, 2017 is \$12,292,850 (\$12,299,345 at March 31, 2017).
- 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 June 30, 2017). Exclusive of the capital projects in progress, the aggregate balance of fixed assets in this Fund is \$38.97 million, with \$37.77 million of accumulated depreciation against the cost, or roughly 96.9% fully depreciated (generally meaning that this equipment is nearing end of life).

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.

Radio Communications Fund
Statement of Net Position
June 30, 2017

EXHIBIT A

ASSETS

Current assets:

Cash and cash equivalents	\$ 21,436,703.77
Accrued interest on investment	147,381.01
Due from other funds	9,957.50
Due from other governments	22,621.38
Accounts receivable	1,133,765.15
Inventories	350,337.05
Prepaid items	217,580.10
Total current assets	<u>23,318,345.96</u>

Non-current assets:

Capital projects in progress	1,650,165.74
Tower rights	8,585,770.20
Equipment	27,708,260.04
Structures	12,831,806.50
Less accumulated depreciation	<u>(37,225,472.25)</u>
Total capital assets (net of accumulated depreciation)	<u>13,550,530.23</u>
Total assets	<u>36,868,876.19</u>

LIABILITIES

Current liabilities:

Vouchers payable	56,969.74
Due to municipalities	15,101.04
Accounts payable	52,022.46
Unearned revenue	77,183.62
Total current liabilities	<u>201,276.86</u>
Total liabilities	<u>201,276.86</u>

NET POSITION

Net Investment in capital assets	13,550,530.23
Unrestricted-designated for projects	20,386,261.80
Unrestricted	<u>2,730,807.30</u>
Total net position	<u><u>\$ 36,667,599.33</u></u>

EXHIBIT A-1

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Nine Months Ended June 30, 2017

	2017			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues						
Antenna Site Management	300,000.00	3.94%	225,000.00	231,550.92	4.10%	6,550.92
E 911 Surcharge	6,770,000.00	89.01%	5,077,500.00	4,923,876.20	87.27%	(153,623.80)
Leased Equipment	230,788.00	3.03%	173,091.00	185,268.18	3.28%	12,177.18
Outside Agencies	65,000.00	0.85%	48,750.00	51,998.72	0.92%	3,248.72
Parts and Accessories	220,000.00	2.89%	165,000.00	184,381.98	3.27%	19,381.98
Productive Labor	20,000.00	0.26%	15,000.00	19,515.51	0.35%	4,515.51
Rebilled Charges	0.00	0.00%	0.00	101.70	0.00%	101.70
Prior Years Adjustments	0.00	0.00%	0.00	40,133.71	0.71%	40,133.71
Refund Prior Years Expenditure	0.00	0.00%	0.00	5,192.29	0.09%	5,192.29
Total operating revenue:	7,605,788.00	100.00%	5,704,341.00	5,642,019.21	100.00%	(62,321.79)
Operating expenses						
Salaries	673,142.00	8.85%	504,856.50	459,890.45	8.15%	44,966.05
Fringe benefits	370,057.00	4.87%	277,542.75	218,644.66	3.88%	58,898.09
Contractual services						
Adj Prior Years Revenue	0.00	0.00%	0.00	34,469.90	0.61%	(34,469.90)
Communications	400,000.00	5.26%	300,000.00	319,928.18	5.67%	(19,928.18)
Contracted Services	0.00	0.00%	0.00	83,703.67	1.48%	(83,703.67)
Electrical Service	100,000.00	1.31%	75,000.00	47,761.70	0.85%	27,238.30
Equipment Maintenance	325,000.00	4.27%	243,750.00	162,696.79	2.88%	81,053.21
Freight and Express	8,500.00	0.11%	6,375.00	2,169.99	0.04%	4,205.01
Indirect Costs	204,000.00	2.68%	153,000.00	165,413.25	2.93%	(12,413.25)
Laundry and Cleaning	700.00	0.01%	525.00	523.02	0.01%	1.98
Membership Dues	1,000.00	0.01%	750.00	0.00	0.00%	750.00
Personal Mileage	3,500.00	0.05%	2,625.00	2,548.85	0.05%	76.15
Printing	500.00	0.01%	375.00	378.00	0.01%	(3.00)
Professional Services	650,000.00	8.55%	487,500.00	7,965.16	0.14%	479,534.84
Rebillable Services	500.00	0.01%	375.00	589.90	0.01%	(214.90)
Software Rental Lease Purchase	30,000.00	0.39%	22,500.00	525.00	0.01%	21,975.00
Software Support Maintenance	1,348,588.00	17.73%	1,011,441.00	33,468.00	0.59%	977,973.00
Special Projects	40,000.00	0.53%	30,000.00	0.00	0.00%	30,000.00
Tower Charges	477,831.00	6.28%	358,373.25	332,260.84	5.89%	26,112.41
Training	75,000.00	0.99%	56,250.00	0.00	0.00%	56,250.00
Travel and Conference	22,500.00	0.30%	16,875.00	650.57	0.01%	16,224.43
Workshops and Meeting	100.00	0.00%	75.00	0.00	0.00%	75.00
Total contractual services	3,687,719.00	48.49%	2,765,789.25	1,195,052.82	21.18%	1,570,736.43
Commodities						
Dry Goods and Clothing	1,900.00	0.02%	1,425.00	1,164.00	0.02%	261.00
Other Expendable Equipment	100,788.00	1.33%	75,591.00	25,864.22	0.46%	49,726.78
Metered Postage	126.00	0.00%	94.50	0.00	0.00%	94.50
Office Supplies	5,000.00	0.07%	3,750.00	1,416.65	0.03%	2,333.35
Parts and Accessories	200,000.00	2.63%	150,000.00	263,507.84	4.67%	(113,507.84)
Shop Supplies	12,000.00	0.16%	9,000.00	9,742.94	0.17%	(742.94)
Small Tools	5,000.00	0.07%	3,750.00	3,695.72	0.07%	54.28
Total commodities	324,814.00	4.27%	243,610.50	305,391.37	5.41%	(61,780.87)
Depreciation						
Depreciation Tower Rights	858,577.00	11.29%	643,932.75	643,932.99	11.41%	(0.24)
Depreciation Structures	1,283,414.00	16.87%	962,560.50	962,291.25	17.06%	269.25
Depreciation Equipment	5,040,385.00	66.27%	3,780,288.75	2,790,558.63	49.46%	989,730.12
Total depreciation	7,182,376.00	94.43%	5,386,782.00	4,396,782.87	77.93%	989,999.13
Internal services						
Bldg Space Cost Allocation	34,377.00	0.45%	25,782.75	25,782.75	0.46%	0.00
Info Tech CLEMIS	900,000.00	11.83%	675,000.00	466,435.50	8.27%	208,564.50
Info Tech Development	0.00	0.00%	0.00	7,199.50	0.13%	(7,199.50)
Info Tech Operations	220,938.00	2.90%	165,703.50	201,321.01	3.57%	(35,617.51)
Info Tech Managed Print Svcs	1,208.00	0.02%	904.50	1,255.52	0.02%	(351.02)
Insurance Fund	17,496.00	0.23%	13,122.00	15,400.31	0.27%	(2,278.31)
Maintenance Department Charges	35,000.00	0.46%	26,250.00	7,101.83	0.13%	19,148.17
Motor Pool Fuel Charges	10,000.00	0.13%	7,500.00	4,481.04	0.08%	3,018.96
Motor Pool	37,500.00	0.49%	28,125.00	26,935.99	0.48%	1,189.01
Telephone Communications	30,515.00	0.40%	22,886.25	20,446.99	0.36%	2,439.26
Total internal services	1,287,032.00	16.92%	965,274.00	776,360.44	13.76%	188,913.56
Total operating expense	13,525,140.00	177.83%	10,143,855.00	7,352,122.61	130.31%	2,791,732.39
Operating income (loss)	(5,919,352.00)	-77.83%	(4,439,514.00)	(1,710,103.40)	-30.31%	2,729,410.60
Nonoperating revenues (expenses)						
Planned Use of Balance	6,025,799.00	79.23%	4,519,349.25	0.00	0.00%	(4,519,349.25)
Income from investments	180,000.00	2.37%	135,000.00	184,157.71	3.26%	49,157.71
Transfer to Municipalities	(50,000.00)	-0.66%	(37,500.00)	(50,000.00)	-0.89%	(12,500.00)

County of Oakland
Radio Communications Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Nine Months Ended June 30, 2017

	2017			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Total nonoperating revenues (expenses)	6,155,799.00	80.94%	4,616,849.25	134,157.71	2.38%	(4,482,691.54)
Income (loss) before transfer	236,447.00	3.11%	177,335.25	(1,575,945.69)	-27.93%	(1,753,280.94)
Transfers in	49,553.00	0.65%	37,164.75	62,315.15	1.10%	25,150.40
Transfers out	(286,000.00)	-3.76%	(214,500.00)	(214,500.00)	-3.80%	0.00
Change in net position	0.00	0.00%	0.00	(1,728,130.54)	-30.63%	(1,728,130.54)
Net Position - beginning				38,395,729.87		
Net Position - ending				36,667,599.33		

RADIO COMMUNICATIONS - FUND 53600 Operating Transfers In - Fiscal Year 2017

Description	Amount
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 16-264 for Sheriff's contract with Lyon Township	7,800.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 16-339 for Sheriff's contract with Commerce Township	7,800.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 17-023 for Sheriff's contract with City of Pontiac	7,800.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 17-041 for Sheriff's contract with the Joint Terrorism Task Force	7,800.00
Transfer from the General Fund, Sheriff's Dept. to Radio Communications Fund per Res. 17-052 for Sheriff's contract with Charter Twp. of Orion	7,800.00
Transfer from the General Fund, to close Project E-154, Garage Radio Expansion Project, 1.1768, per FMO Work Order Closure memo dated 12/31/2016.	12,762.15
Transfer from General Fund, Sheriff's purchase radios, per Gaia 07/18/17 (ref to Misc. Capital Outlay 03/08/17 memo)	10,553.00

Total	\$	<u>62,315.15</u>
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RADIO COMMUNICATIONS - FUND 53600 Operating Transfers Out - Fiscal Year 2017

Description	Amount
Budgeted Operating Transfer from Radio fund to Info Tech fund for 1st quarter FY 2017 OakNet operation costs.	\$ 59,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 1st quarter FY 2017 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 2nd quarter FY 2017 OakNet operation costs.	\$ 59,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 2nd quarter FY 2017 Help Desk support	12,500.00
Budgeted Operating Transfer from Radio fund to Info Tech fund for 3rd quarter FY 2017 OakNet operation costs.	\$ 59,000.00
Budgeted Operating Transfer from Radio Communications fund to Info Tech fund for 3rd quarter FY 2017 Help Desk support	12,500.00
Total	<u>\$ 214,500.00</u>

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2017 – 3rd Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Radio Communications fund's 3rd quarter Fiscal Year 2017 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 \$1,263,000 for accrued E-911 operational surcharge revenue which is paid to the County quarterly. The remaining balance is rent due from antenna site co-locators, amounts due from non-governmental external users for leased equipment and anticipated amounts due for rebanding 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.
- The favorable variance for Parts and Accessories indicates higher than anticipated radio equipment repair requests.

RADIO COMMUNICATIONS FUND 53600
Fiscal Year 2017 – 3rd Quarter
Brief Explanation of “Actuals”

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

Revenues – Cont'd:

- 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.
- Prior year's adjustment is related to FY2016 transactions.
- Refund of a prior year's expenditure is for communications expense credits received that relate to FY 2016.

Expenses:

- Salary and Fringe Benefit variances are favorable due to lower than anticipated overtime, on-call hours and un-filled positions.
- Adjustment of prior year's revenue is to adjust the anticipated rebanding revenue previously recognized.
- 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.
- Equipment maintenance is lower than expected due to the timing of services.
- Indirect cost expense is based on the County's Indirect Cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, and Budgeting and Administrative services. The final allocation was established after adoption of the current budget.
- Professional services expense is favorable due to the timing of the ESInet project.
- Rebillable services are payments for parts and labor to be invoiced upon work completion.
- 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 maintenance such as painting.
- Tower charges represent payments for tower rental agreements.
- Overall commodities are over budget due to the timing of purchases.
- Internal service expense is favorable (overall) based on actual usage of county department services that fall below expectations.

Non-Operating Revenues and Expenses:

- Income from investments represents the portion of income from cash managed and allocated by the Treasurer's Office.
- Transfers to municipalities are for PSAP cessation settlement payments.
- Transfers In includes: \$39,000 approved by the Board of Commissioners for five additional radios of which four are for the Sheriff's contracts with municipalities and one for the Joint Terrorism Task Force; \$12,762.15 transfer to close project E-154, Garage Radio Expansion Project, and \$10,553 for Sheriff's Radio purchases.
- Transfers Out includes \$37,500 for Help Desk support and \$177,000 for OakNet operation costs; both provided by Information Technology.

County of Oakland
Fire Records Management Fund
Statement of Net Assets
June 30, 2017

EXHIBIT B

ASSETS

Current assets:	
Cash and cash equivalents	\$ 789,843.41
Due from other governments	53,975.34
Accrued interest on investment	2,978.66
Accounts receivable	2,894.06
Prepaid expense	44,122.19
Total current assets	<u>893,813.66</u>
Noncurrent assets:	
Capital projects in progress	583,059.50
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>583,059.51</u>
Total assets	<u>1,476,873.17</u>

LIABILITIES

Current liabilities:	
Vouchers payable	23,090.00
Accounts payable	19,833.00
Due to other funds	46,845.75
Total current liabilities	<u>89,768.75</u>

NET ASSETS

Invested in capital assets, net of related debt	583,059.51
Unrestricted	804,044.91
Total net assets	<u>\$ 1,387,104.42</u>

County of Oakland
Fire Records Management Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the Nine Months Ended June 30, 2017

EXHIBIT B-1

	2017			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues:						
Outside agencies	\$ 153,914.00	71.70%	\$ 115,435.50	115,160.67	70.74%	\$ (274.83)
Participation fees - non-Oakland agencies	37,504.00	17.47%	28,128.00	36,401.43	22.36%	8,273.43
Outside agencies-rebilled charges	23,247.00	10.83%	17,435.25	11,217.07	6.90%	(6,218.18)
Total operating revenues	214,665.00	100.00%	160,998.75	162,779.17	100.00%	1,780.42
Operating expenses:						
Salaries	282,997.00	131.84%	212,247.75	177,035.46	108.76%	35,212.29
Fringe benefits	156,828.00	73.06%	117,621.00	100,100.46	61.49%	17,520.54
Contractual services:						
Communications	29,000.00	13.51%	21,750.00	2,377.27	1.47%	19,372.73
Equipment repairs and maintenance	1,000.00	0.46%	750.00	0.00	0.00%	750.00
Indirect costs	82,000.00	38.19%	61,500.00	61,248.75	37.63%	251.25
Personal mileage	1,000.00	0.46%	750.00	0.00	0.00%	750.00
Software rental lease purchase	0.00	0.00%	0.00	1,491.15	0.91%	(1,491.15)
Software support/maintenance	84,112.00	39.18%	63,084.00	58,853.50	36.16%	4,230.50
Travel and conference	4,000.00	1.86%	3,000.00	0.00	0.00%	3,000.00
Total contractual services	201,112.00	93.66%	150,834.00	123,970.67	76.17%	26,863.33
Commodities:						
Expendable equipment	7,000.00	3.26%	5,250.00	0.00	0.00%	5,250.00
Total commodities	7,000.00	3.26%	5,250.00	0.00	0.00%	5,250.00
Depreciation:						
Equipment	13,333.00	6.21%	9,999.75	0.00	0.00%	9,999.75
Total depreciation	13,333.00	6.21%	9,999.75	0.00	0.00%	9,999.75
Internal services:						
Info Tech-development	0.00	0.00%	0.00	31,982.94	19.65%	(31,982.94)
Info Tech-operations	47,645.00	22.19%	35,733.75	39,570.00	24.30%	(3,836.25)
Insurance fund	656.00	0.31%	492.00	437.36	0.27%	54.64
Telephone communications	314.00	0.15%	235.50	463.76	0.28%	(228.26)
Total internal services	48,615.00	22.65%	36,461.25	72,454.06	44.50%	(35,992.81)
Total operating expenses	709,885.00	330.68%	532,413.75	473,560.65	290.92%	58,853.10
Operating income (loss)	(495,220.00)	-230.68%	(371,415.00)	(310,781.48)	-190.92%	60,633.52
Nonoperating revenues (expenses):						
Planned use of balance	30,478.00	14.19%	22,858.50	0.00	0.00%	(22,858.50)
Income from investments	3,000.00	1.39%	3,000.00	7,350.12	4.52%	4,350.12
Total nonoperating revenues (expenses)	33,478.00	15.58%	25,858.50	7,350.12	4.52%	(18,508.38)
Income (loss) before transfers	(461,742.00)	-215.10%	(345,556.50)	(303,431.36)	-186.40%	42,125.14
Transfers in	461,742.00	215.10%	346,306.50	320,661.54	196.99%	(25,644.96)
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net assets	\$ 0.00	0.00%	\$ 750.00	17,230.18	10.59%	\$ 16,480.18
Total net assets - beginning				1,369,874.24		
Total net assets - ending				<u>\$ 1,387,104.42</u>		

FIRE RECORDS MANAGEMENT - FUND 53100 Operating Transfers In - Fiscal Year 2017

Description	Amount
Budgeted Operating Transfer from General fund to Fire Records Management fund for 1st quarter FY 2017 operating support	\$ 106,887.18
Budgeted Operating Transfer from General fund to Fire Records Management fund for 2nd quarter FY 2017 operating support	\$ 106,887.18
Budgeted Operating Transfer from General fund to Fire Records Management fund for 3rd quarter FY 2017 operating support	\$ 106,887.18
Total	\$ 320,661.54

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2017 – 3rd Quarter
Brief Explanation of “Actuals”

Following are some comments regarding Fire Records Management Fund's 3rd quarter FY 2017 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.
- 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 capitalized equipment and software are fully depreciated. Fire Records Management fund has a fixed asset capitalization threshold of \$5,000 as an Enterprise fund.
- Due to other funds is the amount owed to CLEMIS for staff work on the FRMS re-write.

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 2017.
- Participation fees - non-Oakland agencies is the amount billed to municipalities and agencies located outside of Oakland County. The fund billed six non-Oakland County users during the 3rd quarter of FY 2017.
- 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 2017 budget per Fiscal Services management.
- Income from investments is favorable due to increase in 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.

FIRE RECORDS MANAGEMENT FUND 53100
Fiscal Year 2017 – 3rd Quarter
Brief Explanation of “Actuals”

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

Expenses:

- Salary & Fringe benefit variances are favorable due to lower than anticipated on-call payroll, and a currently vacant position.
- 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.
- 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.
- Internal service expense is unfavorable overall based on actual usage that falls above expectations and unbudgeted costs for IT Development for the FRMS Rewrite project.

County of Oakland
CLEMIS Fund
Statement of Net Position
June 30, 2017

EXHIBIT C

ASSETS

Current assets:

Cash and cash equivalents	\$ 11,728,327.39
Due from other funds	46,845.75
Due from other governments	894,075.50
Accounts receivable	156,924.15
Accrued interest on investment	38,944.09
Prepaid items	875,434.77
Total current assets	<u>13,740,551.65</u>

Non-current assets:

Capital projects in progress	3,193,163.09
Equipment	12,806,483.33
Equipment - COPS MORE	19,775,063.27
Equipment - OAKVIDEO	6,388,751.84
Less accumulated depreciation	<u>(37,765,780.38)</u>
Total capital assets (net of accumulated depreciation)	<u>4,397,681.15</u>
Total assets	<u>18,138,232.80</u>

LIABILITIES

Current liabilities:

Vouchers payable	179,979.42
Accounts Payable	171,975.03
Due to other funds	9,957.50
Due to municipalities	369,115.00
Unearned revenue	<u>329,386.21</u>
Total current liabilities	<u>1,060,413.16</u>

NET POSITION

Net Investment in capital assets	4,397,681.15
Unrestricted - designated for projects	387,288.13
Unrestricted	<u>12,292,850.36</u>
Total net position	<u>\$ 17,077,819.64</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, 2017

	2017			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Operating revenues						
Access Fees Non Oakland	732,315.00	11.68%	549,236.25	603,395.71	13.28%	54,159.46
Access Fees Oakland	321,456.00	5.13%	241,092.00	237,936.83	5.24%	(3,155.17)
CLEMIS Citation	180,000.00	2.87%	135,000.00	168,151.79	3.70%	33,151.79
CLEMIS Crash	600,000.00	9.57%	450,000.00	488,260.50	10.75%	38,260.50
CLEMIS Parking	7,000.00	0.11%	5,250.00	5,939.20	0.13%	689.20
Crime Mapping	8,000.00	0.13%	6,000.00	9,177.53	0.20%	3,177.53
In Car Terminals External	1,587,494.00	25.33%	1,190,620.50	1,200,115.00	26.41%	9,494.50
In Car Terminals Internal	233,217.00	3.72%	174,912.75	181,330.50	3.99%	6,417.75
Maintenance Contracts	583,490.00	9.31%	437,617.50	455,389.72	10.02%	17,772.22
OC Depts Operations	409,306.00	6.53%	306,979.50	331,427.97	7.29%	24,448.47
Parts and Accessories	6,000.00	0.10%	4,500.00	17.99	0.00%	(4,482.01)
Productive Labor	200.00	0.00%	150.00	0.00	0.00%	(150.00)
Rebilled Charges	400,000.00	6.38%	300,000.00	180,371.00	3.97%	(119,629.00)
Reimb General	300,000.00	4.79%	225,000.00	127,351.25	2.80%	(97,648.75)
Service Fees	900,000.00	14.36%	675,000.00	466,435.50	10.27%	(208,564.50)
Subpoena Fees	0.00	0.00%	0.00	30.00	0.00%	30.00
Prior Years Revenue	0.00	0.00%	0.00	83,323.00	1.83%	83,323.00
Refund Prior Years Expenditure	0.00	0.00%	0.00	4,775.00	0.11%	4,775.00
Total operating revenue:	6,268,478.00	100.00%	4,701,358.50	4,543,428.49	100.00%	(157,930.01)
Operating expenses						
Salaries	2,081,291.00	33.20%	1,560,968.25	1,211,559.42	26.67%	349,408.83
Fringe benefits	1,093,802.00	17.45%	820,351.50	612,571.32	13.48%	207,780.18
Contractual services						
Adj Prior Years Exp	0.00	0.00%	0.00	38.45	0.00%	(38.45)
Bank Charges	300,000.00	4.79%	225,000.00	76,798.36	1.69%	148,201.64
Communications	900,000.00	14.36%	675,000.00	673,693.67	14.83%	1,306.33
Equipment Maintenance	300,000.00	4.79%	225,000.00	366,561.85	8.07%	(141,561.85)
Freight and Express	250.00	0.00%	187.50	0.00	0.00%	187.50
Garbage and Rubbish Disposal	0.00	0.00%	0.00	39.80	0.00%	(39.80)
Indirect Costs	315,690.00	5.04%	236,767.50	241,951.50	5.33%	(5,184.00)
Membership Dues	2,000.00	0.03%	1,500.00	969.00	0.02%	531.00
Periodicals Books Publ Sub	0.00	0.00%	0.00	49.97	0.00%	(49.97)
Personal Mileage	2,500.00	0.04%	1,875.00	909.65	0.02%	965.35
Printing	3,000.00	0.05%	2,250.00	0.00	0.00%	2,250.00
Professional Services	552,868.00	8.82%	414,651.00	1,052,658.60	23.17%	(638,007.60)
Rebillable Services	450,000.00	7.18%	337,500.00	247,906.92	5.46%	89,593.08
Software Rental Lease Purchase	250,000.00	3.99%	187,500.00	15,558.09	0.34%	171,941.91
Software Support Maintenance	1,250,000.00	19.94%	937,500.00	949,561.67	20.90%	(12,061.67)
Training	0.00	0.00%	0.00	6,095.00	0.13%	(6,095.00)
Travel and Conference	10,000.00	0.16%	7,500.00	17,038.26	0.38%	(9,538.26)
Workshops and Meeting	1,250.00	0.02%	937.50	125.79	0.00%	811.71
Total contractual services	4,337,558.00	69.20%	3,253,168.50	3,649,956.58	80.33%	(396,788.08)
Commodities						
Dry Goods and Clothing	1,200.00	0.02%	900.00	1,128.00	0.02%	(228.00)
Other Expendable Equipment	22,000.00	0.35%	16,500.00	26,546.05	0.58%	(10,046.05)
Metered Postage	287.00	0.00%	215.25	243.72	0.01%	(28.47)
Office Supplies	1,000.00	0.02%	750.00	5,213.57	0.11%	(4,463.57)
Parts and Accessories	25,000.00	0.40%	18,750.00	11,880.43	0.26%	6,869.57
Printing Supplies	500.00	0.01%	375.00	0.00	0.00%	375.00
Total commodities	49,987.00	0.80%	37,490.25	45,011.77	0.99%	(7,521.52)
Depreciation						
Depreciation Computer Equip	0.00	0.00%	0.00	823,135.55	18.12%	(823,135.55)
Depreciation Computer Software	0.00	0.00%	0.00	102,491.05	2.26%	(102,491.05)
Depreciation Equipment	2,563,467.00	40.89%	1,922,600.25	0.00	0.00%	1,922,600.25
Depreciation Furniture	0.00	0.00%	0.00	797.94	0.02%	(797.94)
Total depreciation	2,563,467.00	40.89%	1,922,600.25	926,424.54	20.39%	996,175.71

County of Oakland
CLEMIS Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Nine Months Ended June 30, 2017

	2017			Year to Date		Favorable (Unfavorable) Variance
	Amended Budget	Percent of Revenue	Allotment	Actual	Percent of Revenue	
Internal services						
Bldg Space Cost Allocation	54,516.00	0.87%	40,887.00	40,887.00	0.90%	0.00
Info Tech Development	417,934.00	6.67%	313,450.50	152,920.09	3.37%	160,530.41
Info Tech Operations	218,106.00	3.48%	163,579.50	190,662.34	4.20%	(27,082.84)
Info Tech Managed Print Svcs	0.00	0.00%	0.00	5.67	0.00%	(5.67)
Insurance Fund	4,322.00	0.07%	3,241.50	2,881.36	0.06%	360.14
Motor Pool Fuel Charges	2,400.00	0.04%	1,800.00	1,570.65	0.03%	229.35
Motor Pool	15,200.00	0.24%	11,400.00	8,706.08	0.19%	2,693.92
Radio Communications	16,712.00	0.27%	12,534.00	0.00	0.00%	12,534.00
Telephone Communications	31,140.00	0.50%	23,355.00	15,166.39	0.33%	8,188.61
Total internal services	760,330.00	12.13%	570,247.50	412,799.58	9.09%	157,447.92
Total operating expense	10,886,435.00	173.67%	8,164,826.25	6,858,323.21	150.95%	1,306,503.04
Operating income (loss)	(4,617,957.00)	-73.67%	(3,463,467.75)	(2,314,894.72)	-50.95%	1,148,573.03
Nonoperating revenues (expenses)						
Planned Use of Fund Balance	2,738,771.00	43.69%	2,054,078.25	0.00	0.00%	(2,054,078.25)
Income from investments	35,000.00	0.56%	26,250.00	104,617.83	2.30%	78,367.83
Total nonoperating revenues (expenses)	2,773,771.00	44.25%	2,080,328.25	104,617.83	2.30%	(1,975,710.42)
Income (loss) before transfer	(1,844,186.00)	-29.42%	(1,383,139.50)	(2,210,276.89)	-48.65%	(827,137.39)
Transfers in	1,844,186.00	29.42%	1,383,139.50	1,383,139.50	30.44%	0.00
Transfers out	0.00	0.00%	0.00	0.00	0.00%	0.00
Change in net position	0.00	0.00%	0.00	(827,137.39)	-18.21%	(827,137.39)
Net Position - beginning				17,904,957.03		
Net Position - ending				17,077,819.64		

COUNTY OF OAKLAND
CLEMIS FUND
FINANCIAL REPORT AS OF JUNE 30, 2017

EXHIBIT C-2

STATEMENT OF NET POSITION

ASSETS

Current Assets:	
Cash - Operating	\$ 11,728,327.39
Accrued Interest on Investments	38,944.09
Accounts Receivable	156,924.15
Due from other funds	46,845.75
Due from other governments	894,075.50
Prepaid Expenses	875,434.77
Total Current Assets	13,740,551.65
Non-current Assets:	
Property and Equipment at Cost:	
Capital Projects in progress	3,193,163.09
Equipment	12,806,483.33
Equipment - 911	
Equipment - COPS MORE	19,775,053.27
Equipment - OAK VIDEO	6,388,751.84
Accumulated Depreciation	(37,765,780.38)
Property and Equipment - Net	4,397,681.15
TOTAL ASSETS	18,138,232.80

LIABILITIES

Current Liabilities:	
Vouchers Payable	179,979.42
Due to other funds	9,957.50
Due to municipalities	369,115.00
Accounts Payable	171,975.03
Unearned Income	329,386.21
Total Current Liabilities	1,060,413.16

NET POSITION

Invested in Capital Assets	4,397,681.15
Unrestricted-designated for projects	387,288.13
Unrestricted	12,292,850.36
Total Net Position	\$ 17,077,819.64

STATEMENT OF OPERATIONS

	Total Operations	CLEMIS Operations	Oak/Video Operations
Operating Revenues:			
Access fees-Police Depts/Other in Oakland	\$ 237,936.83	\$ 237,936.83	-
Access fees-Non-Oakland County Users	603,395.71	603,395.71	-
In Car Terminals-All Other	1,200,115.00	1,200,115.00	-
Maintenance Contracts - MugsShot Capture Station	217,889.72	217,889.72	-
Maintenance Contracts - LiveScan	466,435.50	466,435.50	-
Service Fees	331,427.97	331,427.97	-
Sheriff Contracted Services	168,151.79	168,151.79	-
CLEMIS Citation	488,260.50	488,260.50	-
CLEMIS Crash	5,939.20	5,939.20	-
CLEMIS Parking	17.99	17.99	-
Parts and accessories	30.00	30.00	-
Subpoena Fees	180,371.00	180,371.00	-
Rebilled Charges	127,351.25	127,351.25	-
Reimb General	9,177.53	9,177.53	-
Crime Mapping	-	-	-
Gain on Sale/Exchange of Equipment	83,323.00	83,323.00	-
Prior Year's Revenue	4,775.00	4,775.00	-
Refund Prior Years Expenditure	104,617.83	104,617.83	-
Income from Investments	-	-	-
Capital Contributions	1,383,139.50	1,083,139.50	300,000.00
Operating Transfers In	6,031,185.82	5,731,185.82	300,000.00
TOTAL REVENUES			

Operating Expenses:			
Salaries	1,211,559.42	1,096,791.73	114,767.69
Fringe Benefits	612,571.32	558,850.20	53,721.12
Adjustment of Prior Year's Expense	38.45	38.45	-
Bank Charges	76,798.36	76,798.36	-
Communications	673,693.67	673,693.67	-
Equipment Repairs & Maintenance	366,561.85	360,061.23	6,500.62
Forensic Lab Enhancement	-	-	-
Freight & Express	39.80	39.80	-
Garbage and rubbish disposal	241,951.50	241,951.50	-
Indirect Costs	1,018.97	1,018.97	-
Membership Dues & Publications	909.65	237.00	672.65
Personal Mileage	6,095.00	6,095.00	-
Training	1,052,658.60	1,052,658.60	-
Professional Services	247,906.92	247,906.92	-
Rebillable Services	15,558.09	15,558.09	-
Software Rental Lease Purchase	949,561.67	949,561.67	-
Software Support/Maintenance	17,038.26	17,038.26	-
Travel and Conference	125.79	125.79	-
Workshops and Meetings	1,128.00	1,128.00	-
Miscellaneous	26,546.05	26,546.05	-
Expendable Equipment	243.72	243.72	-
Metered Postage	5,213.57	5,213.57	-
Office Supplies	11,860.43	11,860.43	-
Parts & Accessories	926,424.54	759,241.76	167,182.78
Depreciation	40,887.00	40,887.00	-
Bldg. Space Cost Allocation	-	-	-
Special Event Supplies	152,920.09	152,920.09	-
Info. Tech. - Development	190,662.34	190,662.34	-
Info. Tech. - Operations	5.67	5.67	-
Info. Tech. - Managed Print Services	2,881.36	2,881.36	-
Insurance Fund	8,706.08	8,706.08	-
Motor Pool	1,570.65	1,570.65	-
Motor Pool Fuel Charges	-	-	-
Radio Communications	15,166.39	15,166.39	-
Telephone Communications	6,515,478.35	6,515,478.35	342,844.86
TOTAL EXPENSES			
NET INCOME (LOSS)	(827,137.39)	(784,292.53)	(42,844.86)
NET ASSETS, OCTOBER 1, 2016	17,904,957.03	\$ 17,090,218.26	\$ 814,738.77
NET ASSETS, JUNE 30, 2017	\$ 17,077,819.64	\$ 16,305,925.73	\$ 771,893.91

<p align="center">CLEMIS - FUND 53500 Operating Transfers In - Fiscal Year 2017</p>

Description	Amount
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2017 operating support.	\$ 361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 1st quarter FY 2017 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2017 operating support.	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 2nd quarter FY 2017 OakVideo operating support.	100,000.00
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2017 operating support.	361,046.50
Budgeted Operating Transfer from General fund to CLEMIS fund for 3rd quarter FY 2017 OakVideo operating support.	100,000.00
Total	\$ 1,383,139.50

CLEMIS FUND 53500
Fiscal Year 2017 – 3rd Quarter
Brief Explanation of “Actuals”

EXHIBIT C-4

Listed below are some comments regarding CLEMIS fund’s 3rd quarter FY 2017 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 funds is the amount owed from Fire Records Management for CLEMIS staff efforts on the FRMS Re-write project.
- Due from other governments and accounts receivable include CLEMIS member fees and Crash charges through June 2017.
- Prepaid items are amounts paid in advance for contracted hardware and software support.
- Capital projects in progress are the amounts expended through June 2017 for the CAD Upgrade project, OakVideo Upgrade project, SAN Project, Crash software rewrite project and the Mugshot Upgrade project.
- Vouchers payable and Accounts payable include expenses accrued through June 2017.
- Due to municipalities is the amount of revenue sharing for Citation and Crash through June 2017 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:

- 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 is higher than anticipated.
- CLEMIS Citation revenue is generated from the electronic citation system.
- CLEMIS Crash revenue is generated from the online purchase of accident/crash reports.
- CLEMIS Parking is an application used by member agencies to issue parking citations via hand-held devices.
- In-car terminals External revenue is user MDC participation fees based upon the user’s actual MDC count multiplied by a per unit rate.
- In-car terminals Internal revenue are the Oakland County Departments MDC participation fee based upon an actual MDC count. Those departments include Sheriff’s Office, Prosecutors, and Animal Control.
- Sheriff contracted services revenue is based on the actual FTE count for the OCSD and other OC non-emergency departments that utilize CLEMIS services.
- Rebilled charges are for the rebilling of LeadsOnline and connectivity costs billed to Tier 2.5 and 3.0 agencies. This revenue source is offset by the Rebillable services expense.
- Reimbursement general is unfavorable because billings were lower than anticipated for CLEMIS billable staff supporting Sheriff Projects and Radio through June 2017.
- Service fees revenue are lower than anticipated for amounts charged to Radio fund for MDC/CAD/911 support costs for Oakland County agencies.
- Prior year’s revenue is an adjustment related to transactions that should have been recorded in FY 2016.

CLEMIS FUND 53500
Fiscal Year 2017 – 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 favorable due to PayPal service costs which are lower than anticipated. The service allows on-line processing and payment of CLEMIS Citation and Crash transactions.
- Communications expense is favorable due to lower than anticipated connectivity costs.
- Indirect costs expense is based on the County’s indirect cost allocation. It includes Human Resources, Payroll, Treasurer, Accounting, Budgeting, and Administrative services. The final allocation was established after adoption of the current budget.
- Professional services expense is unfavorable due to contractors continuing to work on various CLEMIS projects; these costs are partially offset by favorability in salaries and fringe benefits.
- Rebillable services expense offsets Rebilled charges revenue.
- Software rental lease purchase and Software support maintenance expenses combined are favorable due to the timing of software purchases.
- Depreciation expense is favorable due to the timing of capital projects not yet finalized into service.
- Internal service charges are favorable overall, 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.
- Transfers in includes: \$1,083,139.50 from the General fund for operational support and \$300,000 from the General fund for OakVideo operational support.